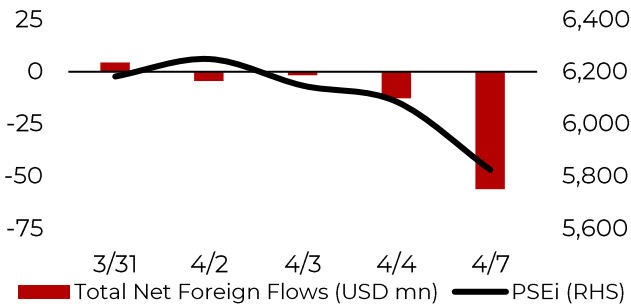


The Morning View

April 8, 2025

Philippine Stock Exchange Index

-4.30% DoD; Net foreign selling: \$56.50mn



	Level	DoD
PSEi	5,822.85	-4.30%
3-mo bond yield	5.36%	+1.49 bps
2-yr bond yield	5.73%	+0.03 bps
5-yr bond yield	5.85%	+2.21 bps
10-yr bond yield	6.13%	+2.43 bps
USDPHP	57.43	+1.07%
Oil (Brent, \$ / barrel)	64.21	-2.09%

Department of Trade and Industry Secretary Ma. Cristina A. Roque said that the Philippines mulls lowering tariffs on US goods in response to Trump's imposition of a 17% reciprocal tariff. Roque added that the government is looking at a collective response with other Association of Southeast Asian Nations (ASEAN) member-countries to address the higher US tariffs.

SM Investment Corporation's (PSE: SM) energy unit, Philippine Geothermal Production Co., Inc. (PGPC), has begun geothermal energy exploration in Albay. PGPC announced the commencement of drilling operations at Mt. Malinao, aiming to develop a geothermal steam field capable of generating up to 49 megawatts (MW) of electricity.

Local equities plunged to the lowest level since October 2022, **local fixed income yields** ended mixed, and the **Philippine peso** weakened amid escalating trade war fears due to the Trump's administration's tariffs. This was also following Fed Chair Powell's hawkish remarks that they will wait and see the impact of Trump's tariffs before considering to cut rates.

The PSEi closed at 5,822.85 (-4.30% DoD).

On average, yields rose by 0.06 bps, with the 2Y closing at 5.73% (+0.03 bps) and the 10Y closing at 6.13% (+2.43 bps).

The USD/PHP pair closed at 57.43 (+1.07% DoD).

US President Donald Trump threatened to impose an additional 50% tariff on US imports from China if it did not withdraw the 34% tariffs it had imposed on US goods. Meanwhile, the European Union (EU) proposed counter-tariffs of 25% on several US goods, including soybeans, nuts, and sausages.

US credit spreads widened due to concerns that President Trump's tariff war could lead to a recession. Credit spreads widened sharply with average investment-grade spreads reaching 120 basis points and high-yield spreads reaching 461 basis points, the widest levels since November 2023 and June 2023, respectively.

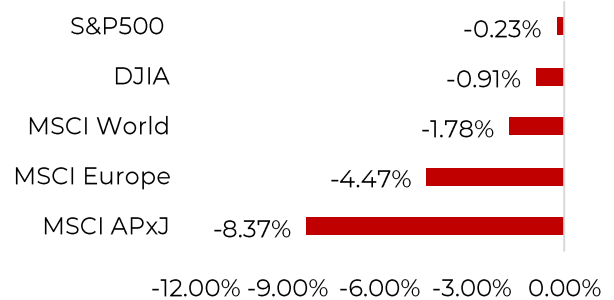
US equities fell, **US Treasury yields** rose, and the **US dollar** slightly strengthened as US President Trump's tariffs sparked concerns of a global trade war and economic slowdown. This also came after China and the EU responded with their own retaliatory tariffs.

The S&P 500 closed at 5,062.25 (-0.23% DoD) and the DJIA closed at 37,965.6 (-0.91% DoD).

On average, yields rose by 12.67 bps, with the 2Y closing at 3.92% (+6.40 bps) and the 10Y closing at 4.16% (+19.10 bps).

The DXY closed at 103.26 (+0.23% DoD).

Global Stock Indices



	Level	DoD
S&P 500	5,062.25	-0.23%
DJIA	37,965.60	-0.91%
3-mo US Treasury yield	4.33%	+2.50 bps
2-yr US Treasury yield	3.92%	+6.40 bps
5-yr US Treasury yield	3.83%	+14.50 bps
10-yr US Treasury yield	4.16%	+19.10 bps
DXY	103.26	+0.23%

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