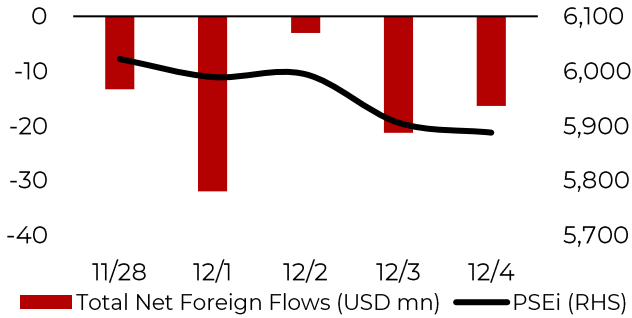


The Morning View

December 5, 2025

Philippine Stock Exchange Index

-0.31% DoD; Net foreign selling: \$16.35mn



| | Level | DoD |
|--------------------------|----------|-----------|
| PSEi | 5,887.58 | -0.31% |
| 3-mo bond yield | 4.87% | -0.60 bps |
| 2-yr bond yield | 5.19% | -1.36 bps |
| 5-yr bond yield | 5.55% | +0.04 bps |
| 10-yr bond yield | 5.91% | -1.46 bps |
| USDPHP | 59.02 | +0.17% |
| Oil (Brent, \$ / barrel) | 63.26 | +0.94% |

Philippine consumer price index (CPI) inflation slowed to 1.5% YoY in November (October 1.7%), below the market expectation of 1.7%. The cooler print is attributed to slower inflation of (1) food, mainly vegetables and meat, as well as (2) furnishings, household equipment, and routine household maintenance. Meanwhile, core inflation slowed to 2.4% in November (October: 2.5%).

Manila Electric Co.'s (PSE Ticker: MER) power generation arm, Meralco Powergen Corp. (MGEN), has begun preparing for a competitive selection process or a baseload capacity auction for its planned 1,200-megawatt power project in Quezon. Currently, MGEN has a total net saleable capacity of 5,068 MW, which the company expects to double over the next 5 years.

Local equities fell as traders positioned ahead of the local inflation release. Meanwhile, **local fixed income yields** fell, and the **Philippine peso** weakened as investors continued to weigh Bangko Sentral ng Pilipinas (BSP) Governor Remolona's dovish remarks, signaling that the slower economic growth gives more room for a December rate cut.

The PSEi closed at 5,887.58 (-0.31% DoD).

On average, yields fell by 0.52 bps, with the 2Y closing at 5.19% (-1.36 bps) and the 10Y closing at 5.91% (-1.46 bps).

The USD/PHP pair closed at 59.02 (+0.17% DoD).

The US Labor Department reported that US weekly jobless claims dropped by 27,000 to 191,000 (consensus: 220,000) for the week ending November 29, marking the lowest level in over three years. Additionally, a separate report from the Chicago Fed, estimated that the US unemployment rate remained steady at 4.4% in November.

National Economic Council Director Kevin Hassett said that the Fed is 'likely' to cut rates by 25 bps at its December 9-10 meeting. He added that he wanted to get to a much lower rate over the long run. Hassett is one of the nominees for the next Fed Chair, whom Trump plans to announce his selection in early 2026.

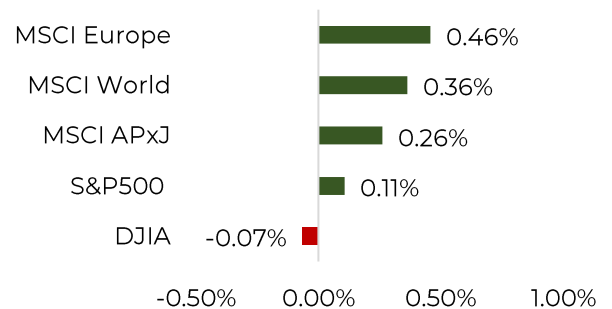
US equities inched up, **US Treasury yields** rose, and the **US dollar** strengthened after the US weekly jobless claims data fell to a more than three-year low, easing concerns about a significant deterioration in the labor market.

The S&P 500 closed at 6,857.12 (+0.11% DoD), while the DJIA ended at 47,850.94 (-0.07% DoD).

On average, yields rose by 2.39 bps, with the 2Y closing at 3.53% (+3.70 bps) and the 10Y closing at 4.10% (+3.50 bps).

The DXY closed at 98.99 (+0.14% DoD).

Global Stock Indices



| | Level | DoD |
|-------------------------|-----------|-----------|
| S&P 500 | 6,857.12 | +0.11% |
| DJIA | 47,850.94 | -0.07% |
| 3-mo US Treasury yield | 3.71% | -0.50 bps |
| 2-yr US Treasury yield | 3.53% | +3.70 bps |
| 5-yr US Treasury yield | 3.68% | +4.40 bps |
| 10-yr US Treasury yield | 4.10% | +3.50 bps |
| DXY | 98.99 | +0.14% |