

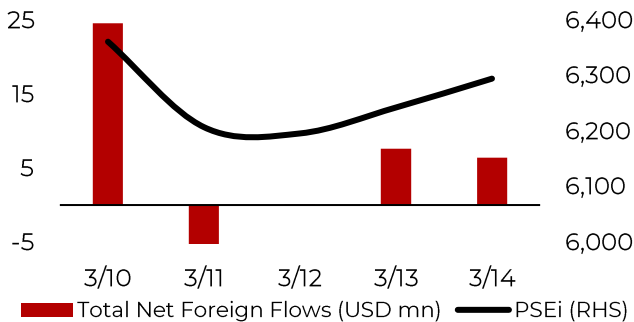


The Morning View

March 17, 2025

Philippine Stock Exchange Index

+0.83% DoD; Net foreign buying: \$6.38mn



	Level	DoD
PSEi	6,294.11	+0.83%
3-mo bond yield	5.25%	+0.54 bps
2-yr bond yield	5.80%	-0.63 bps
5-yr bond yield	5.95%	-0.54 bps
10-yr bond yield	6.23%	+0.10 bps
USDPHP	57.25	-0.19%
Oil (Brent, \$ / barrel)	70.58	+1.00%

The Bangko Sentral ng Pilipinas reported that the country's outstanding external debt rose 9.8% YoY to \$137.63 billion as of end-December 2024. The increase was primarily driven by net availments of \$9.61 billion to address liquidity requirements of the public and private sector.

Globe Telecom, Inc. (PSE Ticker: GLO) signed a Php20-billion loan facility to fund its capital expenditures (capex) and refinance debt. GLO disclosed that its 2025 capex may fall below \$1 billion as the company plans to reinvest proceeds from its tower sales.

Local equities rose amid bargain hunting and as investors weighed the recent strengthening of the Philippine peso against the US dollar. The PSEi closed at 6,294.11 (+0.83% DoD).

Local fixed income yields were mixed but fell on average, and the **Philippine peso** slightly strengthened after the US February Producer Price Index inflation print of 3.2% came in softer than expected. This was also amid reports of a potential 30-day ceasefire deal between Russia and Ukraine.

On average, yields fell by 0.35 bps, with the 2Y closing at 5.80% (-0.63 bps) and the 10Y closing at 6.23% (+0.10 bps).

The USD/PHP pair closed at 57.25 (-0.19% DoD).

University of Michigan's US consumer sentiment index declined to 57.9 in March (Feb: 64.7), a 28-month low. The weaker sentiment was driven by consumers' worries amid the uncertainty in economic policies. The 5-year inflation expectation rose to 3.9% in March (Feb: 3.5%), the highest level since 1993.

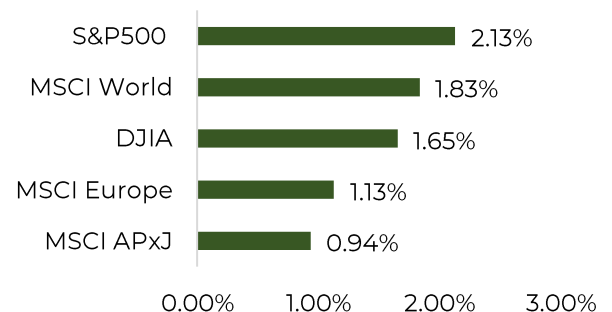
European Central Bank (ECB) policymaker Robert Holzmann backs keeping interest rates unchanged in April. He noted that higher trade tariffs and more government spending raise the risk of a new surge in inflation. Nonetheless, he added that the ECB could still resume cutting borrowing costs, potentially as early as June.

US equities rose on the back of investors' bargain-hunting. Fading concerns over a partial government shutdown after the US Senate passed a stopgap funding bill also lifted market sentiment. The S&P 500 closed at 5,638.94 (+2.13% DoD) and the DJIA closed at 41,488.19 (+1.65% DoD).

US Treasury yields climbed as investors weighed the surge in one-year and five-year consumer inflation expectations. On average, yields rose by 3.44 bps, with the 2Y closing at 4.02% (+5.80 bps) and the 10Y ending at 4.32% (+4.40 bps).

The **US dollar** slightly weakened as the euro strengthened after investors digested Germany's fiscal expansion plans. The DXY closed at 103.72 (-0.11% DoD).

Global Stock Indices



	Level	DoD
S&P 500	5,638.94	+2.13%
DJIA	41,488.19	+1.65%
3-mo US Treasury yield	4.30%	-0.40 bps
2-yr US Treasury yield	4.02%	+5.80 bps
5-yr US Treasury yield	4.09%	+6.00 bps
10-yr US Treasury yield	4.32%	+4.40 bps
DXY	103.72	-0.11%

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