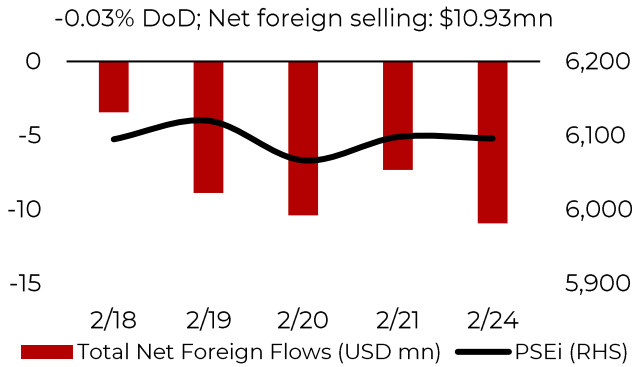


The Morning View

February 25, 2025

Philippine Stock Exchange Index



	Level	DoD
PSEi	6,095.97	-0.03%
3-mo bond yield	5.33%	+3.71 bps
2-yr bond yield	5.80%	+0.11 bps
5-yr bond yield	5.92%	+0.24 bps
10-yr bond yield	6.12%	-1.05 bps
USDPHP	57.81	-0.23%
Oil (Brent, \$ / barrel)	74.78	+0.47%

The Bangko Sentral ng Pilipinas (BSP) reported that the Philippine banking system's total deposits rose by 7% YoY to Php20.38 trillion in 2024. Deposit liabilities were composed of 43% savings (Php8.84 trillion), 28% demand (Php5.62 trillion), and 29% time (Php5.88 trillion) deposits.

Manila Electric Company's (PSE Ticker: MER) FY24 consolidated core net income hit a record Php45.1 billion, up by 22% YoY. Growth was driven by the steady performance of the company's distribution utility unit and higher contributions of its power generation and retail electricity supply segments.

Local equities inched down and **local fixed income yields** were mixed amid cautious sentiment following a weaker-than-expected slew of US economic data and ahead of the release of the US personal consumption expenditure (PCE) inflation print later this week. Meanwhile, the **Philippine peso** slightly strengthened as investors cheered the country's exit from the Financial Action Task Force (FATF) grey list.

The PSEi closed at 6,095.97 (-0.03% DoD).

On average, yields rose by 0.93 bps, with the 2Y closing at 5.80% (+0.11 bps) and the 10Y closing at 6.12% (-1.05 bps).

The USD/PHP pair closed at 57.81 (-0.23% DoD).

The US imposed a fresh round of sanctions on Iran's oil industry, targeting more than 30 brokers, tanker operators, and shipping companies. This comes as US President Trump hoped to drive Iran's crude exports to zero.

Eurozone consumer price index (CPI) inflation accelerated to a six-month high of 2.5% YoY in January (Dec. revised: 2.4%). This was in line with market expectations but above the European Central Bank's 2% target for the 3rd consecutive month. The main drivers were services, food, alcohol, and tobacco, as well as energy.

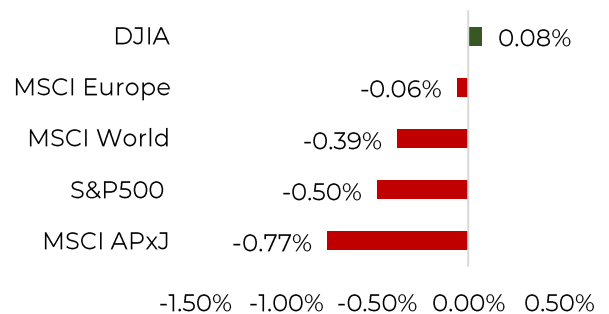
US equities dropped, **US Treasury yields** fell, and the **US dollar** closed flat ahead of the release of Nvidia's 4Q24 earnings report and the January US PCE inflation print later this week. Investors also reassessed growth prospects after the weaker-than-expected US economic data releases and Trump's confirmation that Canada and Mexico tariffs will proceed in March.

The S&P 500 closed at 5,983.25 (-0.50% DoD) and the DJIA closed at 43,461.21 (+0.08% DoD).

On average, yields fell by 2.12 bps, with the 2Y closing at 4.18% (-2.50 bps) and the 10Y closing at 4.40% (-3.10 bps).

The DXY closed at 106.67 (+0.05% DoD).

Global Stock Indices



	Level	DoD
S&P 500	5,983.25	-0.50%
DJIA	43,461.21	+0.08%
3-mo US Treasury yield	4.30%	-0.90 bps
2-yr US Treasury yield	4.18%	-2.50 bps
5-yr US Treasury yield	4.24%	-3.70 bps
10-yr US Treasury yield	4.40%	-3.10 bps
DXY	106.67	+0.05%

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