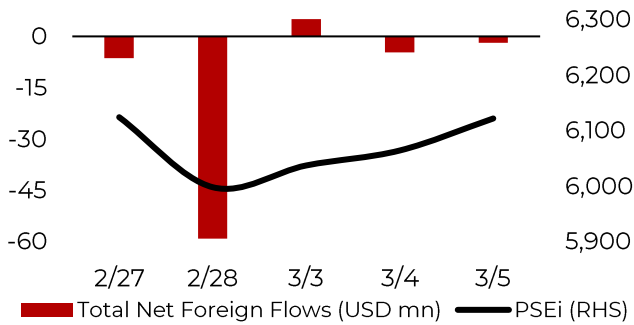


# The Morning View

March 6, 2025

## Philippine Stock Exchange Index

+0.95% DoD; Net foreign selling: \$1.85mn



	Level	DoD
PSEi	6,121.77	+0.95%
3-mo bond yield	5.31%	-1.88 bps
2-yr bond yield	5.86%	+1.26 bps
5-yr bond yield	6.00%	+3.14 bps
10-yr bond yield	6.18%	+3.91 bps
USDPHP	57.35	-0.71%
Oil (Brent, \$ / barrel)	69.30	-2.45%

The Philippine Statistics Authority (PSA) reported that the local headline inflation decelerated to 2.1% YoY in February (Jan.: 2.9%), below the market expectation of 2.6%. This brought the year-to-date average inflation to 2.5%. The slower inflation was attributed to the continued decline in rice prices, tempered rise in vegetable prices, and the moderation of pump prices during the month. Likewise, core inflation eased to 2.4% YoY (Jan.: 2.6%).

**SM Prime Holdings, Inc. (PSE Ticker: SMPH) will invest Php15 billion to support its five-year plan to expand its hotels and convention centers unit.** SM Hotels and Convention Corp. aims to develop eight new hotels and two new convention centers which will add over 1,500 guestrooms to its portfolio.

**Local equities** rose, **local fixed income yields** fell, and the **Philippine peso** strengthened as investors cheered the lower-than-expected local headline inflation of 2.1% in February. The latest print significantly eased from 2.9% in January and stayed within the Bangko Sentral ng Pilipinas' 2-4% inflation target.

The PSEi closed at 6,121.77 (+0.95% DoD).

On average, yields rose by 0.92 bps, with the 2Y closing at 5.86% (+1.26 bps) and the 10Y closing at 6.18% (+3.91 bps).

The USD/PHP pair closed at 57.35 (-0.71% DoD).

**US Institute for Supply Management (ISM) Services Purchasing Mangers' Index (PMI) rose to 53.5 in February (Jan.: 52.8; Consensus: 52.5).** The reading signaled the continued expansion of the services sector, driven by the uptick in new orders and employment. However, the survey highlighted that businesses remain anxious over the impact of tariffs.

**The ADP National Employment Report showed that private payrolls increased by 77k in February (Jan Revised: 186k; Consensus: 140k).** The slower print was attributed to concerns over policy uncertainty and slowdown in consumer spending.

**US equities** climbed and **US Treasury yields** rose following the stronger-than-expected US ISM services PMI in February. Market sentiment also improved amid hopes that Trump granting automakers a one-month exemption from tariffs could lead to broader concessions.

The S&P 500 closed at 5,842.63 (+1.12% DoD) and the DJIA ended at 43,006.59 (+1.14% DoD).

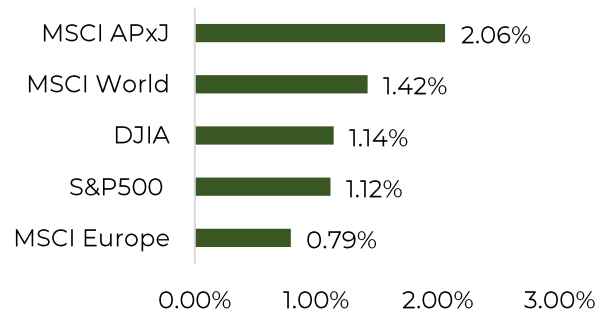
On average, yields rose by 2.15 bps, with the 2Y closing at 4.01% (+1.40 bps) and the 10Y closing at 4.28% (+3.60 bps).

The **US dollar** weakened after the euro strengthened to a four-month high and as investors weighed the weaker-than-expected ADP private payrolls data. The DXY closed at 104.31 (-1.36% DoD).

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## Global Stock Indices



	Level	DoD
S&P 500	5,842.63	+1.12%
DJIA	43,006.59	+1.14%
3-mo US Treasury yield	4.31%	+1.70 bps
2-yr US Treasury yield	4.01%	+1.40 bps
5-yr US Treasury yield	4.08%	+3.30 bps
10-yr US Treasury yield	4.28%	+3.60 bps
DXY	104.31	-1.36%