MARKET BLUEPRINT

eastwest

WEEKLY NEWSLETTER

Issue 11 : Nov 12, 2025

WHAT'S HOT?

By EastWest Trust & Asset Management Group

BONDS

Yields fell by an average of 3 basis points week-on-week following a four-year low in Q3 GDP growth and subdued inflation in October, which remained at 1.7%. The yield curve experienced a bull steepening, with the 2-year yield declining 7 basis points—reflecting expectations of an imminent policy rate cut—while the 10-year yield rose 4 basis points, signaling anticipated future economic recovery and the potential for higher inflation and rates later. Buying sentiment is likely to continue as the market responds to weak GDP figures.

Meanwhile, U.S. yields dropped by an average of 2 basis points, influenced by delayed economic data releases due to the government shutdown and cautious investor sentiment.

STOCKS

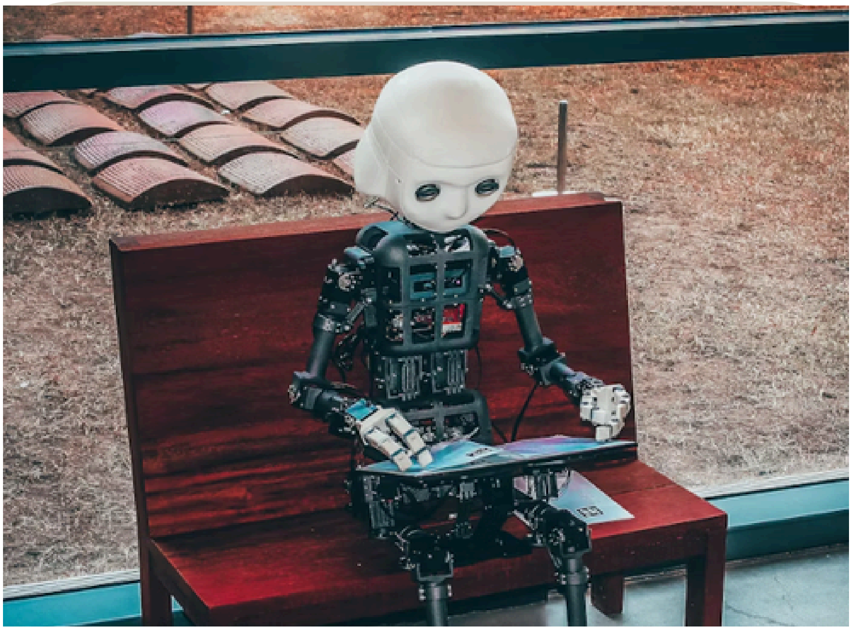
The bellwether PSEi fell to a three-year low of 5,759.37, weighed down by disappointing GDP data and a multibillion-peso corruption scandal that has dampened economic confidence. Foreign investors capitalized on the price slump, driving total value traded higher compared to the previous week. We expect the PSEi to remain within the 5,800-6,000 range as investors digest the weak GDP figures, the economic impact of recent calamities, and ongoing corruption concerns.

Meanwhile, uncertainty in the U.S. stock market, as measured by the VIX index, rose 1.64 points to 19.08, as concerns over the health of the U.S. economy and elevated tech valuations continue to rattle investors.

FOREIGN EXCHANGE

The peso weakened to ₱59.04 on Friday from ₱58.85 the previous week, weighed down by a combination of factors: a report showing weaker-than-expected Q3 GDP growth and the ongoing fallout from the flood control scandal. The peso could remain under pressure against the U.S. dollar this week.

Meanwhile, the DXY index declined by 0.201 points to 99.603 from 99.804, as U.S. consumer sentiment fell to its lowest level in over three years. A prolonged government shutdown, persistent inflationary pressures, and worsening personal finances contributed to the drop in consumer confidence.



de Santis, A. (2021, May 10). Black and white robot toy on red wooden table [Photograph]. Unsplash. 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

The economics of superintelligence

If Silicon Valley's predictions are even close to being accurate, expect unprecedented upheaval: Insights from The Economist

AI could soon surpass human intelligence, triggering rapid economic growth unlike anything in history. By improving itself and generating new discoveries, AI may create unprecedented wealth and technological progress.

