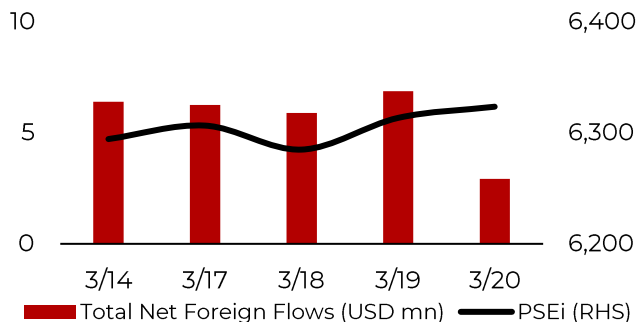


The Morning View

March 21, 2025

Philippine Stock Exchange Index

+0.16% DoD; Net foreign buying: \$2.91mn



	Level	DoD
PSEi	6,323.13	+0.16%
3-mo bond yield	5.19%	-0.93 bps
2-yr bond yield	5.77%	-0.23 bps
5-yr bond yield	5.96%	+0.49 bps
10-yr bond yield	6.26%	+0.76 bps
USDPHP	57.22	-0.14%
Oil (Brent, \$ / barrel)	72.00	+1.72%

Bangko Sentral ng Pilipinas Governor Remolona said that the central bank will resist significant swings in the peso's value amid concerns over domestic politics which drove volatility in emerging markets such as Indonesia and Turkey. He also highlighted that a big swing towards peso depreciation tends to be inflationary.

Aboitiz Power Corp. (PSE Ticker: AP) has earmarked Php78.1 billion in capital expenditures (capex) for 2025. 66% of the capex budget for this year would be allocated for the expansion of its renewable energy portfolio. AP is also looking to ramp up the capacity of Davao Light and Power Co., Inc., one of the country's largest power distribution utilities.

Local equities rose, **local fixed income yields** were mixed, and the **Philippine peso** slightly strengthened after the Fed held interest rates steady and kept its two 25-bp rate cut forecast for the year. Fed Chair Powell signaled a cautious approach amid uncertainties over the US economy and inflation.

The PSEi closed at 6,323.13 (+0.16% DoD).

On average, yields rose by 0.45 bps, with the 2Y closing at 5.77% (-0.23 bps) and the 10Y closing at 6.26% (+0.76 bps).

The USD/PHP pair closed at 57.22 (-0.14% DoD).

US existing home sales rose by 4.2% MoM to 4.26 million in February (Jan Revised: 4.09 million). This was higher than the market expectation of 3.95 million. The unexpected rise in sales was attributed to an increase in supply, which enticed home buyers to enter the market despite the relatively unchanged mortgage rates.

US weekly jobless claims rose by 2,000 to 223,000 for the week ending March 15, slightly below the market expectation of 224,000. The Labor Department report highlighted a stable labor market, with layoffs remaining low. Continuing claims increased by 33,000 to 1.89 million, reflecting longer durations on unemployment rolls.

US equities fell, **US Treasury yields** inched down, and the **US dollar** strengthened as investors remained cautious about the outlook on the US economy following the Fed's updated growth and inflation projections. For 2025, the Fed lowered its economic growth forecast to 1.7% (from 2.1%) and raised its core personal consumption expenditure inflation projection to 2.8% (from 2.5%).

The S&P 500 closed at 5,662.89 (-0.22% DoD), while the DJIA ended at 41,953.32 (-0.03% DoD).

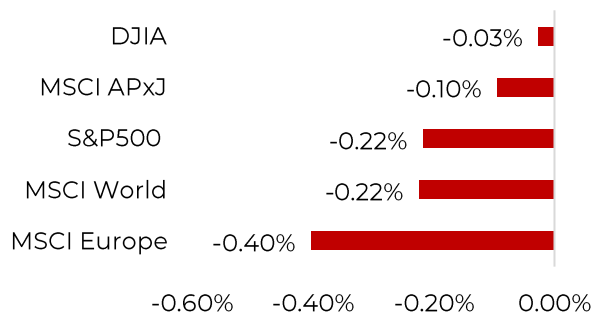
On average, yields fell by 0.55 bps, with the 2Y closing at 3.97% (-1.10 bps) and the 10Y closing at 4.24% (-0.40 bps).

The DXY closed at 103.85 (+0.41% DoD).

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Global Stock Indices



	Level	DoD
S&P 500	5,662.89	-0.22%
DJIA	41,953.32	-0.03%
3-mo US Treasury yield	4.29%	-1.10 bps
2-yr US Treasury yield	3.97%	-1.10 bps
5-yr US Treasury yield	4.01%	-0.80 bps
10-yr US Treasury yield	4.24%	-0.40 bps
DXY	103.85	+0.41%