MARKET BLUEPRINT

WEEKLY NEWSLETTER

Issue 10 : Nov 7, 2025

WHAT'S HOT?

By EastWest Trust & Asset Management Group

BONDS

Yields fell for the fourth consecutive week, declining slightly by 1 bp, as volatility in the foreign exchange market spilled over into local bonds, while the expected U.S. policy rate cut elicited only a muted reaction. The 10-year yield dropped more than the 2-year, flattening the yield curve by 0.02. We anticipate yields to trade sideways, with a slight upward bias.

Meanwhile, U.S. yields rose by an average of 6 bps, driven by Fed Chair Powell's remarks, which dampened market expectations of a December rate cut.

STOCKS

The bellwether index ended the week lower, declining 58.34 points to 5,929.68, largely due to persistent negative investor sentiment stemming from infrastructure-related corruption issues in the country. We expect the PSEi to trade within a 5,800-6,000 range, potentially supported by bargain hunters capitalizing on the prior two-week decline and the release of financial statements from listed companies.

Meanwhile, uncertainty in the U.S. stock market, as measured by the VIX index, rose slightly by 1.07 points to 17.44, despite the market rallying—indicating hedging or option demand. Nevertheless, this level remains below the long-term average of 19, suggesting moderate market fear.

FOREIGN EXCHANGE

The peso hit a new historic low of ₱59.13 against the U.S. dollar, weakening by ₱0.225 centavos from the previous week. This decline reflects concerns over potential moderation in economic growth, partly due to the infrastructure spending controversy, as well as expectations of further monetary policy easing by the BSP. The central bank's statement ruling out any near-term intervention in the market also contributed to the peso's record weakness.

Meanwhile, the U.S. Dollar Index appreciated by 0.852 points, supported by higher U.S. bond yields and stock market gains, and underpinned by hawkish comments from the Federal Reserve and the trade framework agreement between U.S. President Donald Trump and Chinese leader Xi Jinping.

Hawke, J. (2024, November 11). A row of houses in a residential area [Photograph]. Unsplash. https://unsplash.com/photos/a-row-of-houses-in-a-residential-area-tVB8pKCy8TA

America's housing market is shuddering

For the country's homeowners, the good times are coming to an end: Insights from The Economist

America's housing boom is fading as high interest rates and slower growth cool the market. Prices are falling in most cities, especially in the South and West, where pandemic-era hotspots like Austin, Miami, Dallas, and Phoenix now face weaker demand, oversupply, and 7% mortgage rates.

The slowdown reflects the Fed's tight monetary policy aimed at curbing inflation, with the overall economy cooling but supported by strong AI-related investment from major tech firms. After years of booming values, homebuyers may finally get some relief as the market normalizes.

	30-Oct	1Wk% or bps Chg	1Mo% Chg or bps Chg	1Yr% Chg or bps Chg
Bonds				
3M BVAL yield	5.22	-0.76	-0.10	-0.32
10Y BVAL yield	5.94	-0.04	-0.09	0.06
10Y & 3M BVAL	0.72	0.72	0.01	0.38
3M US yield	3.92	-0.01	-0.10	-0.75
10Y US yield	4.11	0.09	-0.05	-0.18
10Y & 3M US difference	0.19	0.10	0.05	0.57
Stocks				
PSEI	5,929.68	-0.97	-0.40	-18.55
PSEI Total Return Index	2,577.67	-0.97	-0.40	-15.90
S&P 500	6,822.34	0.45	2.00	17.35
VIX	16.91	3.30	3.87	-16.90
Dow Jones	47,522.12	0.67	2.42	12.77
NASDAQ	23,581.14	1.62	4.07	26.73
Hang Seng Index	26,282.69	0.47	-2.13	28.96
MSCI AC Asia Pacific	228.82	1.20	3.73	22.47
MSCI Asia ex-Japan	924.01	1.74	5.22	26.24
MSCI EM	1,411.65	1.60	4.87	25.31
MSCI EAFE	2,803.29	-0.27	1.31	19.10
MSCI World – DM	4,381.34	0.23	1.73	18.21
MSCI All-Country World	1,005.18	0.38	2.07	18.96
Currencies				
USD/PHP	58.89	0.43	1.17	1.11
USD/JPY	154.13	0.83	4.21	0.46
USD/THB	32.38	-1.21	-0.09	-3.95
USD/IDR	16,640.00	0.27	-0.15	5.99
USD/EUR	0.86	0.55	1.45	-6.13
USD/GBP	0.76	1.21	2.25	-1.44
USD/CHF	0.80	0.79	0.70	-7.47
USD/AUD	1.53	-0.64	0.89	0.27
MSCI EM Currency Index	1,841.77	0.09	-0.06	4.48
US Dollar Index	99.53	0.58	1.79	-4.30
Commodities				
Crude Oil (WTI Cushing)	60.57	-2.79	-2.89	-11.72
Crude Oil (Brent)	65.00	-1.43	-3.01	-10.41
Gold	4,024.54	-2.15	4.29	44.37
Thai Rice	357.00	1.71	-3.77	-29.59
Vietnam Rice	392.25	0.13	-2.55	-29.74
Bloomberg Commodity Index	106.82	-0.52	2.09	8.02

