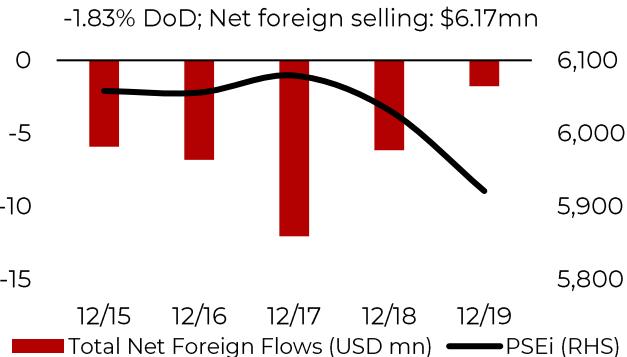




The Morning View

December 22, 2025

Philippine Stock Exchange Index



The Philippines' balance of payments (BoP) deficit sharply narrowed to \$225 million in November from the \$2.276 billion deficit in the same month last year. Year-to-date, the Philippines' BoP swung to a \$4.834-billion deficit from a \$2.117-billion surplus in the same period last year.

International Container Terminal Services, Inc. (PSE Ticker: ICT) announced that its board of directors approved the appointment of **Enrique M. Aboitiz as an independent director**. Mr. Aboitiz will serve the unexpired term of Cesar A. Buenaventura, starting January 1, 2026, and also assume the positions the latter left behind upon his passing.

Local equities dropped, **local fixed income yields** declined, and the **Philippine peso** slightly weakened as investors turned cautious ahead of the holiday-shortened trading week. Investors also weighed the Bangko Sentral ng Pilipinas' latest surveys, which showed weaker consumer and business confidence, mainly driven by lingering governance concerns.

The PSEi closed at 5,920.87 (-1.83% DoD).

On average, yields fell by 0.28 bps, with the 2Y closing at 5.3% (-0.02 bps) and the 10Y closing at 5.98% (-5.19 bps).

The USD/PHP pair closed at 58.7 (+0.25% DoD).

New York Fed President John Williams stated that the latest consumer price index was likely distorted due to "technical factors." He said that the data may have had a downward bias as they were collected during the second half of November. Nonetheless, Williams also noted that there was some comfort from categories not affected by the issue as price pressures eased.

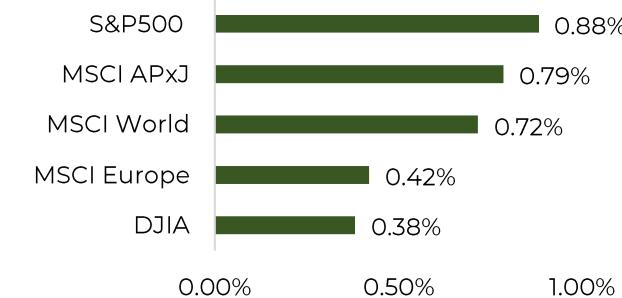
The Bank of Japan (BoJ) hiked its key policy rate by 25 bps to 0.75%, the highest since 1995. The BoJ remarked that policy remains accommodative despite the hike and will continue to firmly support economic activity. Additionally, the BoJ flagged ongoing uncertainties on US trade policies, but noted that these risks have eased.

US equities rose following a rally in large tech and semiconductor stocks such as Oracle and Micron. The S&P 500 closed at 6,834.50 (+0.88% DoD), while the DJIA ended at 48,134.89 (+0.38% DoD).

US Treasury yields increased following the remarks from Fed's Hammack and Williams, signaling no urgency to further cut policy rates. On average, yields rose by 1.95 bps, with the 2Y closing at 3.49% (+2.30 bps) and the 10Y closing at 4.15% (+2.50 bps).

The **US dollar** strengthened as the BoJ's neutral guidance on policy rates after its widely expected rate hike weighed on the Japanese yen. The DXY closed at 98.6 (+0.17% DoD).

Global Stock Indices



0.00% 0.50% 1.00%

	Level	DoD
S&P 500	6,834.50	+0.88%
DJIA	48,134.89	+0.38%
3-mo US Treasury yield	3.61%	-0.10 bps
2-yr US Treasury yield	3.49%	+2.30 bps
5-yr US Treasury yield	3.70%	+3.20 bps
10-yr US Treasury yield	4.15%	+2.50 bps
DXY	98.60	+0.17%

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