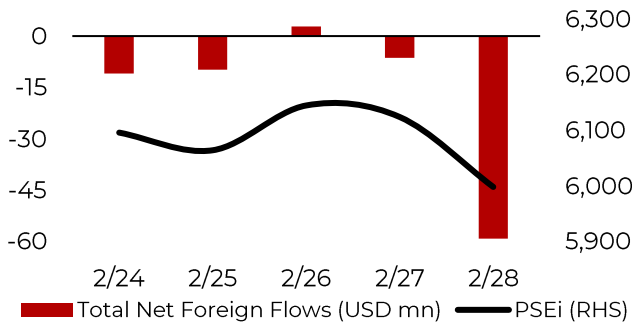


# The Morning View

March 3, 2025

## Philippine Stock Exchange Index

-2.06% DoD; Net foreign selling: \$59.13mn



	Level	DoD
PSEi	5,997.97	-2.06%
3-mo bond yield	5.28%	+0.93 bps
2-yr bond yield	5.82%	+0.88 bps
5-yr bond yield	5.92%	+0.53 bps
10-yr bond yield	6.12%	+0.77 bps
USDPHP	58.00	+0.15%
Oil (Brent, \$ / barrel)	73.18	-1.16%

**The Philippine Statistics Authority (PSA) reported that the country's trade-in-goods deficit widened by 16.9% YoY to \$5.09 billion in January.** This was the widest trade deficit in three months. Total exports grew by 6.3% YoY to \$6.36 billion, while imports increased by 10.8% YoY to \$11.45 billion.

**SM Investments Corporation (PSE Ticker; SM) reported a 2024 net income of Php82.6 billion (+7% YoY).** The company attributed its robust performance in the fourth quarter to the growth in its core businesses, supported by positive macroeconomic fundamentals and healthy consumer sentiment. SM's Board of Directors also approved a share buyback program of up to Php60-billion, the first in its corporate history.

**Local equities fell, local fixed income yields inched up, and the Philippine peso slightly weakened** ahead of the release of US personal consumption expenditure (PCE) inflation data and after US President Trump reaffirmed the March 4 effectivity date for Canada and Mexico tariffs. The local stock market also dipped amid the latest MSCI rebalancing.

The PSEi closed at 5,997.97 (-2.06% DoD).

On average, yields rose by 0.53 bps, with the 2Y closing at 5.82% (+0.88 bps) and the 10Y closing at 6.12% (+0.77 bps).

The USD/PHP pair closed at 58.00 (+0.15% DoD).

**Fed's Hammack said that the Fed should continue its balance sheet drawdown, commonly referred to as 'quantitative tightening', despite government finance uncertainty.** She noted that the Fed can manage liquidity issues with temporary operations if needed. Hammack also shared that she is not inclined to support an interest rate hike even if inflation pressures do not retreat quickly enough.

**US PCE inflation rose to 2.5% YoY in January (Dec: 2.6%), in line with market expectations.** Meanwhile, core PCE, the Fed's preferred inflation gauge, rose by 2.6% YoY in the same period (Dec: 2.8%). This was also in line with market expectations. Notably, consumer spending fell by -0.2% MoM in January (Dec: 0.7%), the first decline in nearly two years.

**US equities climbed, US Treasury yields declined, and the US dollar strengthened** as investors digested mixed developments including the weaker consumer spending data, the deceleration in US January PCE inflation, and Trump's latest tariff remarks.

The S&P 500 closed at 5,954.5 (+1.59% DoD) and the DJIA ended at 43,840.91 (+1.39% DoD).

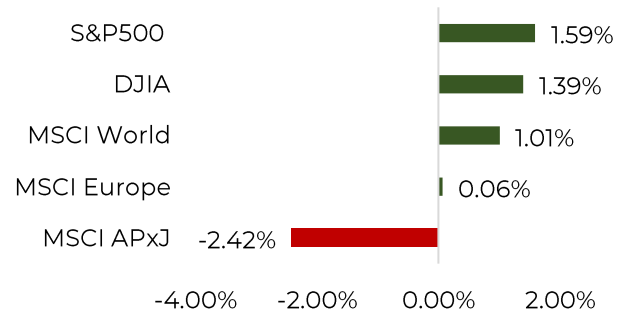
On average, yields fell by 3.90 bps, with the 2Y closing at 3.99% (-6.20 bps) and the 10Y closing at 4.21% (-5.20 bps).

The DXY closed at 107.61 (+0.35% DoD).

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## Global Stock Indices



	Level	DoD
S&P 500	5,954.50	+1.59%
DJIA	43,840.91	+1.39%
3-mo US Treasury yield	4.31%	+0.10 bps
2-yr US Treasury yield	3.99%	-6.20 bps
5-yr US Treasury yield	4.02%	-5.60 bps
10-yr US Treasury yield	4.21%	-5.20 bps
DXY	107.61	+0.35%