LOCAL NEWS

Economic Forces at Play: BSP Projects Subdued October Inflation; Philippine Trade Deficit Narrows; Fitch, Moody's Give PHL Verbal Assurances on Stable Credit Outlook; and Rice Tariff Law Amendments Finalized

Jadach, P. (2024, January 18). A wooden scoop of rice on top of a pile of rice [Photograph]. Unsplash. https://unsplash.com/photos/a-wooden-scoop-of-rice-on-top-of-a-pile-of-rice-E85Jb-wW7Tg

BSP sees inflation at 1.4-2.2% in October The Bangko Sentral ng Pilipinas (BSP) announced a projected inflation range of 1.4% to 2.2% for the month of October. This forecast suggests that consumer price growth remains relatively subdued and is comfortably within the central bank's target range. The low inflation outlook provides the BSP with continued flexibility in setting its future monetary policy.

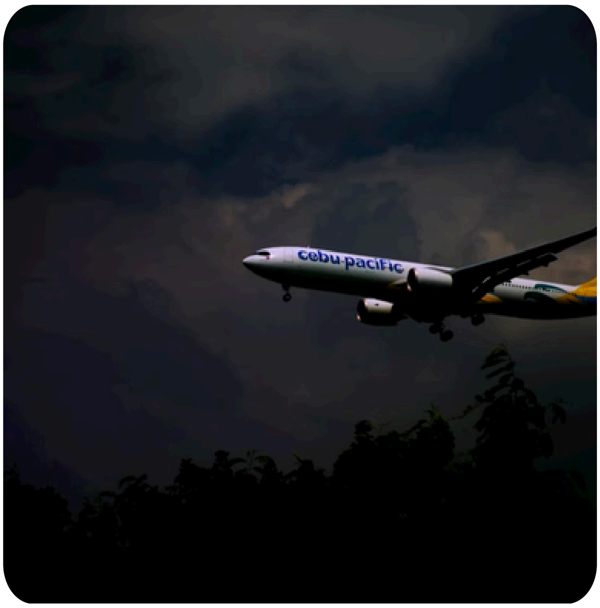
Trade gap narrows to $4.35 billion The Philippines' trade deficit in goods narrowed to $4.35 billion in September, a 14.7% decrease compared to the $5.1-billion gap from the same period a year earlier. This contraction was primarily driven by a robust 15.9% year-on-year increase in exports, which significantly outpaced the 2.1% growth recorded in imports. Analysts suggest the strong export performance was likely boosted by foreign businesses preparing for the fourth-quarter holiday rush.

PHL gets verbal assurances from Fitch, Moody's on outlook The Department of Budget and Management reported that the Philippines received verbal assurances from Fitch Ratings and Moody's Ratings that they would maintain the country's current credit ratings and outlooks. Officials said the rating agencies believe the ongoing flood control corruption scandal will ultimately lead to improved government processes and reform. This affirmation allows the country to retain its current investment-grade status with a stable outlook, despite the same controversy derailing a potential upgrade from S&P Global Ratings.

Rice tariff consultations conclude; draft amendments due by Nov. 10 The Department of Agriculture (DA) concluded its regional consultations on planned amendments to the Rice Tariffication Law, aiming to curb high prices and secure fair returns for farmers. The proposed Rice Industry and Consumer Empowerment (RICE) Act is designed to introduce calibrated state intervention by restoring the National Food Authority's (NFA) limited power to manage rice inventory and stabilize prices. The DA plans to submit the final draft of these amendments to Congress and the Presidential Legislative Liaison Office by November 10.

