

First News 12 Dec 2025 Friday

On Thursday, both the S&P 500 and Dow Jones Industrial Average reached fresh record closing highs. Meanwhile, the Nasdaq 100 declined, impacted by a more than 10% fall in Oracle's stock value.

US stocks gained, with the S&P 500 turning positive after early weakness to reach an all-time closing high, as bargain hunters hunt after concerns about the cost of AI infrastructure drove a retreat from riskier assets.

The Fed rate decision also opens the door for easing from other central banks that meet next week including Bank Indonesia and Bank of Thailand,
- Philippines Cuts Rate Again, Signals End of Easing Cycle Is Near

New Zealand November retail card spending (+1.2% MoM), upcoming Oct industrial production releases from Malaysia & Japan (final data for both IP and capacity utilization), Thailand's recent GIR of US\$274.7 billion, and India inflation

Gold rallied over 1% as the Fed's rate cut and \$40B/month in T-bill purchases effectively create a massive "liquidity put" under the market.

PHILIPPINES

BSP slashed policy rates by 175bps since Aug 2024, but lending rates barely budged.

- Sticky Rates: Banks are cautious. Economic uncertainty means they haven't dropped interest rates on loans (like home loans) in lockstep with the BSP.
- Philippine Financials' Income stays high.

MUFG Bank Ltd. forecasts that the BSP may cut interest rates by 25 bps in the first meeting of 2026 (likely February) before a potential extended pause.

- Expectation of a pickup in government spending & the fading impact of public infrastructure project reviews.

Philippine Central Bank Cuts Key Rate to 4.500%; Est. 4.500%

- Overnight deposit rate cut to 4.00% from 4.25%

Philippines Central Bank Raises 2026 CPI Forecast to 3.2%, before slowing to 3.0% in 2027.

- Inflation outlook continues to be benign and inflation expectations remain firmly anchored

Philippine peso strengthened for a second day

Philippines' 10Y notes yield up 5.97% on Wednesday

WORLD INDICES	11-Dec	12-Dec	CHG
Dow Jones	47,560.29	47,560.29	0.00%
S&P 500	6,840.51	6,840.51	0.00%
NASDAQ	23,576.49	23,576.49	0.00%
US 10-Year Yield	4.141	4.148	0.17%
PSEi (Philippines)	5,959.94	5,959.94	0.00%
PHL 10-Year Yield	5.895	5.893	-0.03%
NKY 225 (Japan)	50,602.80	50,602.80	0.00%
SHCOMP (Shanghai)	3,900.50	3,900.50	0.00%
HSI (Hang Seng)	25,540.78	25,540.78	0.00%
KOSPI (Korea)	4,135.00	4,135.00	0.00%
SENSEX (India)	84,391.27	84,391.27	0.00%
TWSE (Taiwan)	28,400.73	28,400.73	0.00%
S&P/ASX 200 (Australia)	8,579.36	8,579.36	0.00%
FTSE Bursa KLCI (Malaysia)	1,611.00	1,611.00	0.00%
JCI (Indonesia)	8,700.92	8,700.92	0.00%
STI (Singapore)	4,511.90	4,511.90	0.00%
SET50 (Thailand)	837.65	837.65	0.00%
VNINDEX (Ho Chi Minh)	1,718.98	1,718.98	0.00%

CURRENCIES	11-Dec	12-Dec	CHG
USD-JPY	156.66	155.26	-0.89%
USD-PHP	59.235	59.000	-0.40%
USD-CNY	7.0630	7.0571	-0.08%
EUR-USD	1.1704	1.1756	0.44%

COMMODITIES	11-Dec	12-Dec	CHG
WTI Crude (USD/bbl.)	58.80	57.92	-1.50%
Brent Crude (USD/bbl.)	62.49	61.28	-1.94%
Gold (Comex) USD/oz.	4,269.90	4,308.20	0.90%
Silver (Comex) USD/oz.	63.02	63.78	1.21%
Copper (USD/lb.)	542.20	548.90	1.24%
Nickel (USD/lb)	6.6247	6.5665	-0.88%
Laterite Nickel Ni 1.5% Fe15-25% (USD/wmt) Ave.	57.00	57.00	0.00%
Laterite Nickel Ni 1.8% Fe15-20% (USD/wmt) Ave.	78.50	78.50	0.00%
New Castle Coal Futures	110.10	110.10	0.00%

