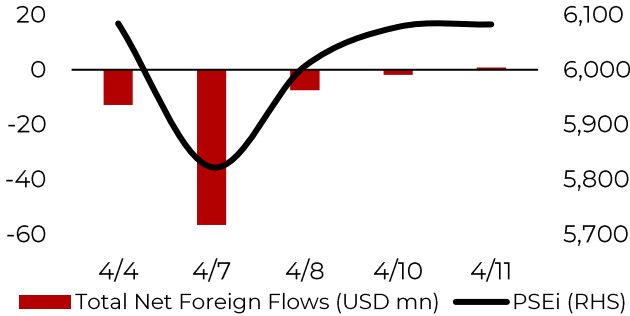


# The Morning View

April 14, 2025

## Philippine Stock Exchange Index

+0.08% DoD; Net foreign buying: \$0.84mn



	Level	DoD
PSEi	6,082.44	+0.08%
3-mo bond yield	5.37%	-0.38 bps
2-yr bond yield	5.75%	+0.18 bps
5-yr bond yield	5.98%	+5.61 bps
10-yr bond yield	6.26%	+7.07 bps
USDPHP	56.97	-0.66%
Oil (Brent, \$ / barrel)	64.76	+2.26%

**Bangko Sentral ng Pilipinas (BSP) Governor Eli Remolona, Jr. said that the central bank is taking a cautious approach to policy easing this year to avoid overheating the economy and reigniting inflation.** He also ruled out inter-meeting rate cuts, highlighting that policy decisions are made at the scheduled meetings. Remolona added that the BSP is reassessing whether the current 2-4% inflation target range is still appropriate.

**Manila Electric Co. (PSEi Ticker: MER) partnered with state-controlled company Electricité de France SA (EDF) to explore nuclear energy deployment in the Philippines.** The EDF will provide technical and strategic support to MER under a 2-year memorandum of cooperation.

**Local equities** inched higher as markets weighed the BSP's decision to reduce interest rates by 25 bps. This was also after BSP Governor Remolona signaled further gradual rate cuts this year. Meanwhile, **local fixed income yields** rose and the **Philippine peso** strengthened as heightened US-China trade tensions sparked a broad US dollar sell-off.

The PSEi closed at 6,082.44 (+0.08% DoD).

On average, yields rose by 2.36 bps, with the 2Y closing at 5.75% (+0.18 bps) and the 10Y closing at 6.26% (+7.07 bps).

The USD/PHP pair closed at 56.97 (-0.66% DoD).

**University of Michigan's Consumer Sentiment Index dropped to 50.8 in April (March: 57.0), falling below the consensus estimate of 53.8.** The survey showed that consumers are worried of the risks of an economic slowdown due to Trump's tariffs. Moreover, consumers' year-ahead inflation expectation soared to 6.7% from 5.0% in March.

**Trump announced the exclusion of smartphones and computers from the reciprocal tariffs on China, but warned that a separate investigation into the semiconductor industry will be conducted.** He added that the exclusion will be short-lived and electronics "are just moving to a different tariff bucket." Commerce Secretary Lutnick said that "a special focus-type of tariff" on these electronics will be implemented "in probably a month or two".

**US equities** climbed as big banks kicked off 1Q25 earnings with higher-than-expected profits. Meanwhile, **US Treasury yields** rose and the **US dollar** weakened as escalating trade tensions between the US and China weakened investors' confidence in US assets.

The S&P 500 closed at 5,363.36 (+1.81% DoD), while the DJIA ended at 40,212.71 (+1.56% DoD).

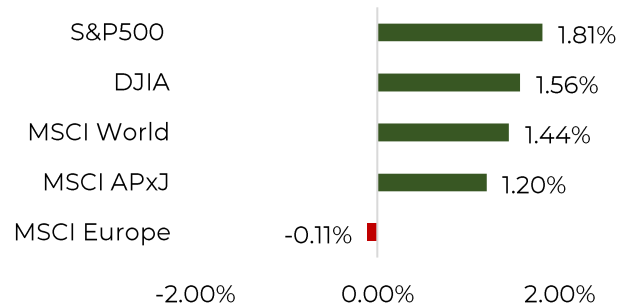
On average, yields rose by 4.69 bps, with the 2Y closing at 3.97% (+9.60 bps) and the 10Y closing at 4.50% (+6.40 bps).

The DXY closed at 100.10 (-0.76% DoD).

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## Global Stock Indices



	Level	DoD
S&P 500	5,363.36	+1.81%
DJIA	40,212.71	+1.56%
3-mo US Treasury yield	4.34%	+1.20 bps
2-yr US Treasury yield	3.97%	+9.60 bps
5-yr US Treasury yield	4.16%	+8.80 bps
10-yr US Treasury yield	4.50%	+6.40 bps
DXY	100.10	-0.76%