

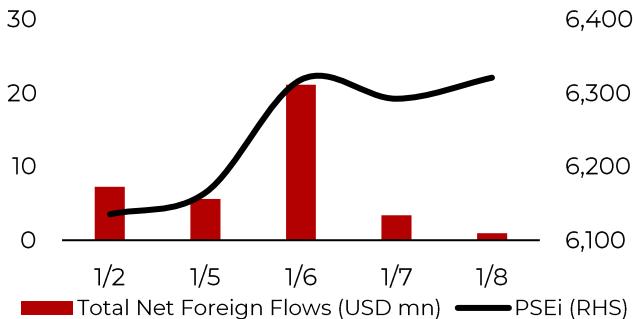


# The Morning View

January 9, 2026

## Philippine Stock Exchange Index

+0.45% DoD; Net foreign buying: \$0.95mn



**Bangko Sentral ng Pilipinas (BSP) Governor Eli M. Remolona, Jr.** said that the central bank's intervention in the foreign exchange market remains "minimal." He reiterated that they only make minimal interventions to ensure that the movements in the foreign exchange market are not too sharp, and there is no set price level for defending the peso.

**Manila Electric Company (PSE Ticker: MER)** said that customers may see higher electricity rates in January due to the weaker peso and the start of renewable energy fee collections. The company noted that this rise may be offset by lower Wholesale Electricity Spot Market prices during the December supply month.

**Local equities** rebounded amid investors' bargain hunting after the previous day's dip. The PSEi closed at 6,320.67 (+0.45% DoD).

**Local fixed income yields** ended mixed as BSP Governor Remolona's signals of a potential February rate cut pressured short-term rates lower, while concerns over the record national debt and future bond supply pushed long-term yields higher. On average, yields fell by 1.14 bps, with the 2Y closing at 5.29% (-3.29 bps) and the 10Y closing at 6.00% (+0.61 bps).

The **Philippine peso** strengthened amid the BSP's signal that the easing cycle is nearing its end. This was also after the country's dollar reserves hit \$110.9 billion in 2025, surpassing the BSP's \$109 billion projection. The USD/PHP pair closed at 59.17 (-0.31% DoD).

**US nonfarm productivity, a measure for hourly output per worker, improved to a 4.9% annualized QoQ rate in 3Q25 (2Q25: 4.1%, Consensus: 5.0).** This marked the strongest level since 3Q23, attributed to artificial intelligence spending by businesses.

**US trade deficit sharply narrowed to \$29.4 billion in October (-39% MoM), the lowest since mid-2009.** Imports fell to \$331.4 billion (-3.2% MoM), with goods imports easing to \$255.0 billion (-4.5% MoM). Meanwhile, exports rose to a record \$302.0 billion (+2.6% MoM), as goods exports jumped to \$195.9 billion (+3.8% MoM).

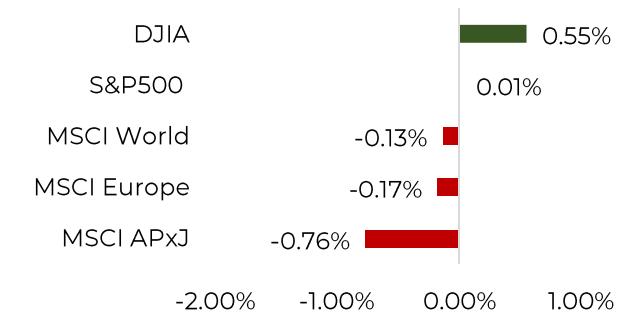
**US equities** inched up, driven by defense stocks after US President Trump called for an increase in the defense budget to a record \$1.5 trillion in 2027. However, gains were capped by weaker tech stocks amid a rotation out of the sector. The S&P 500 closed at 6,921.46 (+0.01% DoD), while the DJIA ended at 49,266.11 (+0.55% DoD).

**US Treasury yields** rose, and the **US dollar** strengthened on the back of the stronger 3Q25 productivity gains and the narrower trade deficit in October. Investors also looked ahead to the December nonfarm payrolls and unemployment rate report releases. Meanwhile, the greenback was further lifted by a weaker Euro, following the in-line Eurozone inflation of 2.0% in December.

On average, yields rose by 1.22 bps, with the 2Y closing at 3.49% (+1.60 bps) and the 10Y closing at 4.17% (+1.80 bps).

The DXY closed at 98.93 (+0.25% DoD).

## Global Stock Indices



	Level	DoD
S&P 500	6,921.46	+0.01%
DJIA	49,266.11	+0.55%
3-mo US Treasury yield	3.60%	-0.60 bps
2-yr US Treasury yield	3.49%	+1.60 bps
5-yr US Treasury yield	3.73%	+2.30 bps
10-yr US Treasury yield	4.17%	+1.80 bps
DXY	98.93	+0.25%

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