MONTHLY MARKET RECAP

NOVEMBER 2025

EQUITY

After breaking below the crucial 6,000 support level and hitting multi-year lows, the PSEI staged a dramatic reversal, closing at 6,022.24, up 1.6% MoM. Macro headwinds, worsening political climate and a discouraging earnings season further dampened investor sentiment causing consecutive sell-offs that dragged the index to 5,584.35, a level last seen in 2013 (excluding the pandemic). However, it managed to bounce back in less than a week as local institutions went bargain hunting. Net foreign selling for the month stood at PhP 8 billion (excluding MYNLD and PLUS block sales) as risk aversion persisted among offshore entities.

3Q25 GDP growth also missed forecasts by a wide margin as it slowed to 4.0% from 5.45% in 1H25, which was well below the government's initial target of 5.5%- 6.5%. Government spending dropped to 5.8% from 8.7%, directly impacted by the investigations into flood control projects. Household spending also slowed to 4.1% from 5.3%. Weakness in the domestic economy was partially offset by export growth of 7.0%, unexpectedly outpacing import growth of 2.6%. Inflation in October was steady at 1.7%, below the BSP's target range.

Much to the disappointment of investors, 9M25 earnings results fell short, with half of the index names missing estimates. The heated political climate also fueled further market volatility after a former congressman linked to the flood control scandal implicated the President.

Amid tepid economic growth, USDPHP threatened to break the 59/$ level but managed to close stronger by 0.36% MoM at 58.792/$ following the BSP's forceful intervention.

With the appointment of Frederick Go as the new secretary of the Department of Finance, the market ended on a positive note as he vowed to bring the GDP growth back to 5.5% next year, alongside other reforms that should help the Philippines get back to its previous growth trajectory. This was also affirmed by credit rating agencies such as S&P Global Ratings, which maintained the country's investment grade credit rating with a positive outlook.

On tariffs, the US has finally decided to exempt most Philippine agricultural exports from the 19% reciprocal tariff including coconut oil, coconut water, and desiccated coconut.

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FIXED INCOME

US shutdown continues but finally ends as we end November. Meanwhile markets are on edge due to the Fed, with the September decision being a very contentious one, and with Jerome Powell saying that a December cut is not a certainty. Meanwhile locally the Senate Blue Ribbon committee resumes its hearing on the flood control scandal, while Zaldy Co simultaneously drops a bombshell revelation via video, naming PBBM and Martin Romualdez as the masterminds of the scandal.

In the Philippines, Sep CPI comes in at 1.7 vs 1.8 expected and same as last month, on higher food prices due to weather disturbances. Markets got a shock however as 3Q GDP came in at 4% vs 5.2% expected, on weak public construction and household spending. Markets were also disrupted this month due to Super typhoon Uwan and Tino devastating Cebu province. Overall yields were 10bp lower this month with 5y benchmark r519 reaching a low of 5.45 but ending at 5.55 and the 10y 1073 reaching a low of 5.78 but ending at 5.85.

In the US, uncertainty around the Fed has 10y UST stuck in a range, hovering around 4.10

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