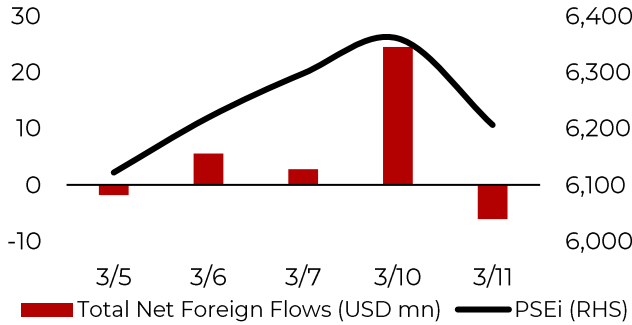


# The Morning View

March 12, 2025

## Philippine Stock Exchange Index

-2.42% DoD; Net foreign selling: \$6.10mn



	Level	DoD
PSEi	6,206.55	-2.42%
3-mo bond yield	5.26%	-1.17 bps
2-yr bond yield	5.81%	-3.42 bps
5-yr bond yield	5.96%	-3.72 bps
10-yr bond yield	6.22%	-0.30 bps
USDPHP	57.23	-0.32%
Oil (Brent, \$ / barrel)	69.56	+0.40%

**Bangko Sentral ng Pilipinas (BSP) Governor Eli Remolona said that the central bank maintains its cautious approach to monetary policy easing as rate cuts will likely be done in baby steps.** Moreover, he hinted that a rate cut in April is still on the table. The Monetary Board's next policy meeting has been rescheduled to April 10 from April 3.

**Manila Electric Co. (PSE Ticker: MER) hiked electricity rates for March by Php0.2639 per kilo-watt hour (kWh).** This was driven by higher transmission charges and feed-in tariff allowance. The hike will result in an overall rate of Php12.2901/kWh in March (Feb: Php12.0262/kWh).

**Local equities** dropped, tracking the decline in global markets amid fears of a potential economic slowdown in the US. Political uncertainty following former President Duterte's arrest also dampened Investors' sentiment. The PSEi closed at 6,206.55 (-2.42% DoD).

**Local fixed income yields** fell after BSP Governor Remolona hinted at a potential rate cut in their next policy meeting in April. On average, yields fell by 1.63 bps, with the 2Y closing at 5.81% (-3.42 bps) and the 10Y closing at 6.22% (-0.30 bps).

The **Philippine peso** strengthened as concerns over a US economic slowdown weighed on the greenback. The USD/PHP pair closed at 57.23 (-0.32% DoD).

**US job openings rose by 232,000 to 7.74 million in January (Dec Revised: 7.51 million).** This exceeded market's expectations of 7.60 million, primarily driven by an uptick in openings in both the financial services and retail trade sectors. There were 1.13 job openings for every unemployed person, up from 1.09 in December.

**US Small Business Optimism Index dropped to 100.7 in February (Jan.: 102.8), falling below consensus expectation of 101.0.** This reading marked the third straight month of decline, reflecting weaker business confidence due to concerns over the Trump administration's trade policies.

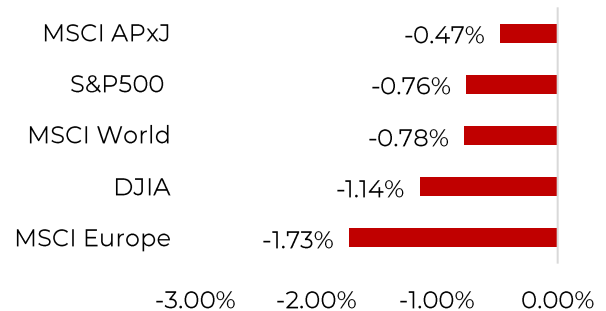
**US equities** fell, **US Treasury yields** rose, and the **US dollar** weakened amid new trade uncertainties, as Trump initially announced 50% tariffs on Canadian steel and aluminum. He later scaled the tariffs back to 25%. Moreover, investors looked ahead to the release of the February Consumer Price Index (CPI) inflation report later this week.

The S&P 500 closed at 5,572.07 (-0.76% DoD) and the DJIA closed at 41,433.48 (-1.14% DoD).

On average, yields rose by 4.36 bps, with the 2Y closing at 3.95% (+6.00 bps) and the 10Y closing at 4.28% (+6.50 bps).

The DXY closed at 103.42 (-0.46% DoD).

## Global Stock Indices



	Level	DoD
S&P 500	5,572.07	-0.76%
DJIA	41,433.48	-1.14%
3-mo US Treasury yield	4.29%	+0.50 bps
2-yr US Treasury yield	3.95%	+6.00 bps
5-yr US Treasury yield	4.04%	+6.70 bps
10-yr US Treasury yield	4.28%	+6.50 bps
DXY	103.42	-0.46%

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