COMMODITIES	11-Dec	12-Dec	CHG
Corn (CBOT)	445.00	446.50	0.34%
Wheat (CBOT)	530.50	533.50	0.57%
Cocoa (ICE)	6221.00	6288.00	1.08%
Coffee 'C' (ICE)	372.30	376.20	1.05%
Sugar 11 (ICE)	14.91	14.85	-0.40%

PSEi	
Close	5,990.00 +30.06 +0.50 10.2x 2024F, 9.7x 2025F
Day Range	5,965.45 - 6,011.68
52wk Range	5,761.32 - 7,262.24
Advances - Declines - Unchanged	100 - 103 - 62
Block Sale Value (Php)	417M
Volume (shares)	864M
Value (Php)	7.05B

FOREIGN BUYING	Php 3,348,970,315.17
FOREIGN SELLING	Php 4,110,216,801.89
NET FOREIGN B/(S)	Php (761246486.72)
TOTAL FOREIGN	Php 7,459,187,117.07
FOREIGN FUNDS BOUGHT	aub csb pse ap fgen mer spnec aev agi meg rcr ceb ict sti web apx at
FOREIGN FUNDS SOLD	bdo bpi cbc mbt acen mwc mynld scc sgp shlph spc cnpf dnl emi fb jfc monde rfm urc ac cosco dmc gtcap jgs ltg sm smc areit filrt mreit rlc smph vreit glo tel cnvrg dito bloom plus prc pgold rghi wlcon nikl ogp px

52week High	ict rfm ani
52week Low	bloom dito vll
RSI 70 Overbought	smc spc green axlm ani x
RSI 30 Oversold	plus scc dito vll shng
Share Buyback	FRUIT MEG SM SMPH BRN

ITRADE Watch
ACEN BDO ICT ALI BPI PGOLD
DNL MER JGS CNVRG MWC CSB
MONDE AP MREIT AT

ADVANCERS	CHG %	DECLINERS	CHG %
ACEN	11.62	SMPH	-3.91
JGS	3.45	TEL	-3.08
URC	2.44	AC	-1.72
ALI	2.38	SCC	-1.61
CNVRG	2.37	PLUS	-1.55

Most Active (Index)	Value (M)	Most Active (All)	Value (M)
BDO	971	BDO	971
ICT	931	ICT	931
ALI	424	ALI	424
BPI	403	BPI	403
URC	219	URC	219
MBT	276	MBT	276
PLUS	240	PLUS	240
SMPH	233	SMPH	233
ACEN	216	ACEN	216
AREIT	210	AREIT	210

	PSEI 2024F	2024 P/E(x)	PSEi 2025F	2025 P/E (x)	YTD Change (Est. or Actual)	
EPS Est.		590		620		
			9610.0	15.5	52.42%	10YR Average P/E (15.5x)
	9078	15.4	9078	14.6	43.98%	All-time Intraday High (9078) (28-Jan-2018)
	8732	14.8	8764.0	14.1	38.49%	All-time high close (8764) (28-Jan-2018)
	8000	13.6	8060	13.0	26.88%	Resistance
Consolidation Range (post-2020 low)	7750	13.1	7600	12.3	22.92%	Resistance / Bull Target 2025
	7500	12.7	7500	12.1	18.95%	Resistance
	7100	12.0	7100	11.5	12.61%	Resistance
	6700	11.4	6700	10.8	6.26%	Resistance / Bear Target 2025
	6305	10.7	6305	10.2	0.00%	Resistance
	6305	10.7	6305	10.2	0.00%	Resistance
	5990	10.2	5990	9.7	-5.00%	CURRENT and YTD Change
	5800	10.7	5800	9.4	-8.01%	Support / May 2022 low
	5640	9.6	5640	9.1	-10.55%	Support
	5220	8.8	5220	8.4	-17.21%	Support
	5150	8.7	5150	8.3	-18.32%	Support
2020 Low	4039	6.8	4039	6.5		13-Year Low (March 19, 2020)

