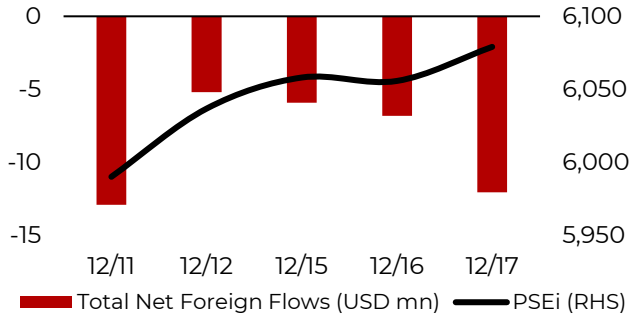


The Morning View

December 18, 2025

Philippine Stock Exchange Index

+0.39% DoD; Net foreign selling: \$12.05mn



	Level	DoD
PSEi	6,079.02	+0.39%
3-mo bond yield	4.85%	-2.46 bps
2-yr bond yield	5.28%	+1.14 bps
5-yr bond yield	5.69%	+0.20 bps
10-yr bond yield	6.05%	-1.19 bps
USDPHP	58.73	+0.01%
Oil (Brent, \$ / barrel)	60.68	+2.99%

The House of Representatives approved a bill amending the Philippines' bank secrecy law on second reading. House Bill No. 6707 allows the Bangko Sentral ng Pilipinas to examine bank deposits of individuals in regulated entities when there is "reasonable ground" to suspect fraud or financial crimes.

International Container Terminal Services, Inc. (PSE Ticker: ICT) announced that it has expanded operations of its Adriatic Gate Container Terminal port in Croatia. The upgrade includes the delivery of new super post-Panamax quay cranes, designed to handle the largest vessels in the global fleet. Commissioning is currently underway, with full operational readiness expected by year-end.

Local equities rose amid investors' bargain hunting. Meanwhile, **local fixed income yields** closed mixed, and the **Philippine peso** slightly weakened ahead of this week's US inflation data, which may guide the Fed's policy outlook. The increase in oil prices due to supply concerns also weighed on the local currency.

The PSEi closed at 6,079.02 (+0.39% DoD).

On average, yields rose by 0.18 bps, with the 2Y closing at 5.28% (+1.14 bps) and the 10Y closing at 6.05% (-1.19 bps).

The USD/PHP pair closed at 58.73 (+0.01% DoD).

Fed Governor Christopher Waller stated that he believes that monetary policy is still restrictive amid rising job market weakness. Waller said that the policy rate is "50 to 100 bps off of neutral," indicating that the Fed still has room to cut rates if it needs to. He also added that "there's no rush" and the Fed "can steadily bring down the policy rate towards neutral."

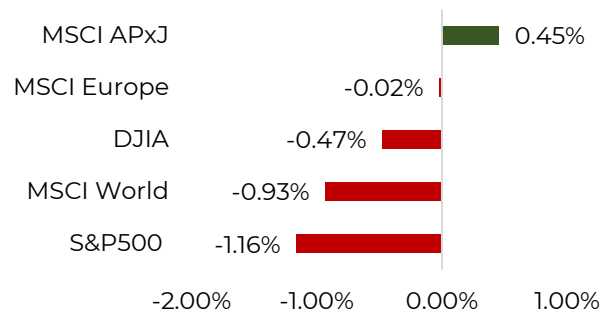
The US Senate advanced a \$901-billion defense bill, sending it to the White House where President Trump is expected to sign into law. The fiscal 2026 National Defense Authorization Act approves a record \$901 billion in annual military spending, including a 4% pay increase for service members.

US equities dropped amid a sell-off of artificial intelligence names. This was led by Oracle following reports of Blue Owl Capital pulling out from the \$10-billion deal to fund Oracle's data center project in Michigan. The S&P 500 closed at 6,721.43 (-1.16% DoD), while the DJIA ended at 47,885.97 (-0.47% DoD).

US Treasury yields closed mixed as investors traded sideways ahead of the release of the US November consumer price index (CPI) inflation data. On average, yields rose by 0.02 bps, with the 2Y closing at 3.49% (-0.40 bps) and the 10Y closing at 4.16% (+0.80 bps).

The **US dollar** strengthened ahead of the US November CPI data, and the policy rate decisions from the Bank of Japan and European Central Bank later this week. The DXY closed at 98.39 (+0.25% DoD).

Global Stock Indices



	Level	DoD
S&P 500	6,721.43	-1.16%
DJIA	47,885.97	-0.47%
3-mo US Treasury yield	3.63%	+0.20 bps
2-yr US Treasury yield	3.49%	-0.40 bps
5-yr US Treasury yield	3.70%	+0.20 bps
10-yr US Treasury yield	4.16%	+0.80 bps
DXY	98.39	+0.25%

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