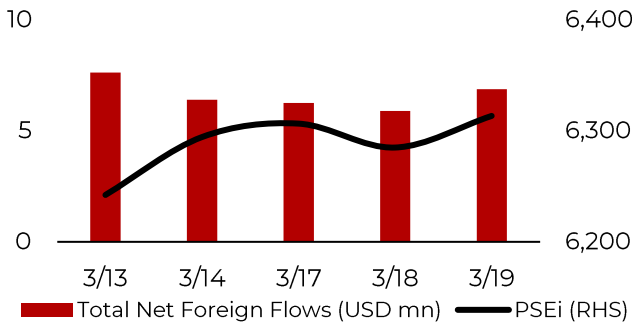


# The Morning View

March 20, 2025

## Philippine Stock Exchange Index

+0.45% DoD; Net foreign buying: \$6.86mn



**Finance Secretary Ralph G. Recto signaled that there is a high likelihood that the Bangko Sentral ng Pilipinas (BSP) will cut rates in April to attain at least 6% economic growth for 2025.**

Recto added that there is room to cut as inflation appears to be controlled.

**PLDT Inc. (PSE Ticker: TEL), through its unit Vitro Inc., partnered with Nokia to enhance data center solutions for its artificial intelligence initiatives.**

The memorandum of understanding is aimed at improving network security, scalability, and efficiency. TEL plans to build its next data center in South Luzon to position VITRO Sta. Rosa as a data center hub and strengthen its market presence.

**Local equities** climbed, **local fixed income yields** were mixed, and the **Philippine peso** closed flattish ahead of the US Fed's policy decision. Investors also digested Finance Secretary Recto's dovish remarks on monetary policy, stating that there's a high probability of a rate cut in April.

The PSEi closed at 6,313.12 (+0.45% DoD).

On average, yields fell by 0.77 bps, with the 2Y closing at 5.77% (-0.48 bps) and the 10Y closing at 6.25% (+0.41 bps).

The USD/PHP pair closed at 57.30 (+0.01% DoD).

	Level	DoD
PSEi	6,313.12	+0.45%
3-mo bond yield	5.20%	-2.17 bps
2-yr bond yield	5.77%	-0.48 bps
5-yr bond yield	5.96%	-0.58 bps
10-yr bond yield	6.25%	+0.41 bps
USDPHP	57.30	+0.01%
Oil (Brent, \$ / barrel)	70.78	+0.31%

**The US Federal Reserve kept its policy rate steady in the 4.25-4.50% range amid a period of "unusually elevated" uncertainties.** Policymakers still expect the Fed to deliver two 25-bps rate cuts this year. The Fed raised its Personal Consumption Expenditures inflation projections to 2.7% and 2.2% in 2025 and 2026, respectively. Meanwhile, the Fed downgraded its economic growth forecasts to 1.7% and 1.8% in 2025 and 2026, respectively.

**US Fed Chair Jerome Powell said that President Trump's tariff increases would delay progress in bringing down inflation this year.** Nonetheless, he added that the Fed's base case is that tariff-related price impacts will be transitory, working through the economy quickly. Powell also noted that it is too soon to gauge the inflationary impact from higher tariffs.

**US equities** rose, **US Treasury yields** were mixed but fell on average, and the **US dollar** slightly strengthened after the Federal Reserve left the policy rate unchanged in the 4.25-4.50% range and maintained its rate cut projections for the year.

The S&P 500 closed at 5,675.29 (+1.08% DoD), while the DJIA ended at 41,964.63 (+0.92% DoD).

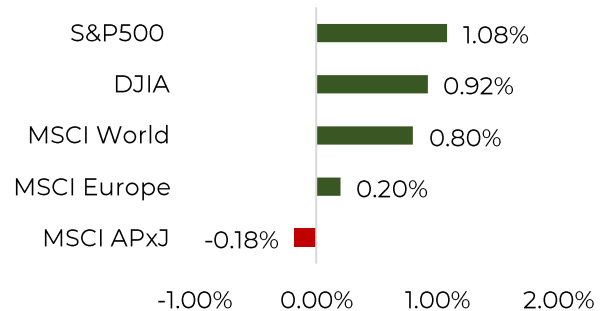
On average, yields fell by 3.32 bps, with the 2Y closing at 3.98% (-6.70 bps) and the 10Y closing at 4.25% (-4.20 bps).

The DXY closed at 103.43 (+0.18% DoD).

This material, which is strictly for information purposes only, is for your sole use, does not constitute a recommendation or an offer to sell or a solicitation to buy any financial product. Any information is subject to change without notice and BPI Wealth is not under any obligation to update or keep current the information contained herein. You are advised to make your own independent judgment with respect to the matter contained in this document. No liability whatsoever is accepted for any loss that may arise (whether direct or consequential) from any use of the information contained herein.

All funds managed by BPI Wealth are Trust and/or Investment Management Funds, which do not carry any guarantee of income or principal, and are NOT covered by the Philippine Deposit Insurance Corporation. Past performance is not a guarantee of future results. BPI Wealth Investment Funds are valued daily using the marked-to-market method.

## Global Stock Indices



	Level	DoD
S&P 500	5,675.29	+1.08%
DJIA	41,964.63	+0.92%
3-mo US Treasury yield	4.31%	+1.80 bps
2-yr US Treasury yield	3.98%	-6.70 bps
5-yr US Treasury yield	4.02%	-5.30 bps
10-yr US Treasury yield	4.25%	-4.20 bps
DXY	103.43	+0.18%