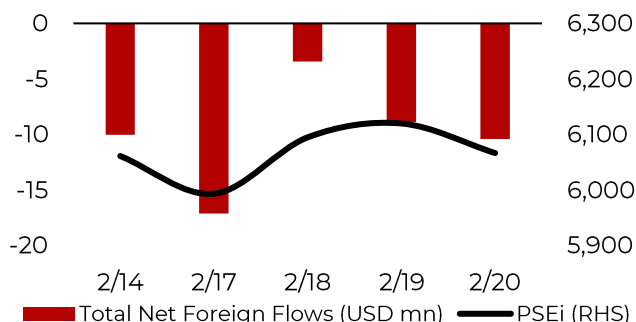


The Morning View

February 21, 2025

Philippine Stock Exchange Index

-0.87% DoD; Net foreign selling: \$10.39mn



	Level	DoD
PSEi	6,066.63	-0.87%
3-mo bond yield	5.31%	+3.55 bps
2-yr bond yield	5.81%	-1.07 bps
5-yr bond yield	5.93%	-2.72 bps
10-yr bond yield	6.13%	+0.07 bps
USDPHP	57.94	-0.25%
Oil (Brent, \$ / barrel)	76.48	+0.58%

Fed Governor Kugler says the policy rate should be held steady for 'some time' amid uncertainty over new economic policies.

Kugler said that inflation still had “some way to go” before reaching the Fed’s 2% target. She also noted that it is unclear by how much tariffs could increase prices, adding “we will have to wait.”

US weekly initial jobless claims increased by 5,000 to 219,000 for the week ended February 15, above the market expectation of 215,000. The mass layoffs of federal government workers and deep spending cuts being pursued by the Trump administration are not yet reflected in the national statistics.

US equities declined, **US Treasury yields** fell, and the **US dollar** weakened as investors digested the higher-than-expected weekly jobless claims. Moreover, lackluster revenue and earnings guidance from Walmart also weighed down on market sentiment.

The S&P 500 closed at 6,117.52 (-0.43% DoD) and the DJIA closed at 44,176.65 (-1.01% DoD).

On average, yields fell by 1.64 bps, with the 2Y closing at 4.20% (-1.10 bps) and the 10Y closing at 4.50% (-2.80 bps).

The DXY closed at 106.37 (-0.75% DoD).

The Bangko Sentral ng Pilipinas (BSP) reported that the country’s balance of payments (BOP) deficit rose to \$4.08 billion in January 2025, the widest since January 2014. The deficit reflects the central bank’s net foreign exchange operations and the National Government’s drawdowns on its foreign currency deposits with the BSP to meet external debt obligations.

Ayala Land Inc. (PSE Ticker: ALI) posted a 15% YoY net income growth to Php28.2 billion in FY24 amid strong performance across its business units. In FY24, consolidated revenues hit an all-time high of Php180.7 billion (+21% YoY). This was led by the residential business, which grew by 23% YoY to Php94.9 billion.

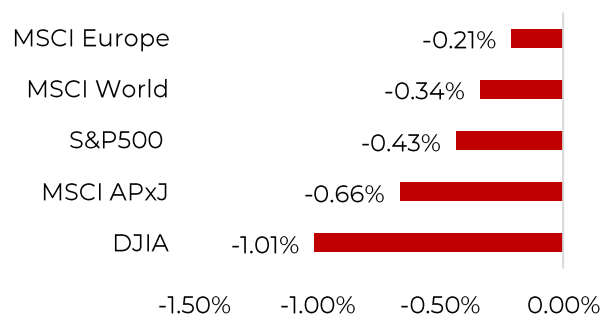
Local equities fell and **local fixed income yields** were mixed following Trump’s tariff threats on auto, semiconductor chips, pharmaceutical products, and lumber. Meanwhile, the **Philippine peso** slightly strengthened as investors weighed the Fed’s January meeting minutes, which hinted at a potential termination or slowdown in quantitative tightening.

The PSEi closed at 6,066.63 (-0.87% DoD).

On average, yields fell by 0.44 bps, with the 2Y closing at 5.81% (-1.07 bps) and the 10Y closing at 6.13% (+0.07 bps).

The USD/PHP pair closed at 57.94 (-0.25% DoD).

Global Stock Indices



	Level	DoD
S&P 500	6,117.52	-0.43%
DJIA	44,176.65	-1.01%
3-mo US Treasury yield	4.33%	-0.30 bps
2-yr US Treasury yield	4.20%	-1.10 bps
5-yr US Treasury yield	4.33%	-1.50 bps
10-yr US Treasury yield	4.50%	-2.80 bps
DXY	106.37	-0.75%

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