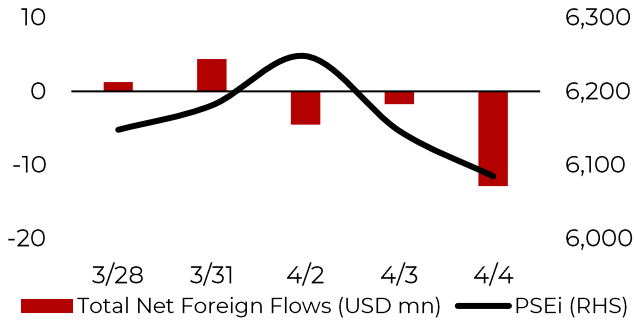


The Morning View

April 7, 2025

Philippine Stock Exchange Index

-1.00% DoD; Net foreign selling: \$12.88mn



	Level	DoD
PSEi	6,084.19	-1.00%
3-mo bond yield	5.35%	+0.77 bps
2-yr bond yield	5.73%	-2.55 bps
5-yr bond yield	5.83%	-8.44 bps
10-yr bond yield	6.10%	-6.87 bps
USDPHP	56.82	-0.48%
Oil (Brent, \$ / barrel)	65.58	-6.50%

The **Philippine Statistics Authority** reported that the **local headline inflation cooled to 1.8% YoY in March (Feb.: 2.1%)**, below the consensus estimate of 2.0%. The cooler inflation was attributed to slower food inflation and the decline in fuel prices. In line with this, BusinessWorld poll showed that analysts expect the Bangko Sentral ng Pilipinas to reduce the policy rate this April.

Globe Telecom, Inc. (PSE Ticker: GLO) expects its prepaid segment to be a major revenue growth driver this year. Growth would be driven by GLO's launch of its next-generation fifth-generation router. GLO's Chief Commercial Officer Darius R. Delgado added that GLO is experiencing growth in prepaid users due to the increasing adoption of digital services.

Local equities dropped as concerns surrounding Trump's harsher-than-expected tariffs overshadowed the lower-than-expected local inflation print of 1.8% for March. The PSEi closed at 6,084.19 (-1.00% DoD).

Local fixed income yields declined after the slower-than-expected headline inflation raised bets of a potential rate cut in April. On average, yields fell by 3.44 bps, with the 2Y closing at 5.73% (-2.55 bps) and the 10Y closing at 6.10% (-6.87 bps).

The **Philippine peso** strengthened after oil prices steeply dropped amid concerns about the economic impact of Trump's announced broad-based tariffs. The USD/PHP pair closed at 56.82 (-0.48% DoD).

Federal Reserve Chair Jerome Powell said that he expects Trump's tariffs to raise inflation and lower growth. Powell added that the Fed faces a "highly uncertain outlook" and signaled that the Fed will not move interest rates until it gets a clearer picture on ultimate impacts of the tariffs.

China announces reciprocal tariffs of 34% on all US imports, effective April 10. China also expanded its export restrictions to include more rare earth elements, added 11 US entities to its unreliable entities list, and imposed sanctions on 30 US organizations, primarily within the defense sector.

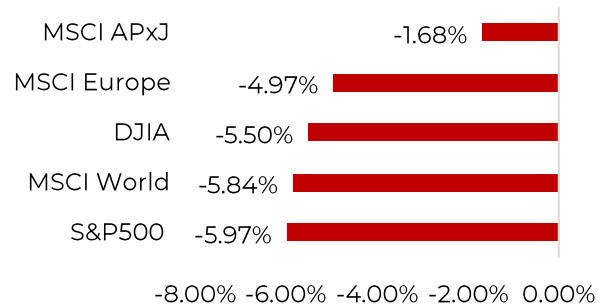
US equities fell and **US Treasury yields** ended lower following news that China would impose an additional 34% tariff on US goods starting April 10. This sparked concerns of a potential global economic slowdown.

The S&P 500 closed at 5,074.08 (-5.97% DoD), while the DJIA ended at 38,314.86 (-5.50% DoD).

On average, yields fell by 3.62 bps, with the 2Y closing at 3.66% (-3.00 bps) and the 10Y closing at 4.00% (-3.20 bps).

The **US dollar** strengthened as markets weighed Fed Chair Powell's cautious remarks on further easing amid the potential repercussions of the larger-than-expected tariffs on growth and inflation. The DXY closed at 103.02 (+0.93% DoD).

Global Stock Indices



	Level	DoD
S&P 500	5,074.08	-5.97%
DJIA	38,314.86	-5.50%
3-mo US Treasury yield	4.26%	-3.80 bps
2-yr US Treasury yield	3.66%	-3.00 bps
5-yr US Treasury yield	3.71%	-1.70 bps
10-yr US Treasury yield	4.00%	-3.20 bps
DXY	103.02	+0.93%

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