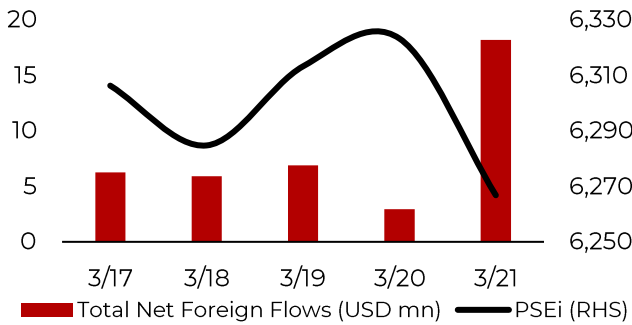


The Morning View

March 24, 2025

Philippine Stock Exchange Index

-0.89% DoD; Net foreign buying: \$18.16mn



	Level	DoD
PSEi	6,266.75	-0.89%
3-mo bond yield	5.18%	-1.67 bps
2-yr bond yield	5.78%	+0.67 bps
5-yr bond yield	5.96%	+0.13 bps
10-yr bond yield	6.24%	-1.52 bps
USDPHP	57.33	+0.19%
Oil (Brent, \$ / barrel)	72.16	+0.22%

The Bangko Sentral ng Pilipinas (BSP) reported that the country's external debt service burden surged to \$17.16 billion in 2024 (+15.57% YoY). This was driven by higher principal payments of \$8.94 billion (+15.30% YoY) and interest payments of \$8.22 billion (+15.86% YoY). As of 2024, the external debt service burden as a share of gross domestic product rose to 3.7% from 3.4% in 2023.

Ayala Corp. (PSE Ticker: AC) signed its first \$200 million yen-denominated loan. AC secured an "A-" credit rating from the Japan Credit Rating Agency, Ltd. Proceeds of the samurai bond will be used for the company's general corporate purposes.

Local equities declined, local fixed income yields were mixed, and the Philippine peso weakened as investors awaited more clarity regarding Trump's reciprocal tariffs set to be implemented on April 2. This was also following the implementation of the latest FTSE rebalancing.

The PSEi closed at 6,266.75 (-0.89% DoD).

On average, yields rose by 0.08 bps, with the 2Y closing at 5.78% (+0.67 bps) and the 10Y closing at 6.24% (-1.52 bps).

The USD/PHP pair closed at 57.33 (+0.19% DoD).

Fed officials backed cautious policy approach amid economic uncertainty. New York Fed President Williams said that the Fed's moderately restrictive policy is currently appropriate given the uncertainties in the economy. Meanwhile, Chicago Fed President Goolsbee said that he still sees interest rate cuts even if the Fed is taking a wait-and-see approach amid the potential impact of President Trump's tariffs, deregulation, and tax cut plans.

Eurozone's consumer confidence declines to -14.5 in March (Feb: -13.6), below the market expectation of -13.0. The decline in consumer confidence was attributed to concerns over growth and inflation amid threat of trade tariffs.

US equities inched up, US Treasury yields ended mixed, and the US dollar slightly strengthened following comments by Trump that there would be some "flexibility" with tariffs. However, he noted that the tariffs implemented at the April 2 deadline will remain reciprocal. Additionally, investors also digested heightening geopolitical tensions in the Middle East.

The S&P 500 closed at 5,667.56 (+0.08% DoD), while the DJIA ended at 41,985.35 (+0.08% DoD).

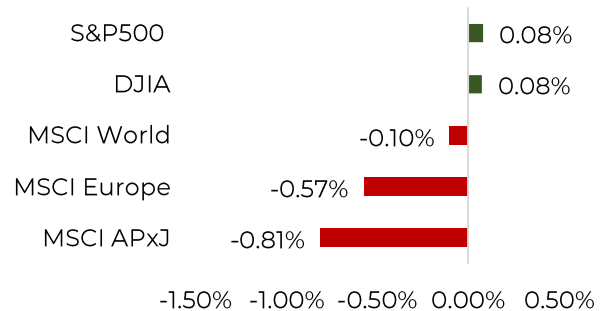
On average, yields were flat, with the 2Y closing at 3.95% (-1.40 bps) and the 10Y closing at 4.25% (+0.90 bps).

The DXY closed at 104.09 (+0.23% DoD).

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Global Stock Indices



	Level	DoD
S&P 500	5,667.56	+0.08%
DJIA	41,985.35	+0.08%
3-mo US Treasury yield	4.29%	-0.20 bps
2-yr US Treasury yield	3.95%	-1.40 bps
5-yr US Treasury yield	4.01%	-0.90 bps
10-yr US Treasury yield	4.25%	+0.90 bps
DXY	104.09	+0.23%