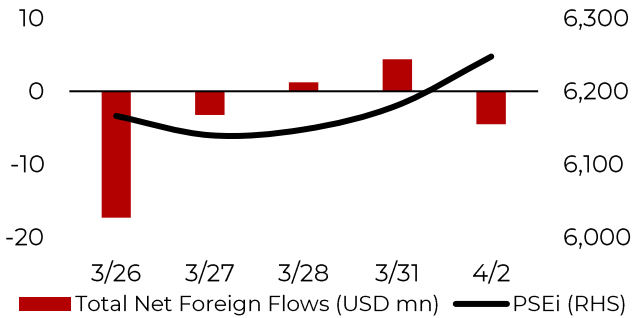


The Morning View

April 3, 2025

Philippine Stock Exchange Index

+1.08% DoD; Net foreign selling: \$4.55mn



	Level	DoD
PSEi	6,247.68	+1.08%
3-mo bond yield	5.32%	+0.97 bps
2-yr bond yield	5.74%	-0.17 bps
5-yr bond yield	5.89%	+0.17 bps
10-yr bond yield	6.19%	+0.03 bps
USDPHP	57.22	+0.01%
Oil (Brent, \$ / barrel)	74.95	+0.62%

The S&P Global PH Manufacturing Purchasing Managers' Index (PMI) dropped to 49.4 in March (Feb.: 51.0). The reading fell below the 50.0-level for the first time in 19 months, indicating a shift to the contractionary territory. The decline was attributed to manufacturers cutting output due to uncertainty surrounding US tariffs and firms pausing hiring activity.

Ayala Land, Inc. (PSE Ticker: ALI) obtained approval last March 31 from the Securities and Exchange Commission to absorb 29 of its subsidiaries. The merger took into effect last April 1 and was an initiative from management to simplify its ownership structure while increasing operational efficiencies.

Local equities climbed, **local fixed income yields** closed mixed, and the **Philippine peso** was flat as expectations of a slower local inflation print in March boosted bets of a rate cut from the Bangko Sentral ng Pilipinas. Investors also looked ahead of Trump's upcoming reciprocal tariff rollout which was announced overnight.

The PSEi closed at 6,247.68 (+1.08% DoD).

Yields ended mixed but on average rose by 0.77 bps, with the 2Y closing at 5.74% (-0.17 bps) and the 10Y closing at 6.19% (+0.03 bps).

The USD/PHP pair closed at 57.22 (+0.01% DoD).

US President Donald Trump announces reciprocal tariffs and trade policy adjustments. Trump has announced a 10% baseline tariff on all imports starting on April 5, with higher reciprocal tariffs taking effect on April 9 for several countries. These tariffs will be in addition to all other duties already imposed by the US. Exemptions to the tariffs include automobiles, steel, aluminum, imports from Canada and Mexico, and other items currently under investigation.

Federal Reserve Governor Adriana Kugler said that she supports keeping policy rates unchanged until upside risks to inflation abate. Kugler also mentioned that the progress on inflation may have stalled and flagged the potential price pressures associated with the "announced and prospective policy changes".

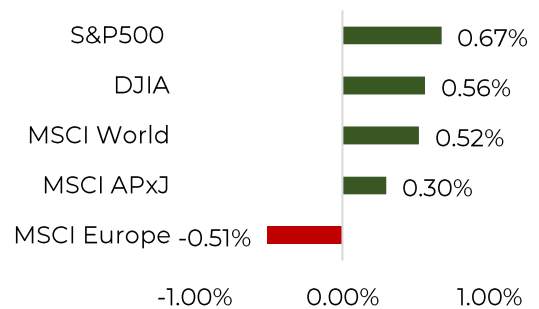
US equities rose, **US Treasury yields** ended lower, and the **US dollar** weakened as investors awaited the details on Trump's reciprocal tariffs which were announced after trading hours.

The S&P 500 closed at 5,670.97 (+0.67% DoD), while the DJIA ended at 42,225.32 (+0.56% DoD).

On average, yields fell by 1.98 bps, with the 2Y closing at 3.87% (-1.80 bps) and the 10Y closing at 4.14% (-3.60 bps).

The DXY closed at 103.81 (-0.43% DoD).

Global Stock Indices



	Level	DoD
S&P 500	5,670.97	+0.67%
DJIA	42,225.32	+0.56%
3-mo US Treasury yield	4.31%	+0.50 bps
2-yr US Treasury yield	3.87%	-1.80 bps
5-yr US Treasury yield	3.89%	-4.00 bps
10-yr US Treasury yield	4.14%	-3.60 bps
DXY	103.81	-0.43%

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