At the same time, most workers could see wages fall while AI owners and rare "superstars" gain huge rewards, causing inequality, market volatility, and political pressure. Yet AI also promises breakthroughs in medicine and science, offering extraordinary benefits if managed wisely.

	7-Nov	1Wk% or bps Chg	1Mo% Chg or bps Chg	1Yr% Chg or bps Chg
Bonds				
3M BVAL yield	5.29	-0.65	-0.07	-0.38
10Y BVAL yield	5.98	0.04	-0.09	0.06
10Y & 3M BVAL	0.69	0.69	-0.01	0.44
3M US yield	3.92	0.03	-0.09	-0.71
10Y US yield	4.11	0.00	-0.03	-0.20
10Y & 3M US difference	0.19	-0.03	0.06	0.51
Stocks				
PSEI	5,759.37	-2.87	-5.33	-17.89
PSEI Total Return Index	2,505.79	-2.79	-5.25	-15.19
S&P 500	6,728.80	-1.63	0.21	12.65
VIX	19.08	9.40	10.67	25.53
Dow Jones	46,987.10	-1.21	0.82	7.45
NASDAQ	23,004.54	-3.04	0.95	19.38
Hang Seng Index	26,241.83	1.29	-2.66	25.24
MSCI AC Asia Pacific	225.62	-1.28	0.20	19.02
MSCI Asia ex-Japan	903.68	-1.47	0.11	21.80
MSCI EM	1,381.63	-1.42	0.47	21.14
MSCI EAFE	2,774.95	-0.81	-0.91	17.88
MSCI World - DM	4,325.03	-1.49	-0.15	14.20
MSCI All-Country World	991.32	-1.48	-0.08	14.92
Currencies				
USD/PHP	59.04	0.26	1.58	0.52
USD/JPY	153.42	-0.37	1.00	0.31
USD/THB	32.35	0.02	-0.51	-5.69
USD/IDR	16,685.00	0.33	0.88	6.04
USD/EUR	0.86	-0.25	0.79	-6.58
USD/GBP	0.76	-0.07	2.01	-1.32
USD/CHF	0.81	0.07	0.88	-7.70
USD/AUD	1.54	0.81	1.36	2.87
MSCI EM Currency Index	1,834.18	-0.38	-0.54	4.22
US Dollar Index	99.60	-0.20	1.04	-4.69
Commodities				
Crude Oil (WTI Cushing)	59.75	-2.02	-3.21	-17.43
Crude Oil (Brent)	63.63	-2.21	-2.78	-15.87
Gold	4,001.26	-0.04	0.41	47.83
Thai Rice	354.00	-0.84	-0.28	-30.04
Vietnam Rice	389.75	-0.64	-1.58	-30.18
Bloomberg Commodity Index	107.31	0.00	0.84	8.04

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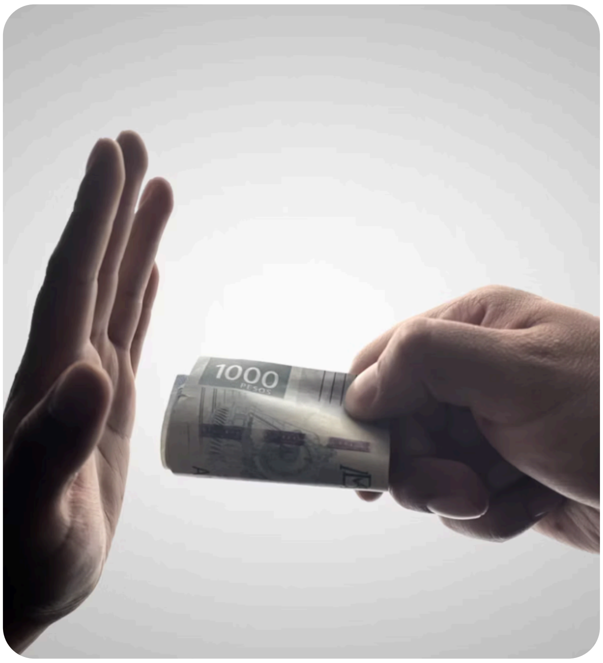
LOCAL NEWS