CORPORATE NEWS

Corporate Snapshot: Aboitiz Power Enters Vietnam with $220M Coal Plant; Cebu Pacific Boosts Domestic Capacity with New Airbus A330neo Jet; and Bloomberry Resorts Sells Jeju Casino Unit to Exit South Korea



Rex V. (2023, October 28). A plane is flying in the dark sky [Photograph]. Unsplash. xxx

Aboitiz Power invests $220M in Vietnam coal power plant Aboitiz Power Corp. announced its decision to invest $220 million to acquire a 25% equity interest in a Vietnamese power firm, Van Phong Power Co. Limited (VPCL). VPCL operates a 1,320-megawatt (MW) coal-fired power facility, which has an existing 25-year power purchase agreement with Vietnam's national utility. This acquisition, purchased from Sumitomo Corporation, represents AboitizPower's first significant investment outside of the Philippines.

Cebu Pacific adds Airbus A330neo to domestic fleet Cebu Pacific has expanded its wide-body fleet with the arrival of its 13th Airbus A330neo aircraft, a large-capacity jet intended to boost passenger capacity on key domestic routes. The new 459-seater jet is scheduled to begin commercial operations by serving the Manila-Puerto Princesa and Manila-Bohol routes in November. As the largest A330neo operator in Asia, the carrier is using the fuel-efficient aircraft to serve more passengers while supporting its sustainability goals.

Jeju exit in sight as Bloomberry inks sale agreement for casino unit Bloomberry Resorts Corp. has moved toward exiting South Korea by signing an agreement to sell its losing Jeju Sun Hotel & Casino unit to Gangwon Blue Mountain Co., Ltd. The company intends for the divestment to cut losses and rechannel corporate resources to its more profitable, core casino operations in the Philippines. Analysts view the move positively, expecting it to strengthen Bloomberry's earnings outlook and potentially generate a financial gain from the sale of the casino's physical assets.

GLOBAL NEWS

Global Signals: Fed Cuts Rates 25, Ends QT Dec. 1; Chinese Industrial Profits Soar 21.6% in September; and ECB Staff Project German Stimulus to Offset US Tariffs

The FOMC, at its October 28-29 meeting, cut the federal funds rate by 25 basis points to a target range of 3.75% –4.00% and announced that Quantitative Tightening (QT) will end on December 1. Despite the rate cut, Fed Chair Jerome Powell's news conference was seen as unusually hawkish, aiming to discourage market expectation of a December rate cut. Due to the government shutdown limiting official data, the likelihood of a December rate cut now largely depends on whether private, alternative labor-market indicators show marked deterioration.

Chinese industrial profits climbed 21.6% year-over-year in September, marking their biggest gain in nearly two years and the second straight month of increases. This surge is attributed to a faster expansion in output, driven by robust foreign demand (exports), and the easing of factory-gate price declines as the government works to curb excess capacity. However, the sustainability of this recovery is questioned, as overall domestic demand remains weak, with households being more negative about employment and less willing to consume.

The ECB's staff economists see German fiscal stimulus offsetting the weakness from the rise in US tariffs, bringing quarterly growth back to trend by 1Q26, and they expect headline inflation to return toward target by 2027. We are less sanguine on the inflation outlook.

Mils, A. (2023, March 24). A roll of one hundred dollar bills on a purple background [Photograph]. Unsplash. https://unsplash.com/photos/a-roll-of-one-hundred-dollar-bills-on-a-purple-background-8xzP3YOBWrY

OUTLOOK

- **Bearish sentiment will continue this week on equities**
- **We expect PSEi to move between 5800 to 6000**
- **Investors will take cue on local Q3 GDP, CPI, and US macro data**
- **Bonds will move sideways with an upward bias on yields**

STRATEGY

- **Continue to stay defensive and selective**
- **For short term, recommending staying on the sidelines**
- **Accumulate big caps and dividend paying stocks for long only**

Prepared by the Trust Investments Team:

Bede Gomez
Judy Domingo

Contact Information:

EastWest Bank
The Beaufort
5th Avenue corner 23rd Street
Bonifacio Global City, Taguig City
trustmarketing@eastwestbanker.com

