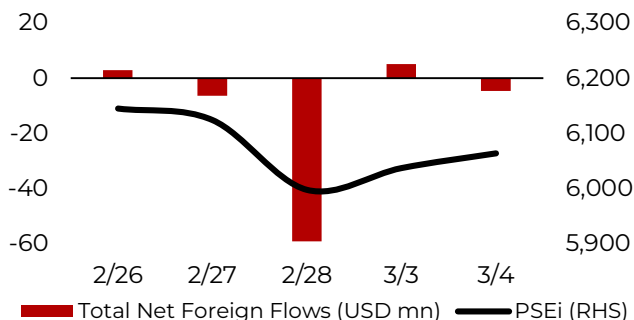


The Morning View

March 5, 2025

Philippine Stock Exchange Index

+0.45% DoD; Net foreign selling: \$4.62mn



	Level	DoD
PSEi	6,064.11	+0.45%
3-mo bond yield	5.33%	+3.26 bps
2-yr bond yield	5.84%	+1.75 bps
5-yr bond yield	5.97%	+3.08 bps
10-yr bond yield	6.14%	+2.92 bps
USDPHP	57.75	-0.25%
Oil (Brent, \$ / barrel)	71.04	-0.81%

New York Fed President John Williams said that while he expects Trump's tariffs to drive up inflation to some degree, he also thinks that the Fed's policy rate is in the right place and does not require immediate adjustment. Williams further cautioned against uncertainties, highlighting the need to collect more data about trade, fiscal, and regulatory policies.

US small businesses cut 125,000 jobs in February to 12.5 million, according to Intuit. The decline was accompanied by a 0.79% drop in average inflation-adjusted revenue, down nearly \$51,000. The data, based on 440,000 firms using Intuit's payroll software, highlights ongoing challenges for small businesses.

US equities fell, US Treasury yields inched higher, and the US dollar weakened as investors weighed potential impacts of escalating trade tensions. China announced up to 15% tariffs on some US goods and export restrictions on 15 US firms. Mexico and Canada also vowed retaliatory tariffs, with Canada planning a 25% retaliatory tariff.

The S&P 500 closed at 5,778.15 (-1.22% DoD) and the DJIA closed at 42,520.99 (-1.55% DoD).

On average, yields rose by 5.58 bps, with the 2Y closing at 4% (+4.10 bps) and the 10Y closing at 4.25% (+8.90 bps).

The DXY closed at 105.74 (-0.94% DoD).

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The Bureau of the Treasury (BTr) reported that the National Government's outstanding debt rose by 10.29% YoY to a fresh high of Php16.31 trillion as of January 2025. Nonetheless, the BTr noted that this level remains manageable and aligned with the government's target. As of 2024, the country's debt as a share of gross domestic product (GDP) is 60.7%, and the government aims to lower this to 60.4% by end-2025.

ACEN Corp.'s (PSE Ticker: ACEN) subsidiary, ACEN Australia, will develop an 800-megawatt pumped hydro project. The project was selected for a long-term energy service agreement supporting New South Wales Electricity Infrastructure Roadmap. It is expected to be operational by 2031.

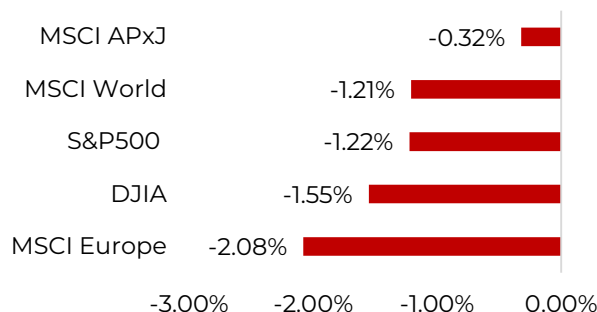
Local equities climbed, local fixed income yields rose, and the Philippine peso strengthened as investors digested optimistic expectations for the February headline inflation. Bloomberg consensus sees February inflation declining to 2.6% from 2.9% in January. The peso also strengthened as the dollar weakened due to weak US manufacturing data.

The PSEi closed at 6,064.11 (+0.45% DoD).

On average, yields rose by 2.36 bps, with the 2Y closing at 5.84% (+1.75 bps) and the 10Y closing at 6.14% (+2.92 bps).

The USD/PHP pair closed at 57.75 (-0.25% DoD).

Global Stock Indices



	Level	DoD
S&P 500	5,778.15	-1.22%
DJIA	42,520.99	-1.55%
3-mo US Treasury yield	4.33%	-0.70 bps
2-yr US Treasury yield	4.08%	+4.10 bps
5-yr US Treasury yield	4.04%	+8.40 bps
10-yr US Treasury yield	4.23%	+8.90 bps
DXY	105.74	-0.94%