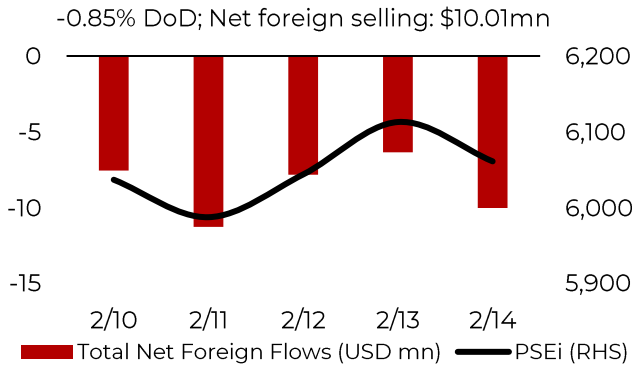


The Morning View

February 17, 2025

Philippine Stock Exchange Index



	Level	DoD
PSEi	6,061.33	-0.85%
3-mo bond yield	5.16%	-1.37 bps
2-yr bond yield	5.80%	+0.08 bps
5-yr bond yield	5.95%	-0.29 bps
10-yr bond yield	6.13%	-1.79 bps
USDPHP	57.83	-0.40%
Oil (Brent, \$ / barrel)	74.74	-0.37%

The Bangko Sentral ng Pilipinas (BSP) reported that the country's external debt service burden climbed by 13.96% YoY to \$15.74 billion as of end-November 2024. This was driven by principal payments increasing by 12.91% YoY to \$8.39 billion and interest payments jumping by 15.18% YoY to \$7.35 billion.

Manila Electric Company (PSE Ticker: MER) reported a consolidated energy sales volume of 4,061 gigawatt-hours (GWh) in January 2025. This was only a 0.4% increase from 4,045 GWh in January 2024 amid a slowdown in demand for the residential and commercial sectors.

Local equities fell, local fixed income yields inched down, and the Philippine peso strengthened as investors digested the BSP's policy decision to keep rates unchanged. The broad weakening of the US dollar amid the delayed effectivity of US President Trump's reciprocal tariffs also lifted the local currency.

The PSEi closed at 6,061.33 (-0.85% DoD).

On average, yields fell by 0.30 bps, with the 2Y closing at 5.80% (+0.08 bps) and the 10Y closing at 6.13% (-1.79 bps).

The USD/PHP pair closed at 57.83 (-0.40% DoD).

US retail sales fell by 0.9% MoM in January (Dec.: revised +0.7%), below market expectation of -0.2% MoM. The contraction was led by a decline in sales at sporting goods, music and bookstores (-4.65 MoM). This was followed by the drop in motor vehicles and parts spending (-2.8% MoM).

Dallas Federal Reserve President Lorie Logan said that the Fed should not necessarily reduce policy rates even if inflation nears the Fed's 2% target in the coming months. Logan called for the need to remain cautious on rate cuts as it remained far from clear if inflation will indeed cool in the near term.

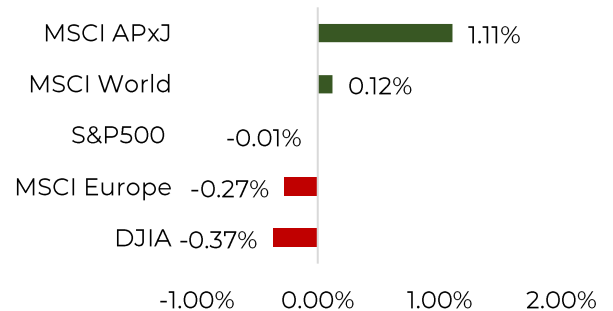
US equities inched down, US Treasury yields declined, and the US dollar weakened following the weaker-than-expected retail sales data for January. Investors also continued to weigh the delayed implementation of Trump's reciprocal tariffs.

The S&P 500 closed at 6,114.63 (-0.01% DoD) and the DJIA closed at 44,546.08 (-0.37% DoD).

On average, yields fell by 3.88 bps, with the 2Y closing at 4.26% (-4.80 bps) and the 10Y closing at 4.48% (-5.30 bps).

The DXY closed at 106.71 (-0.56% DoD).

Global Stock Indices



	Level	DoD
S&P 500	6,114.63	-0.01%
DJIA	44,546.08	-0.37%
3-mo US Treasury yield	4.33%	-0.40 bps
2-yr US Treasury yield	4.26%	-4.80 bps
5-yr US Treasury yield	4.33%	-6.20 bps
10-yr US Treasury yield	4.48%	-5.30 bps
DXY	106.71	-0.56%

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