<p>MARKET SUMMARY</p> <p>Market Closed PSEI 5990.00 +30.06 +0.50% VAL: P6.64 Billion</p> <p>Gain: Banks Services Industrials Holdings Loser: Property Mines/Oils</p> <p>Overseas Investors Sellers Of Philippine Equities Thursday \$12.905M</p> <p>Total Net Foreign Selling Month Of December \$153.474M</p> <p>Year To Date Net Foreign Selling is at \$806.972M</p> <p>OUTLOOK - Rate-cut expectations support global sentiment, but PH equities remain pressured by foreign selling, weak earnings, and governance noise. Attractive valuations offer selective opportunities for patient investors. - PSEI trades at 9.7× 2025F P/E, far below the 10-year 14–15× average → market remains deeply undervalued. - Technicals: Index stuck in 5,880–6,050 range; breakdown risks 5,780–5,650 if 5,880 fails.</p> <p>Technical Pitch</p> <p>Base Case – Neutral/Slight Bearish (60%) - PSEI likely stays range-bound between 5,880–6,050. Sellers keep capping moves at 6,000–6,050, while 5,880–5,900 support is holding—just barely. - PSEI 5,800 level is a significant support zone, immediate resistance 6,100.</p> <p>Bearish Scenario – Breakdown (30%) - A clean break below 5,880 opens the way to 5,830, 5,780, and 5,650 (major support). - Takeaway: Expect choppy price action. Short-term bounces will likely get sold, dragging the index back toward 5,900.</p> <p>PSEI index is currently in a clear Downtrend (Bearish) since October 2024, characterized by lower highs and lower lows - Support: Immediate support is at the recent November low (5,600 - 5,750). - Resistance: Immediate resistance is the 5,900 - 6,000 area (where the index closed). - Stronger resistance lies between 6,150 - 6,250. - Current Action: A large green candle was printed at the bottom, indicating potential short-term buying interest, but this does not yet confirm a trend reversal.</p> <p>PSEI TECHNICALS</p> <p>Long-Term Downtrend - since 2018 until index exits upper end of consolidation range of 7,500-7600</p> <p>Medium Term Consolidation - since 2020 onset of pandemic, normalized range is 7400/6800 - 6100/5800/4800</p> <p>Resistances 6100, 6400, 6800, 7400, 7500-7600, 8000, 8700 Support 5700, 5200</p> <p>Strategy:</p> <p>12-Month Forecast without Economic Recovery: - Short-Term (1-3 months): The PSEI may test the lower support levels around 6,000 or potentially dip below if negative sentiment prevails. - Medium-Term (4-8 months): In the absence of positive catalysts, the index could stabilize at lower levels, with potential fluctuations between 5,800 and 6,200. - Long-Term (9-12 months): Without economic recovery, the index might struggle to gain significant upward momentum, remaining constrained below key resistance levels around 6,500. - In this scenario, market participants might be cautious, awaiting signs of economic stability or policy interventions to improve investor confidence.</p>	<p>Fitch warned that the flood control corruption scandal poses “ongoing risk” to political stability, fiscal policy execution, and business/consumer confidence and could eventually weigh on the Philippines’ credit rating if unrest or policy slippage worsens. - Analysis: This keeps a negative overhang on sovereign risk premium and on banks exposed to infra lending. It reinforces the narrative that governance and anti-corruption outcomes will be directly priced into future rating actions and borrowing costs.</p> <p>Philippine banks’ net interest margins are projected to dip by a modest 20 to 40 bps over the next 2yrs even with BSP rate cuts. - This limited compression is attributed to significant loan volume growth, reduced funding costs, and a focus on higher-yielding consumer loans.</p> <p>Top Group Losers : Villar Stocks 12/11/25 VLL 0.83 -11.70% HOME 0.26 -10.34% HVN 1231.0 -8.13% VREIT 1.41 -6.0%</p> <p>ACEN 2.69 - Philippine renewable energy company ACEN Corp. saw its shares increase by as much as 12%, the highest jump since December 2023, following a capital injection into a joint venture. - ACEN is the sponsor and share collateral grantor, executed an Omnibus Loan and Security Agreement with Development Bank of the Philippines as lender and DBP Trust Banking Group as project accounts agent for a loan facility in the amount of Php2,587 Billion</p> <p>APX 11.00 LC 0.172 HOLD</p> <p>APX & LC reported substantial increases in earnings for 2025, on higher metal prices and a strong U.S. dollar as key drivers. - APX 9M25 net profit at P5.45B up 78% Yy - LC 9M25 net profit at P1.18B up 795% Yy</p> <p>Watch Philippine Gold Miners - Apex Mining and Lepanto Corp. are highly likely to benefit from the global gold price increase driven by the supportive U.S. Federal Reserve policy mix.</p> <p>BDO 122.00 - BDO Unibank, Inc. (BDO), Bank of the Philippine Islands (BPI), and Metropolitan Bank and Trust Co. (Metrobank) are the Philippines’ “Big Three” private banks and primary examples of institutions whose net interest margins (NIMs) are projected to see only a modest dip</p> <p>ICT 608.00 - ICTSI signed a 25-year partnership with South Africa’s Transnet to manage, upgrade, and develop Durban Container Terminal Pier 2, the country’s largest container terminal (handles ~70% of Durban throughput and ~46% of SA port traffic). Capacity is expected to rise from 2.0M to 2.8M TEUs via new equipment and tech. - Analysis: This meaningfully deepens ICT’s EMEA footprint, diversifies earnings beyond Asia/LatAm, and strengthens its status as a top-tier emerging-market global port operator. Court affirmation against Maersk’s challenge also de-risks the concession. - Recommendation: BUY / Accumulate as a core infra-logistics name; Durban adds high-quality volume and long-duration cash-flow visibility.</p>
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Taiwan is pushing for closer economic links with the Philippines, proposing an economic corridor aligned with the US–Japan–PH initiative in Northern Luzon, and highlighting shared interests in security, supply chains, and democracy.