References

BusinessWorld. (2025, October 27). Food EOS seen boosting farmer incomes, creating guaranteed markets for produce. https://www.bworldonline.com/economy/2025/10/27/708285/food-eos-seen-boosting-farmer-incomes-creating-guaranteed-markets-for-produce/

BusinessWorld. (2025, October 28). Jeju exit in sight as Bloomberry inks sale agreement for casino unit. https://www.bworldonline.com/corporate/2025/10/28/708320/jeju-exit-in-sight-as-bloomberry-inks-sale-agreement-for-casino-unit/

BusinessWorld. (2025, October 28). PHL gets verbal assurances from Fitch, Moody's on outlook. https://www.bworldonline.com/economy/2025/10/28/708597/phl-gets-verbal-assurances-from-fitch-moodys-on-outlook/

BusinessWorld. (2025, October 28). Rice tariff consultations conclude; draft amendments due by Nov. 10. https://www.bworldonline.com/economy/2025/10/28/708596/rice-tariff-consultations-conclude-draft-amendments-due-by-nov-10/

BusinessWorld. (2025, October 30). BSP sees inflation at 1.4–2.2% in October. https://www.bworldonline.com/top-stories/2025/10/30/709036/bsp-sees-inflation-at-1-4-2-2-in-october/

BusinessWorld. (2025, October 31). Trade gap narrows to $4.35 billion. https://www.bworldonline.com/top-stories/2025/10/31/709209/trade-gap-narrows-to-4-35-billion/

BusinessWorld. (2025, November 2). Key economic data in focus as market seeks leads. https://www.bworldonline.com/stock-market/2025/11/02/709438/key-economic-data-in-focus-as-market-seeks-leads/

BusinessWorld. (2025, November 3). Cebu Pacific adds Airbus A330neo to domestic fleet. https://www.bworldonline.com/corporate/2025/11/03/709491/cebu-pacific-adds-airbus-a330neo-to-domestic-fleet/?amp

BusinessWorld. (2025, November 3). Debt yields end mixed amid market volatility. https://www.bworldonline.com/banking-finance/2025/11/03/709426/debt-yields-end-mixed-amid-market-volatility/

FXStreet. (2025, November 3). US Dollar Index (DXY) steadies right below the 100.00 psychological level. https://www.fxstreet.com/news/us-dollar-index-dxy-steadies-right-below-the-10000-psychological-level-202511030905

Inquirer Business. (2025, October 28). Aboitiz Power invests $220M in Vietnam coal power plant. https://business.inquirer.net/555504/aboitiz-power-invests-220m-in-vietnam-coal-power-plant
Reuters. (2025, October 30). An October to remember: Bruised global bond markets. https://www.reuters.com/world/asia-pacific/an-october-remember-bruised-global-bond-markets-2025-10-30/

Glossary

Slope of the yield

The slope of the yield curve refers to the difference between long-term and short-term interest rates on bonds, usually government bonds, at a given point in time. It shows how interest rates change with maturity.

- Positive slope (normal yield curve): Long-term rates are higher than short-term rates → investors expect stronger growth or inflation in the future.
- Flat slope: Long-term and short-term rates are about the same → uncertainty about future growth or inflation.
- Negative slope (inverted yield curve): Short-term rates are higher than long-term rates → often seen as a signal of expected economic slowdown or recession.

Bellwether index

A bellwether index is a stock market index that is considered a leading indicator of the overall market or economy. It usually represents the performance of the largest, most actively traded, or most influential companies in a market.

Option

An option derivative is a type of financial instrument whose value is derived from an underlying asset, where the derivative gives the holder the right—but not the obligation—to buy or sell the asset at a predetermined price within a specific period.

VIX Index

The VIX Index, also known as the Cboe Volatility Index, is often called the "fear gauge" of the stock market. It measures the market's expectations of future volatility in the S&P 500 over the next 30 days.

Monetary policy easing

Monetary policy easing (also called expansionary monetary policy) is when a central bank takes steps to make borrowing cheaper and increase the money supply to stimulate economic growth

U.S. Dollar Index (DXY)

The U.S. Dollar Index (DXY) is a measure of the value of the U.S. dollar against a basket of six major foreign currencies. It shows how strong or weak the dollar is in global markets.

For any inquiries or concerns regarding this publication or our Trust and Asset Management services, you may contact your Relationship Manager through trustmarketing@eastwestbanker.com or 8575-3888 loc. 3942