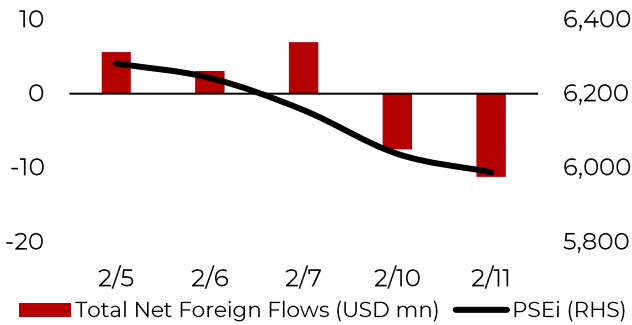


# The Morning View

February 12, 2025

## Philippine Stock Exchange Index

-0.82% DoD; Net foreign selling: \$11.26mn



**The Philippine government has added 15 projects to its Public-Private Partnership (PPP) pipeline.** This expanded the total to 176 projects, valued at Php2.47 trillion. Of the 15 new projects, four are at the national level while 11 are local. The rehabilitation of the Francisco Bangoy International Airport Project in Davao, which was estimated to cost Php12.9 billion, was one of the additions.

**Manila Electric Company (PSE Ticker: MER) plans to invest Php215.36 billion in capital expenditure for 2026-2029 to expand its network capacity and enhance automation.** MER has allocated Php34.39 billion for 2026, Php59.50 billion for 2027, Php57.91 billion for 2028, and Php64.56 billion for 2029.

**Local equities** declined, **local fixed income yields** closed mixed, and the **Philippine peso** slightly weakened ahead of Fed Chair Powell's speech to the US Congress. Investors also continued to weigh Trump's announcement to impose 25% tariffs on aluminum and steel imports to the US.

The PSEi closed at 5,987.75 (-0.82% DoD).

On average, yields rose by 0.87 bps, with the 2Y closing at 5.78% (+0.81 bps) and the 10Y closing at 6.11% (-0.81 bps).

The USD/PHP pair closed at 58.19 (+0.16% DoD).

	Level	DoD
PSEi	5,987.75	-0.82%
3-mo bond yield	5.14%	+2.73 bps
2-yr bond yield	5.78%	+0.81 bps
5-yr bond yield	5.91%	-0.11 bps
10-yr bond yield	6.11%	-0.81 bps
USDPHP	58.19	+0.16%
Oil (Brent, \$ / barrel)	77.00	+1.49%

**Fed Chair Jerome Powell said that the Fed is in no rush to cut rates, citing a "strong overall" economy and above 2% target inflation.** He noted that reducing policy restraint too fast or too much could hinder progress on inflation. Powell declined to comment on Trump's tariff policies.

**US President Trump ordered US agencies to plan for 'large-scale' staff cuts with the help of top advisor Elon Musk.** The executive order aimed to shrink and align the US government with Trump's policy priorities. The order exempts cuts from employees whose work is critical to national security, public safety, law enforcement, and immigration enforcement.

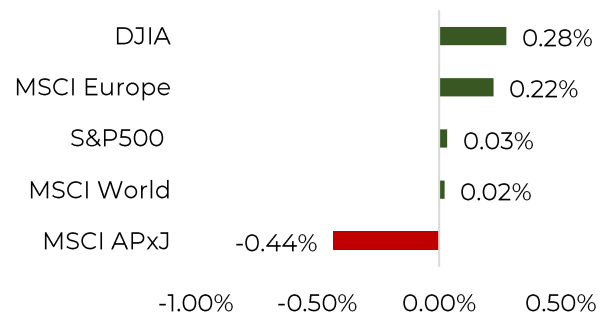
**US equities** inched up, **US Treasury yields** rose, and the **US dollar** slightly weakened as investors digested US Fed Chair Powell's comment saying that there is no rush to cut interest rates given the resilient US economy. This was also ahead of the release of the US consumer price index (CPI) inflation print for January.

The S&P 500 closed at 6,068.50 (+0.03% DoD) and the DJIA closed at 44,593.65 (+0.28% DoD).

On average, yields rose by 2.29 bps, with the 2Y closing at 4.29% (+1.10 bps) and the 10Y closing at 4.54% (+3.80 bps).

The DXY closed at 107.96 (-0.33% DoD).

## Global Stock Indices



	Level	DoD
S&P 500	6,068.50	+0.03%
DJIA	44,593.65	+0.28%
3-mo US Treasury yield	4.33%	-0.50 bps
2-yr US Treasury yield	4.29%	+1.10 bps
5-yr US Treasury yield	4.37%	+3.30 bps
10-yr US Treasury yield	4.54%	+3.80 bps
DXY	107.96	-0.33%

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