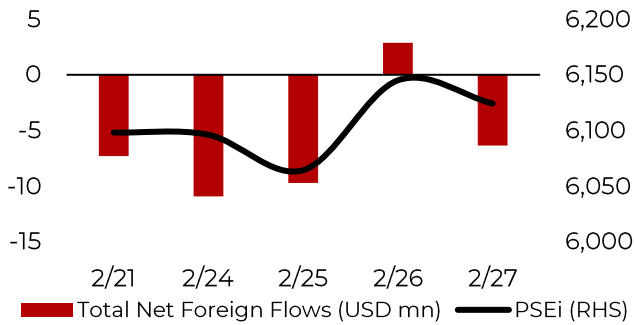


The Morning View

February 28, 2025

Philippine Stock Exchange Index

-0.34% DoD; Net foreign selling: \$6.36mn



	Level	DoD
PSEi	6,124.09	-0.34%
3-mo bond yield	5.27%	-0.29 bps
2-yr bond yield	5.81%	+1.83 bps
5-yr bond yield	5.92%	+0.55 bps
10-yr bond yield	6.12%	-0.30 bps
USDPHP	57.91	+0.05%
Oil (Brent, \$ / barrel)	74.04	+2.08%

The Bureau of the Treasury reported that the National Government's budget deficit narrowed by 0.38% YoY to **Php1.506 trillion in 2024**. The budget deficit (% of Gross Domestic Product) improved to 5.70% in 2024 (2023: 6.22%) but came above the government's 5.60% target. Revenues grew by 15.56% YoY amid higher tax and non-tax collections, while expenditures rose by 11.04% YoY due to higher interest payments.

PLDT Inc. (PSE Ticker: TEL) posted a FY24 telco core income (ex-asset sales and Maya) of Php35.1 billion (+2% YoY), with 4Q24 contributing Php8.6 billion (flat QoQ, +4% YoY). Growth was largely driven by sustained growth in the company's data-related units. PLDT and Smart Chairman and Chief Executive Officer Manuel V. Pangilinan said the company is confident it can sustain its growth for 2025.

Local equities declined, **local fixed income yields** were mixed, and the **Philippine peso** slightly weakened as investors digested Trump's recent tariff threats on Canada, Mexico, and the European Union.

The PSEi closed at 6,124.09 (-0.34% DoD).

On average, yields inched up by 0.80 bps, with the 2Y closing at 5.81% (+1.83 bps) and the 10Y closing at 6.12% (-0.30 bps).

The USD/PHP pair closed at 57.91 (+0.05% DoD).

Cleveland Fed President Hammack said that the policy rate will likely be held steady for the time being while policymakers wait for more evidence that inflation is easing back to the 2% target. Likewise, Philadelphia Fed President Harker expressed support for continuing to hold the short-term US borrowing costs in their current level.

US President Donald Trump said that the proposed 25% tariffs on Mexican and Canadian goods will take effect on March 4. He also signaled additional 10% tariffs on Chinese imports, resulting in a cumulative 20% tariff. This was after Trump stated that fentanyl inflows to the US were still too high.

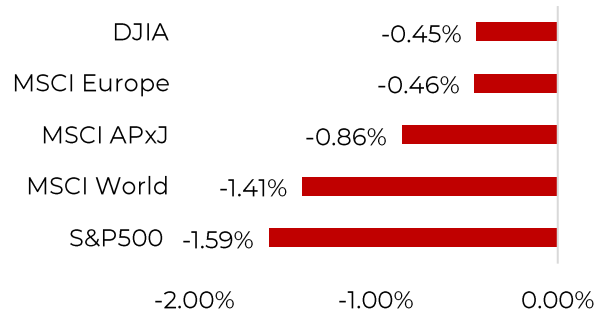
US equities fell, **US Treasury yields** ended mixed, and the **US dollar** strengthened as investors weighed the jump in weekly US jobless claims and Trump's latest tariff threats. Additionally, weaker-than-expected gross margin projections from Nvidia also dampened market sentiment.

The S&P 500 closed at 5,861.57 (-1.59% DoD) and the DJIA ended at 43,239.50 (-0.45% DoD).

On average, yields inched up by 0.18 bps, with the 2Y closing at 4.06% (-1.90 bps) and the 10Y closing at 4.26% (+0.40 bps).

The DXY closed at 107.24 (+0.78% DoD).

Global Stock Indices



	Level	DoD
S&P 500	5,861.57	-1.59%
DJIA	43,239.50	-0.45%
3-mo US Treasury yield	4.30%	-0.50 bps
2-yr US Treasury yield	4.06%	-1.90 bps
5-yr US Treasury yield	4.08%	-0.80 bps
10-yr US Treasury yield	4.26%	+0.40 bps
DXY	107.24	+0.78%

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