- **Analysis:** This points to more Taiwan FDI, trade, and talent cooperation (electronics, agri/blue economy, ports/logistics), but also underscores the geopolitical balancing act with China.

ADB approved a US\$500M policy-based loan for the Marine Ecosystems for Blue Economy Development Program, aimed at strengthening the Philippines' ocean-based economy, improving coastal resilience, and cleaning up the plastic/solid waste value chain.

- **Analysis:** Medium-term positive for fisheries, coastal tourism, ports, and LGUs; reinforces the policy push toward circular economy and better marine governance (nice tie-in to your blue-economy work!).

SEC Memorandum Circular 14 (2025) sets a 6%/month cap on nominal interest and 12%/month cap on effective interest for loans up to ₱10,000 with terms of up to 4 months, down from the previous 15% effective cap.

- **Analysis:** Supports consumer protection and reins in predatory pricing in the nano-loan space, but may squeeze margins and supply from high-cost digital lenders. Banks and mainstream finance are less directly affected, but fintech and small lenders must adjust pricing models.

ACEN 2.69

- **ACEN–Citicore JV Greencore Power Solutions 3 secured a ₱2.59B loan from DBP to support operations of the 115.7-MW Arayat–Mexico solar plant in Pampanga, which has been fully commercial since 2022 and supplies power to ~19,450 households. ACEN will also subscribe to ~₱859M in new shares to help meet the JV's obligations and fund expansion.**

- **Analysis:** This locks in project finance and balance-sheet support for an already-operating asset, freeing ACEN to deploy equity into additional projects while keeping leverage at the project level. It fits into ACEN's 7.1-GW RE portfolio and >₱80B capex plan for 2026.

- **Recommendation:** BUY / Accumulate for investors seeking pure-play renewables growth with improving scale and bankability.

SM 700.00

- **SM executives said they see continued growth in 2026 despite “political noise,” supply-chain issues, and FX pressures, citing opportunities outside NCR and in infrastructure and energy. Vice-Chair Teresita Sy-Coson said the group will “continue what we have planned” and expects to hit targets next year.**

- **Analysis:** Signals confidence from management in SM's diversified portfolio (retail, property, banking, infra/energy) and regional expansion. Even with cautious investor sentiment, SM's scale, balance sheet, and nationwide reach position it to outperform peers as growth normalizes.

- **Recommendation:** CORE HOLD / ACCUMULATE — a go-to conglomerate for PH domestic demand and infra themes.

DELM 5.15

- **Q2 FY2026 net profit jumped to US\$16.8M from US\$2.3M (almost 7×) on higher sales; H1 net profit from continuing operations rose to US\$56.3M on 10% sales growth to US\$423.3M. Gains were led by the Philippines (strong demand for packaged pineapple & mixed fruits) and a 23% rise in fresh pineapple exports, with North Asia taking 51% of exports.**

- **Analysis:** Results show successful brand and category management (year-round use of mixed fruits, nutrition-led campaigns) plus solid export execution. DMPL remains exposed to FX and agri-commodity volatility, but current momentum supports a turnaround / re-rating narrative.

