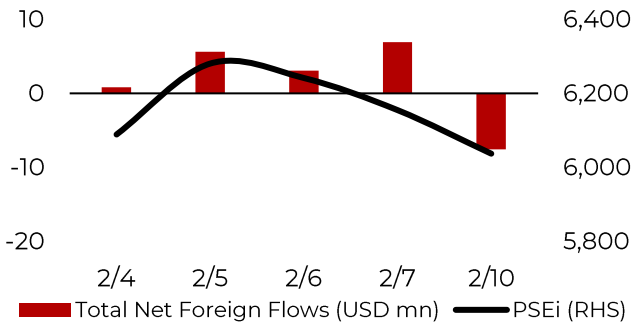


The Morning View

February 11, 2025

Philippine Stock Exchange Index

-1.92% DoD; Net foreign selling: \$7.54mn



	Level	DoD
PSEi	6,037.12	-1.92%
3-mo bond yield	5.12%	-5.34 bps
2-yr bond yield	5.77%	-0.26 bps
5-yr bond yield	5.91%	-0.41 bps
10-yr bond yield	6.12%	-0.20 bps
USDPHP	58.10	+0.11%
Oil (Brent, \$ / barrel)	75.87	+1.62%

The Bangko Sentral ng Pilipinas (BSP) reported that net Inflows of foreign direct investment (FDI) fell by 19.8% YoY to \$901 million in November 2024. This was the lowest FDI net inflow in two months. Nonetheless, as of the January to November 2024 period, FDI net inflows went up by 4.4% YoY to \$8.58 billion.

SM Prime Holdings, Inc. (PSE Ticker: SMPH) has set the interest rates for its upcoming Php25-billion fixed-rate bond offering, scheduled from February 12 to 18. The Series Y bonds were priced at 6.0282% due in 2028, while the Series Z bonds will carry an interest rate of 6.2113% due in 2031.

Local equities declined, **local fixed income yields** fell, and the **Philippine peso** slightly weakened ahead of the BSP's first policy meeting of the year on Thursday. Investors also weighed Trump's renewed tariff threats, which raised tariffs on aluminum from 10% to 25% and extended the 25% tariffs on steel.

The PSEi closed at 6,037.12 (-1.92% DoD).

On average, local fixed income yields rose by 1.24 bps, with the 2Y closing at 5.77% (-0.26 bps) and the 10Y closing at 6.12% (-0.20 bps).

The USD/PHP pair closed at 58.10 (+0.11% DoD).

The New York Federal Reserve reported mostly stable inflation expectations in January. The expected levels of inflation at both the one-year and three-year ahead horizons were unchanged at 3%, while five-year expectations rose to 3% in January (Dec.: 2.7%).

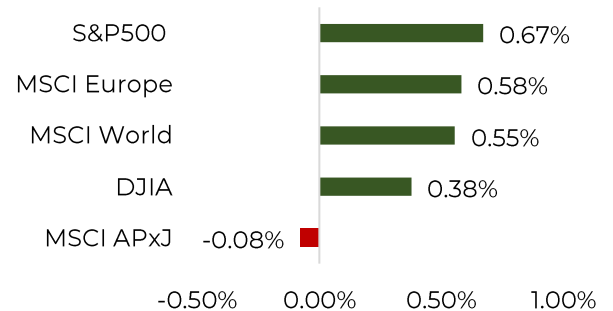
European Central Bank (ECB) President Christine Lagarde said that disinflation is progressing, but global trade frictions continue to pose risks. Lagarde reiterated that inflation is expected to meet the ECB's 2% target this year but factors such as US trade tariffs or rising energy prices could keep inflation elevated.

US equities rose amid investors' optimism on Nvidia and other tech-related stocks. However, gains were tempered by Trump's new tariffs on steel and aluminum. The S&P 500 closed at 6,066.44 (+0.67% DoD) and the DJIA closed at 44,470.41 (+0.38% DoD).

US Treasury yields were mixed as investors stayed on the sidelines ahead of the January US consumer price index inflation and retail sales data releases later this week. On average, yields inched up by 0.16 bps, with the 2Y closing at 4.28% (-1.20 bps) and the 10Y closing at 4.50% (+0.20 bps).

The **US dollar** slightly strengthened after Trump announced 25% tariffs on steel and aluminum. The DXY closed at 108.32 (+0.26% DoD).

Global Stock Indices



	Level	DoD
S&P 500	6,066.44	+0.67%
DJIA	44,470.41	+0.38%
3-mo US Treasury yield	4.34%	0.00 bps
2-yr US Treasury yield	4.28%	-1.20 bps
5-yr US Treasury yield	4.34%	-1.00 bps
10-yr US Treasury yield	4.50%	+0.20 bps
DXY	108.32	+0.26%

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