Economic Forces at Play: Inflation Steady at 1.7% in October, Below Central Bank Target; Philippine GDP Growth Slows to 4% in Q3 Amid Corruption Scandal; and Unemployment Falls Slightly to 3.8% in September



Monroy Lazcano, J. (2022, December 9). A person holding a stack of cash [Photograph]. Unsplash. https://unsplash.com/photos/a-person-holding-a-stack-of-cash-iT1zd7G-fmg

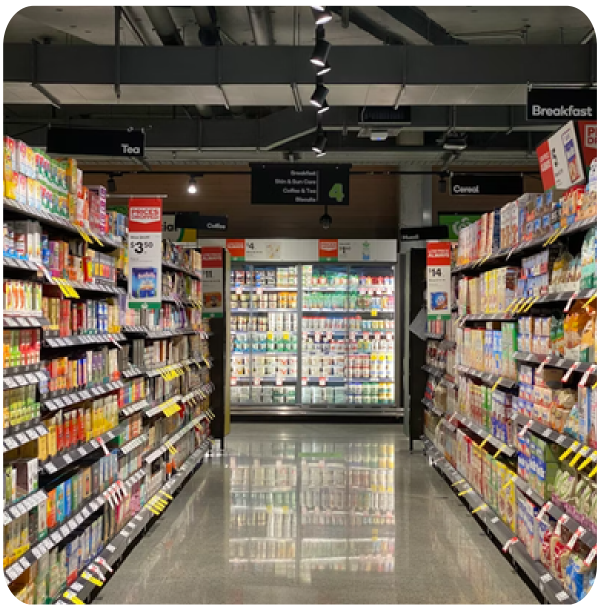
Headline inflation in the Philippines remained at 1.7% in October 2025, unchanged from September and lower than 2.3% a year earlier. The stable inflation rate was driven by easing prices of vegetables, tubers, and meat, which offset increases in electricity and water costs. The central bank's target band is 2–4%, so the 1.7% figure provides some flexibility for potential monetary easing, although energy price volatility and weather-sensitive food items pose ongoing risks.

The Philippine economy grew by 4.0% year-on-year in the third quarter of 2025, reflecting a notable slowdown from previous quarters. The decline is largely attributed to a major corruption scandal involving government infrastructure projects, which has dampened both investor and consumer confidence, stalling public spending. Given the weaker growth, the government's full-year GDP target of 5.5–6.5% is now considered difficult to achieve, with private consumption and investment remaining subdued.

The Philippines' unemployment rate slightly fell to 3.8% in September 2025, down from 3.9% in August. Despite the improvement, the total number of unemployed Filipinos remains higher than a year ago, with 1.96 million jobless compared to 1.89 million in September 2024. Other labour indicators show mixed results, as the labour-force participation rate declined and underemployment remains elevated, indicating that many workers continue to face precarious employment conditions.

CORPORATE NEWS

Corporate Snapshot: RLC Posts Profit Growth Driven by Malls and Offices; Puregold Net Income Rises to ₱7.3 Billion on Strong Sales; and ACEN Net Income Declines Despite 16% Growth in Renewable Output



Chuttersnap. (2020, March 15). White and red labeled pack on white shelf [Photograph]. Unsplash. https://unsplash.com/photos/white-and-red-labeled-pack-on-white-shelf-ivfp_yxZuYQ

Robinsons Land Corporation (RLC) reported a profit increase for the first nine months of the year, driven mainly by its investment portfolio, which includes malls, offices, and hotels. Recurring income-generating assets, particularly malls, saw strong growth in rental revenues, new openings, and higher occupancy, while the development portfolio from residential and land sales also contributed, albeit to a lesser extent. Overall, RLC's growth reflects steady execution across its diversified business rather than a dramatic change.