- **Recommendation:** ACCUMULATE for investors comfortable trading on SGX/dual-listed structure, looking for a defensive consumer-staples + export story.

SMPH 22.10

- **DOE confirmed SMPH has reached 100 MWp of rooftop solar across its malls, reinforcing its energy-efficiency and sustainability drive.**

- **Analysis:** While earnings impact is incremental, this lowers long-term opex and strengthens SMPH's ESG profile, which matters for global funds and green-finance access.

- **Recommendation:** HOLD / Accumulate as a defensive, high-quality property play with growing green credentials.

Market Calendar

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Year Month

- **Calendar**

[illegible]

SRO SRO Ex-Date	CD Cash Ex-Date	STD Stock Ex-Date	PD Property Ex-Date
SMD Stockholders' Meeting	ABD Analysts' Briefing	EDD ETF Dividend Ex-Date	SRL SRO Listing
SRS SRO Start	SRE SRO End	OFI Offer Start	OFI Offer End
L Listing Date	EOS EFT Offer Start	EOE EFT Offer End	WEI Warrant Exp Date

2025 Market Outlook

PSEi Range and Important Levels

- Support 7500 (12.1x), 7100 (11.5x), 6900 (11.1x), 6700 (10.8x), 6500 (10.5x)
- Support 6200 (10.1x), 5800 (9.4x), 5400 (8.7x)

Valuations

- 2025 current level 5,759 is at 9.3x 2025F
- 2024 close of 6528 valued at 9.9x P/E
- PSEi is well under historical averages P/E of 14-15x

Targets

Base 6700 (10.2x 2025F, +2.6% Y/y)
Bull 7100 (10.8x 2025F, 8.7% Y/y)

Index technicals (PSEi)

- **Trend & momentum:** Price (6,264) just reclaimed the 23.6% Fib at 6,218 from the 7,564→5,803 downswing. RSI 56 = improving momentum, not overbought.

Key levels:

- **Supports:** 6,218 (23.6%), 6,100 (June/Sept shelf), 6,000 psych, 5,800 cycle low.
- **Resistances:** 6,350–6,420 (minor supply), 6,475 (38.2%), 6,680 (50%), 6,890 (61.8%).
- Base case (next 1–3 months): Chop higher toward 6,475–6,680 while back-testing 6,218. A clean weekly close >6,680 opens 6,890–7,150; a close <6,100 risks a re-test of 6,000/5,800.
- **Tactical plan:** Bias long on dips above 6,218; lighten into 6,475/6,680 unless breadth/turnover expand.

2025 macro/market take

- **Rates/liquidity:** Local debt markets are open (multiple oversubscribed bonds; shelf validity extended), while equity windows (big REITs/IPO) stay selective. That favors defensive cash-flow names and bond-savvy blue chips.
- **Energy transition & infra:** Strong pipeline in renewables, storage, LNG/biogas; ports/toll roads keep executing.
- **Telco:** Regulation (Konektadong Pinoy IRR) and satellite entrants raise competition—own selectively.
- **Property:** High-end/township demand > mid-market; REITs grow via asset infusions even as mega-REIT IPOs are deferred.
- **Consumer/travel:** Airlines still compounding off traffic recovery; branded staples and QSRs steady; gaming/leisure selectively constructive.

Sector stance (overweight/market weight/underweight)

- Overweight – Utilities & Power: Visibility + dividend + green pivot. **MER, FGEN, ACEN, CREC**
- Overweight – Infra/Logistics: Throughput/tariff resilience, capacity adds. **ICT**
- Overweight – High-end Property & REITs with asset growth: Funding flexibility + recurring income. **ALI, SMPH, RCR**
- Market weight – Consumer/Travel: Positive trend, but watch fuel FX and fare caps. **CEB, JFC**
- Market weight – Telcos: Own quality balance sheets; keep risk budget small. **TEL, GLO**

Long-Term Downtrend

- since 2018 until index exits upper end of consolidation range of 7,500-7600

Medium Term Consolidation

- since 2020 onset of pandemic, normalized range is 7400/6800 - 6100/5800/4800

Resistances 6100, 6400, 6800, 7400, 7500-7600, 8000, 8700
Support 5700, 5200

