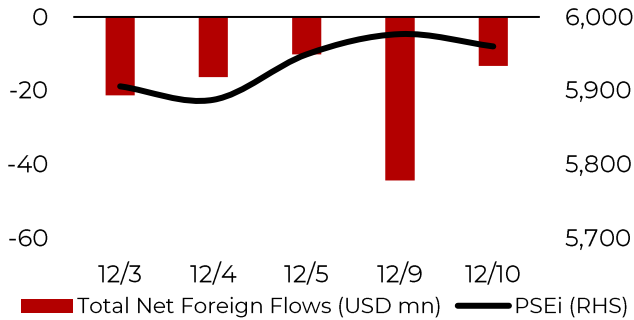


The Morning View

December 11, 2025

Philippine Stock Exchange Index

-0.28% DoD; Net foreign selling: \$13.31mn



	Level	DoD
PSEi	5,959.94	-0.28%
3-mo bond yield	4.87%	-0.78 bps
2-yr bond yield	5.20%	+0.51 bps
5-yr bond yield	5.56%	+1.34 bps
10-yr bond yield	5.97%	+5.45 bps
USDPHP	59.21	-0.02%
Oil (Brent, \$ / barrel)	62.21	+0.44%

The Philippine Statistics Authority reported that the Philippine unemployment rate rose to 5% in October, the highest in three months. This was higher than the 3.8% print in September. The rise was attributable to the recent typhoons and the higher labor force participation rate. The labor force participation rate rose to 63.6% from 63.3% a year ago. The underemployment rate, a measure of job quality, also slightly inched up to 12.0% (Sept. 11.1%).

International Container Terminal Services, Inc. (PSE Ticker: ICT) announced a signed agreement with Transnet SOC Ltd. to operate and further develop the Durban Container Terminal Pier 2 (DCT2). The agreement is a 25-year joint venture with formal management integration to begin in January 2026.

Local equities fell, local fixed income yields inched up, and the Philippine peso closed flat ahead of the monetary policy decisions of the US Federal Reserve overnight and the Bangko Sentral ng Pilipinas later today. Investors also weighed the country's higher unemployment rate in October.

The PSEi closed at 5,959.94 (-0.28% DoD).

On average, yields rose by 0.86 bps, with the 2Y closing at 5.2% (+0.51 bps) and the 10Y closing at 5.97% (+5.45 bps).

The USD/PHP pair closed at 59.21 (-0.02% DoD).

The US Federal Reserve lowered its benchmark policy rate by 25 bps to the 3.50% – 3.75% range. The Fed's dot plot showed that policymakers remained divided on the rate path. Fed Chair Jerome Powell reiterated that they are well-positioned to wait and see how the economy evolves. However, three Fed members dissented from the decision among the 12 voting members. Goolsbee and Schmid opposed the cut, while Miran called for a larger 50-bp reduction.

The Fed's December summary of economic projections showed policymakers expect faster economic growth, cooler inflation, and slightly lower unemployment rate in FY26. Gross domestic product growth forecast was raised to 2.3% in 2026 (Prev.: 1.8%), while core PCE inflation expectation was lowered to 2.5% (Prev.: 2.6%). Moreover, rate cut expectations remained unchanged, implying only a 25-bp cut each in FY26 and FY27.

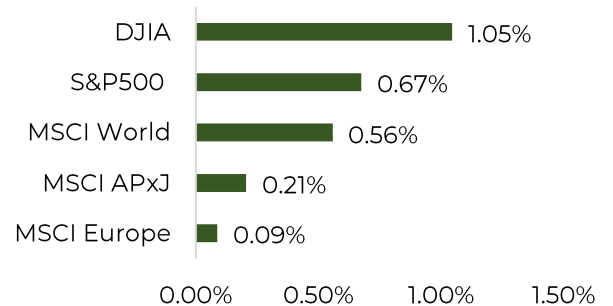
US equities rose, US Treasury yields declined, and the US dollar weakened following the US Fed's latest 25-bp rate cut and updated economic projections.

The S&P 500 closed at 6,886.68 (+0.67% DoD), while the DJIA ended at 48,057.75 (+1.05% DoD).

On average, yields fell by 4.17 bps, with the 2Y closing at 3.54% (-7.90 bps) and the 10Y closing at 4.15% (-3.90 bps).

The DXY closed at 98.79 (-0.44% DoD).

Global Stock Indices



	Level	DoD
S&P 500	6,886.68	+0.67%
DJIA	48,057.75	+1.05%
3-mo US Treasury yield	3.68%	-3.40 bps
2-yr US Treasury yield	3.54%	-7.90 bps
5-yr US Treasury yield	3.73%	-5.70 bps
10-yr US Treasury yield	4.15%	-3.90 bps
DXY	98.79	-0.44%