Puregold Price Club, Inc. posted a net income of approximately ₱7.3 billion for the first nine months, up around 5.6% from the previous year. Revenue increased by about 11% to roughly ₱168.1 billion, supported by larger basket sizes and more frequent shopping. Same-store sales rose for both Puregold outlets and S&R warehouse clubs, indicating resilient consumer behavior despite economic pressures. While costs from logistics and store expansion continue to rise, Puregold remains well-positioned in the mass-market and warehouse segment, demonstrating solid growth in a challenging retail environment.

ACEN Corporation recorded a consolidated net income of ₱1.8 billion for the first nine months of 2025, a decline of approximately 78% year-on-year. Excluding non-recurring items, net income fell around 18%. Revenue dropped roughly 18% to ₱23.0 billion, largely due to lower spot electricity prices in the Philippines and Australia, weaker solar irradiance, and temporary wind turbine outages. However, attributable renewable energy output increased 16% year-on-year to 4,843 GWh, supported by new projects in Australia and Laos. Core attributable EBITDA rose by 9% to ₱15.6 billion, reflecting underlying operational strength despite the net income hit from one-time items. The company shows clear growth in renewables, though its bottom line has been affected by market conditions and transitional challenges.

GLOBAL NEWS

Global Signals: US Consumer Sentiment Dips on Shutdown Fears; China Exports Miss Forecasts Amid Tariff Strain; and ECB Balance Sheet Reduction May End in Late 2026

Consumer sentiment in the US fell in November, with the headline index dropping to 50.3 from 53.6 in October, primarily due to concerns mounting from the prolonged US government shutdown. Both current conditions and expectations worsened, driven by drops in assessments of current personal finances and expectations for business conditions, with 71% of consumers anticipating a rise in unemployment over the next year.

China's exports experienced a surprise drop in October, declining 1.1% year-on-year, suggesting external resilience is faltering under high tariffs and global trade uncertainty. This weakness was broad, with exports to the US remaining the main drag, falling 25.1% year-on-year, and shipments of traditional goods like textiles and clothing also deteriorating sharply.

Bloomberg Economics projects that the European Central Bank (ECB) will likely have to stop reducing its balance sheet size, either by ending the net reduction of government bond holdings or by increasing bank lending, in the second half of 2026. This timing is based on a model that estimates the upper bound of demanded excess liquidity will be near the supplied level toward the end of next year, marking the point to prevent financial strains.

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OUTLOOK

- **Market to remain flat with a downward bias**
- **Equities to digest the weak GDP, calamity impact and corruption issues**
- **PSEi should stay within the 5800-6000 level**
- **Local bond activities will stay within the 5Y to 10Y**

STRATEGY

- **Continue to stay defensive on equities**
- **Stay invested in Utilities and dividend paying stocks**
- **Continue to look for value on the longer dated bonds**

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Glossary

Bull steepening

A bull steepening typically occurs when the market anticipates or witnesses an easing of monetary policy by the central bank (like the Federal Reserve) to stimulate the economy.

- Short-Term Yields: These are heavily influenced by the central bank's actions and expectations for the Federal Funds Rate. When the market expects the central bank to cut interest rates to spur economic activity, short-term yields fall sharply.
- Long-Term Yields: These are influenced by expectations for future economic growth, inflation, and term premium. In a bull steepening, they may fall slightly, but not as much as the short-term yields, as the market may still hold some uncertainty or expectations for moderate growth/inflation further out.

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.

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.

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