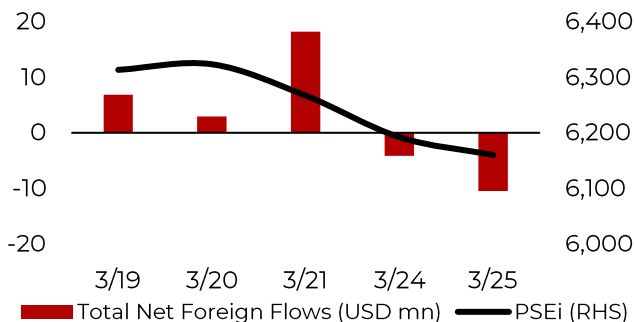


# The Morning View

March 26, 2025

## Philippine Stock Exchange Index

-0.52% DoD; Net foreign selling: \$10.51mn



	Level	DoD
PSEi	6,159.85	-0.52%
3-mo bond yield	5.21%	+1.47 bps
2-yr bond yield	5.77%	+0.02 bps
5-yr bond yield	5.96%	-0.86 bps
10-yr bond yield	6.27%	+1.66 bps
USDPHP	57.60	+0.49%
Oil (Brent, \$ / barrel)	73.02	+0.03%

**Bangko Sentral ng Pilipinas (BSP) Governor Eli Remolona Jr. said that there is a good chance that the central bank will cut by 25 bps in April.** He added that cumulative rate cuts could reach 75 bps this year depending on data but flagged that there are more upside risks than downside risks for inflation. He also noted that the BSP has been intervening less in the currency market in the last few months.

**Manila Electric Corporation (PSE Ticker: MER) secured approval from the Energy Regulatory Commission (ERC) for the purchase of the remaining 290 megawatts (MW) from the Ilijan power plant.** The additional capacity must be subject to the previously approved Php5.9282 per kilowatt-hour rate. The approval will result in the fully contracting of the 1,200-MW capacity of Ilijan's power plant.

**Local equities** slightly declined, **local fixed income yields** were mixed, and the **Philippine peso** weakened as investors weighed Trump's 25% tariffs on countries buying Venezuelan oil or gas, and Governor Remolona's comments on a potential rate cut in April.

The PSEi closed at 6,159.85 (-0.52% DoD).

On average, yields rose by 0.78 bps, with the 2Y closing at 5.77% (+0.02 bps) and the 10Y closing at 6.27% (+1.66 bps).

The USD/PHP pair closed at 57.60 (+0.49% DoD).

**US Conference Board Consumer Confidence index plunged to 92.9 in March (Feb Revised: 100.1), its lowest level since early 2021.** This was below market's expectation of 94.0 and was driven by concerns over the impact of Trump's tariffs on the economic outlook and inflation. Meanwhile, a gauge for the short-term consumer expectations fell to 65.2 in the same period (Feb Revised: 74.8), its lowest in 12 years.

**US new home sales rebounded by 1.8% MoM to 676,000 in February (Revised Jan.: -6.9%),** but came in weaker than consensus expectation of a 3.5% rise. The rise was attributed to the warmer weather and the decline in mortgage rates.

**US equities** inched up as investors continued to assess the more measured trade policy stance by the Trump administration. The S&P 500 closed at 5,776.65 (+0.16% DoD), while the DJIA ended at 42,587.5 (+0.01% DoD).

**US Treasury yields** fell and the **US dollar** weakened after the lower-than-expected March US consumer confidence data highlighted growing worries about the potential impact of Trump's trade policies and tariffs on economic growth and inflation.

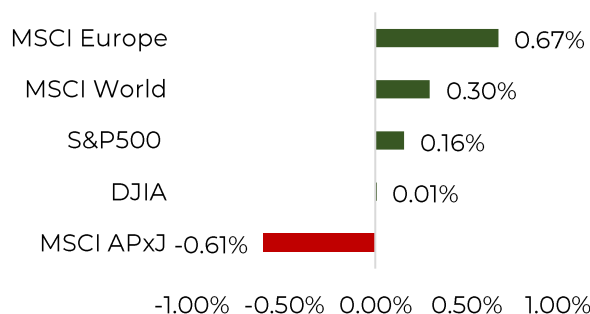
On average, yields fell by 1.4 bps, with the 2Y closing at 4.02% (-1.70 bps) and the 10Y closing at 4.32% (-2.30 bps).

The DXY closed at 104.18 (-0.07% DoD).

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## Global Stock Indices



	Level	DoD
S&P 500	5,776.65	+0.16%
DJIA	42,587.50	+0.01%
3-mo US Treasury yield	4.28%	-0.80 bps
2-yr US Treasury yield	4.02%	-1.70 bps
5-yr US Treasury yield	4.07%	-2.70 bps
10-yr US Treasury yield	4.32%	-2.30 bps
DXY	104.18	-0.07%