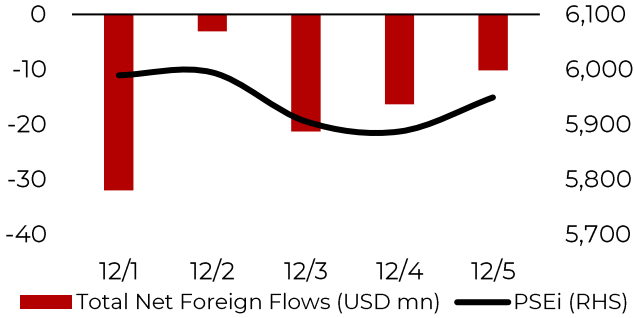


The Morning View

December 9, 2025

Philippine Stock Exchange Index

+1.05% DoD; Net foreign selling: \$10.14mn



	Level	DoD
PSEi*	5,949.22	+1.05%
3-mo bond yield*	4.87%	+0.07 bps
2-yr bond yield*	5.19%	-0.23 bps
5-yr bond yield*	5.55%	-0.50 bps
10-yr bond yield*	5.92%	+1.26 bps
USDPHP*	58.94	-0.15%
Oil (Brent, \$ / barrel)	63.75	+0.77%

*As of December 5, 2025

US Personal Consumption Expenditures (PCE) inflation edged higher to 2.8% YoY in September (Aug.: 2.7%), matching economists' expectations. Core PCE, the Fed's preferred inflation gauge which excludes volatile food and energy prices, rose by 2.8% YoY in September. This matched the August print and consensus forecasts, though still above the Fed's 2.0% target. The release of this report was delayed due to the government shutdown.

University of Michigan US Consumer Sentiment Index rose to 53.3 in early December (Nov.: 51.0; Consensus: 52.0). This was driven by consumers' improved expectations on their personal finances. Meanwhile, short- and long-run inflation expectations fell to 4.1% (Nov.: 4.5%) and 3.2% (Nov.: 3.4%), respectively.

US equities inched down, **US Treasury yields** rose, and the **US dollar** slightly strengthened as investors digested the improved December consumer sentiment and the faster September PCE inflation. Nonetheless, the PCE came in line with expectations, which continued to support the possibility of a Fed rate cut in its meeting this week.

The S&P 500 closed at 6,846.51 (-0.35% DoD), while the DJIA ended at 47,739.32 (-0.45% DoD).

On average, yields rose by 2.03 bps, with the 2Y closing at 3.58% (+1.50 bps) and the 10Y closing at 4.17% (+2.90 bps).

The DXY closed at 99.09 (+0.10% DoD).

A BusinessWorld poll showed that analysts expect the Bangko Sentral ng Pilipinas (BSP) to cut the policy rate by 25 bps in the December policy meeting. This comes amid the weaker-than-expected economic growth and below-target inflation. Analysts also project further monetary easing in 2026, citing expectations of sluggish 4Q economic performance.

Manila Electric Co. (PSE Ticker: MER) announced that it has started preparing to energize Cagbalate Island in Mauban, Quezon. The project is expected to deliver electricity to more than 1,000 residential and commercial customers through a 2.8-megawatt (MW) solar photovoltaic system, a 6.69-MW-hour battery energy storage system, and four sets of 0.25 MW diesel as backup to be built over the next three years.

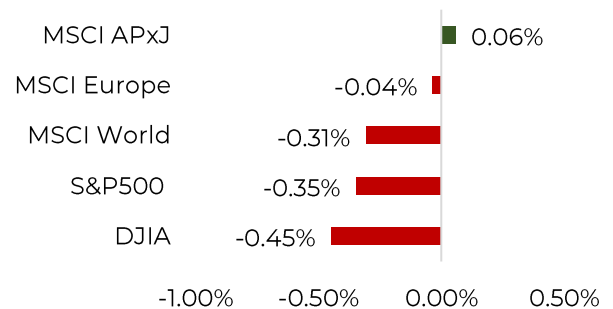
Local equities rebounded, and **local fixed income yields** were mixed following the slower-than-expected local inflation print of 1.5% in November. Meanwhile, the **Philippine peso** slightly strengthened as investors awaited the release of key US inflation data overnight.

The PSEi closed at 5,949.22 (+1.05% DoD).

On average, yields rose by 0.29 bps, with the 2Y closing at 5.19% (-0.23 bps) and the 10Y closing at 5.92% (+1.26 bps).

The USD/PHP pair closed at 58.94 (-0.15% DoD).

Global Stock Indices



	Level	DoD
S&P 500	6,846.51	-0.35%
DJIA	47,739.32	-0.45%
3-mo US Treasury yield	3.71%	-0.30 bps
2-yr US Treasury yield	3.58%	+1.50 bps
5-yr US Treasury yield	3.75%	+3.50 bps
10-yr US Treasury yield	4.17%	+2.90 bps
DXY	99.09	+0.10%

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