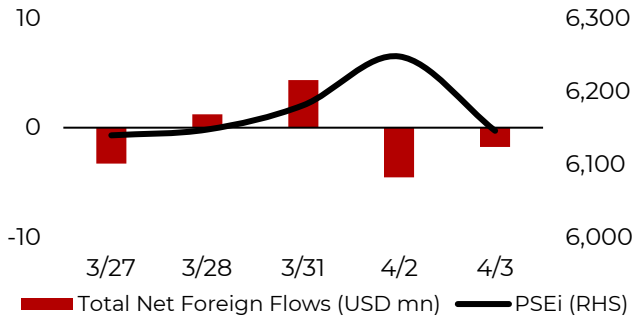


The Morning View

April 4, 2025

Philippine Stock Exchange Index

-1.63% DoD; Net foreign selling: \$1.77mn



The Philippine Statistics Authority (PSA) revised the country's 2024 gross domestic product (GDP) growth upwards to 5.7% from the initial 5.6% estimate. The 4Q24 GDP growth was also revised to 5.3% from previously 5.2%. The full year revision was due to higher government spending, while the fourth quarter figures were boosted by lower imports.

Ayala Land, Inc. (PSE Ticker: ALI) said that the launch of direct flights from Clark to El Nido could boost the growth of its Palawan properties. Direct flights will be launched through Cebu Pacific's AirSWIFT Transport, Inc. ALI's El Nido properties include Seda Lio and Huni Lio resorts.

Local equities fell, local fixed income yields closed mixed, and the **Philippine peso** strengthened as the local market assessed Trump's tariff announcements, which includes imposing a 17% tariff against the Philippines. This raised investors' concerns about the impact of broad-based tariffs and potential retaliation from other countries on inflation and growth.

The PSEi closed at 6,145.73 (-1.63% DoD).

Yields ended mixed but on average rose by 0.14 bps, with the 2Y closing at 5.75% (+0.74 bps) and the 10Y closing at 6.17% (-2.17 bps).

The USD/PHP pair closed at 57.10 (-0.21% DoD).

	Level	DoD
PSEi	6,145.73	-1.63%
3-mo bond yield	5.34%	+1.89 bps
2-yr bond yield	5.75%	+0.74 bps
5-yr bond yield	5.92%	+2.15 bps
10-yr bond yield	6.17%	-2.17 bps
USDPHP	57.10	-0.21%
Oil (Brent, \$ / barrel)	70.14	-6.42%

Federal Reserve Governor Lisa Cook urged patience amid rising inflation risks. Cook stated that the central bank has the flexibility to carefully evaluate an increasingly uncertain economic landscape. She also remarked that disinflation progress will slow in the near-term and risks are tilted to the downside for growth.

US trade deficit narrowed by 6.1% MoM to \$122.7 billion in February (Jan. revised: \$130.7 billion). Imports were unchanged at \$401.1 billion for the period as businesses continued to frontload Trump's tariffs. Meanwhile, exports rose to a record-high of \$278.5 billion driven by a surge in nonmonetary gold exports.

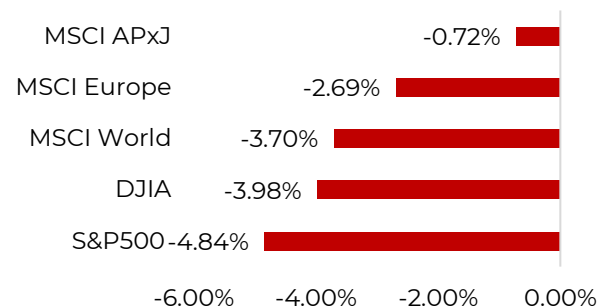
US equities fell, US Treasury yields declined, and the **US dollar** weakened as investors shifted from risky to safer assets. This was after the Trump administration announced a baseline 10% tariff on most imports and higher levies on numerous other countries, which weighed on market sentiment due to rising concerns of a potential slowdown in economic activity.

The S&P 500 closed at 5,396.52 (-4.84% DoD), while the DJIA ended at 40,545.93 (-3.98% DoD).

On average, yields fell by 8.23 bps, with the 2Y closing at 3.69% (-17.90 bps) and the 10Y closing at 4.03% (-10.30 bps).

The DXY closed at 102.07 (-1.67% DoD).

Global Stock Indices



	Level	DoD
S&P 500	5,396.52	-4.84%
DJIA	40,545.93	-3.98%
3-mo US Treasury yield	4.30%	-1.10 bps
2-yr US Treasury yield	3.69%	-17.90 bps
5-yr US Treasury yield	3.73%	-15.90 bps
10-yr US Treasury yield	4.03%	-10.30 bps
DXY	102.07	-1.67%

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