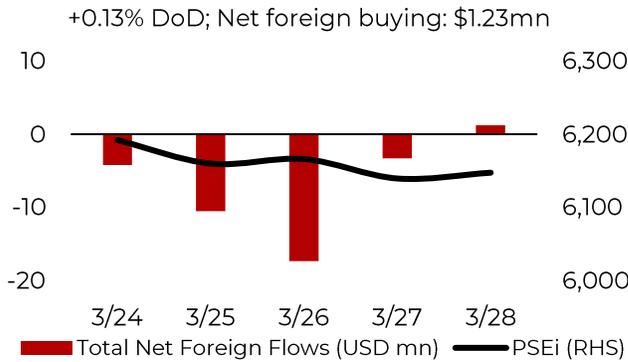


The Morning View

March 31, 2025

Philippine Stock Exchange Index



A BusinessWorld poll showed that local headline inflation likely eased to a median estimate of 2.0% YoY in March. If realized, this will be slower than the headline inflation print of 2.1% in February. Analysts attributed the slower inflation forecast to the slowdown in food inflation amid good weather and further softening of rice prices. Moreover, fuel prices further dropped during the month.

Monde Nissin Corp. (PSE Ticker: MONDE) allocated Php7.55 billion for its capital expenditures in 2025. Majority of the budget will be used for its new biscuit plant in Northern Luzon. MONDE will also allocate Php976 million to its meat alternative business to help cut losses in the segment.

Local equities climbed, **local fixed income yields** ended mixed, and the **Philippine peso** was flat as investors continued to digest Bangko Sentral ng Pilipinas Governor Remolona's comments of a potential rate cut in April, the effectivity of the latest reserve requirement ratio cut, and uncertainty over Trump's reciprocal tariffs. This was also ahead of the release of the US consumer personal consumption expenditure (PCE) inflation data.

The PSEi closed at 6,147.44 (+0.13% DoD).

Yields were mixed but rose on average by 0.99 bps, with the 2Y closing at 5.75% (-0.99 bps) and the 10Y closing at 6.22% (-1.37 bps).

The USD/PHP pair closed at 57.38 (+0.02% DoD).

	Level	DoD
PSEi	6,147.44	+0.13%
3-mo bond yield	5.30%	+6.85 bps
2-yr bond yield	5.75%	-0.99 bps
5-yr bond yield	5.90%	-2.08 bps
10-yr bond yield	6.22%	-1.37 bps
USDPHP	57.38	+0.02%
Oil (Brent, \$ / barrel)	73.63	-0.54%

US PCE inflation rose to 2.5% YoY in February (January: 2.5%), steady from January's print and in-line with the market expectation. Meanwhile, core PCE, the Fed's preferred inflation gauge, rose to 2.8% YoY in February (January: 2.7%). This was higher than expected and was driven by sticky core services.

San Francisco Fed President Mary Daly still sees two rate cuts this year as reasonable, but flagged that the recent plateauing of inflation progress gives her less confidence in the outlook. She also added that policymakers can wait to reduce rates to assess how businesses will adjust to tariff costs.

US equities fell, **US Treasury yields** dropped, and the **US dollar** slightly weakened as investors digested mixed data including the softer-than-expected consumer spending in February, weakening consumer sentiment in March, and higher-than-expected core PCE data.

The S&P 500 closed at 5,580.94 (-1.97% DoD), while the DJIA ended at 41,583.9 (-1.69% DoD).

On average, yields fell by 7.24 bps, with the 2Y closing at 3.91% (-8.20 bps) and the 10Y closing at 4.25% (-11.00 bps).

The DXY closed at 104.04 (-0.28% DoD).

Global Stock Indices



	Level	DoD
S&P 500	5,580.94	-1.97%
DJIA	41,583.90	-1.69%
3-mo US Treasury yield	4.30%	-0.10 bps
2-yr US Treasury yield	3.91%	-8.20 bps
5-yr US Treasury yield	3.98%	-11.00 bps
10-yr US Treasury yield	4.25%	-11.00 bps
DXY	104.04	-0.28%

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