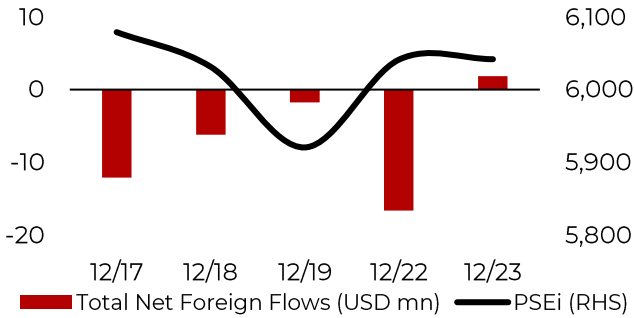


# The Morning View

December 26, 2025

## Philippine Stock Exchange Index

+0.01% DoD; Net foreign selling: \$0.00mn



	Level	DoD
PSEi	6,041.91	+0.01%
3-mo bond yield	4.84%	-4.22 bps
2-yr bond yield	5.33%	+2.63 bps
5-yr bond yield	5.72%	+1.67 bps
10-yr bond yield	6.04%	+6.15 bps
USDPHP	58.85	+0.20%
Oil (Brent, \$ / barrel)	62.24	0.00%

**The International Monetary Fund (IMF) expects the Philippines' current account deficit to narrow gradually through 2030.** It maintained its 2025 current account deficit forecast at 3.8% of gross domestic product (GDP). The IMF also expects the current account deficit (% of GDP) to narrow further to 3.4% in 2026, 3.1% in 2027, 2.9% in 2028, and 2.7% in 2029 and 2030. The narrower deficit was attributed to declining commodity prices and increased public and private savings.

**GT Capital Holdings, Inc.'s (PSE Ticker: GTCAP) subsidiary Toyota Motor Philippines (TMP) reported combined electrified vehicle (EV) sales of Toyota and Lexus models of 16,986 as of 11M25 (+45% YoY).** Toyota accounted for the majority of the sales at 15,455 units, while Lexus contributed 1,531 units.

**Local equities** closed flat amid light trading activity ahead of the Christmas holidays. Meanwhile, **local fixed income yields** inched higher, and the **Philippine peso** slightly weakened ahead of the release of the delayed US GDP growth data for 3Q25, which could provide cues for the US Fed's policy path.

The PSEi closed at 6,041.91 (+0.01% DoD).

On average, yields rose by 1.17 bps, with the 2Y closing at 5.33% (+2.63 bps) and the 10Y closing at 6.04% (+6.15 bps).

The USD/PHP pair closed at 58.85 (+0.20% DoD).

**US GDP expanded more than expected at a 4.3% QoQ annualized rate in 3Q25 (2Q25: 3.8%, Consensus: 3.2%).** The faster growth was driven by an increase in consumer and government spending, higher exports, and lower imports. Growth was further boosted by investments in artificial intelligence (AI) infrastructure and EV purchases ahead of the Biden-era EV subsidy expiry.

**Conference Board US consumer confidence index fell for the fifth consecutive month to 89.1 in December (Nov.: 92.9; Consensus: 91.0).** While the consumers' continued pessimism was attributed to concerns on inflation and the labor market, the December report saw increased mentions of immigration, war, and personal finances.

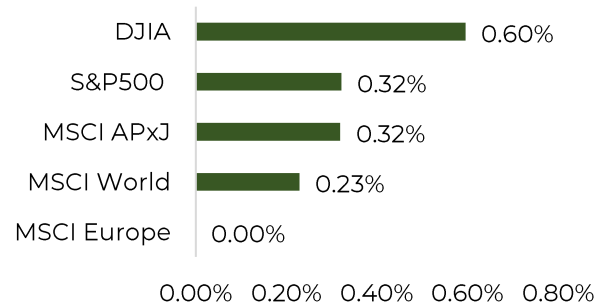
**US equities** rose, and the **US dollar** strengthened as investors cheered the stronger-than-expected US 3Q25 GDP print and the decline of the initial weekly jobless claims by 10,000 to 214,000.

The S&P 500 closed at a fresh high of 6,932.05 (+0.32% DoD), while the DJIA also ended at a new high of 48,731.16 (+0.60% DoD).

The DXY closed at 97.98 (+0.03% DoD).

**US Treasury yields** declined after the December consumer confidence hit its lowest level since April. On average, yields fell by 1.30 bps, with the 2Y closing at 3.51% (-2.40 bps) and the 10Y closing at 4.14% (-2.80 bps).

## Global Stock Indices



	Level	DoD
S&P 500	6,932.05	+0.32%
DJIA	48,731.16	+0.60%
3-mo US Treasury yield	3.65%	+5.10 bps
2-yr US Treasury yield	3.51%	-2.40 bps
5-yr US Treasury yield	3.72%	-1.90 bps
10-yr US Treasury yield	4.14%	-2.80 bps
DXY	97.98	+0.03%

As of 24 December 2024

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