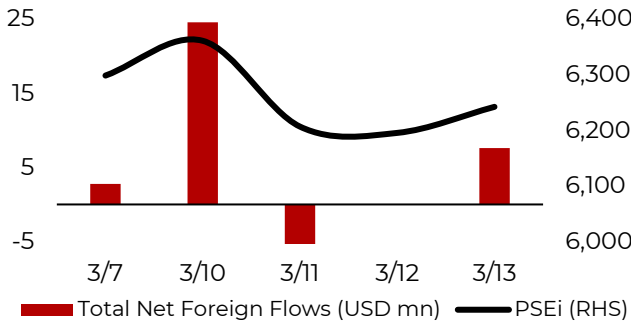


The Morning View

March 14, 2025

Philippine Stock Exchange Index

+0.76% DoD; Net foreign buying: \$7.60mn



According to the Bangko Sentral ng Pilipinas, the national banking system's total assets rose by 9.3% YoY but fell by 1.2% year-to-date to Php27.11 trillion as of end-January. The YoY increase was primarily driven by growth in the total loan portfolio (+13.7% YoY), net investments (+5.8% YoY), and net real and other properties acquired (+9.3% YoY) during the period.

Ayala Corporation (PSE Ticker: AC) posted an all-time high FY24 consolidated core net income of Php45.0 billion (+10% YoY). Earnings growth was driven by strong performances from its core listed businesses. Meanwhile, its emerging businesses continue to show signs of improvement but were weighed by one-off losses.

Local equities rebounded, and **local fixed income yields** ended mixed as investors weighed the slower-than-expected US Consumer Price Index (CPI) inflation of 2.8% in February. Local equities also gained on bargain hunting after two days of decline. Meanwhile, the **Philippine peso** was flat as the local market awaited the US producer inflation print overnight.

The PSEi closed at 6,242.07 (+0.76% DoD).

On average, yields rose by 0.18 bps, with the 2Y closing at 5.81% (-0.53 bps) and the 10Y closing at 6.23% (+0.49 bps).

The USD/PHP pair closed at 57.36 (0.00% DoD).

US Producer Price Index (PPI) rose by 3.2% YoY in February (Jan. Revised: 3.7%), slower than the market's expectation of 3.3%, as higher wholesale food prices were offset by cheaper energy costs. On a month-on-month basis, the PPI was unchanged (Jan. Revised: 0.6%). Meanwhile, core PPI rose by 3.4% YoY (Jan. Revised: 3.8%), also coming in below market's expectations of 3.5%,

US weekly jobless claims fell by 2,000 to 220,000 for the week ending March 8, behind market's expectation of 225,000. This decrease followed a period of volatility due to winter storms and seasonal adjustments. Likewise, continuing claims declined by 27,000 to 1.87 million as of the week ending March 1.

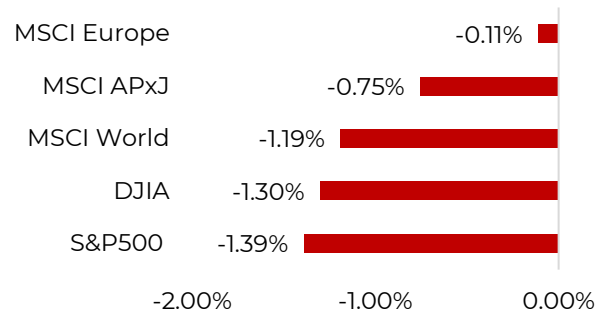
US equities fell while the **US dollar** strengthened after Trump announced plans to impose a 200% tariff on European wine and cognac imports.

The S&P 500 closed at 5,521.52 (-1.39% DoD), while the DJIA ended at 40,813.57 (-1.30% DoD).

The DXY closed at 103.83 (+0.21% DoD).

US Treasury yields ended lower as investors digested the softer-than-expected US PPI inflation reading for February. On average, yields fell by 3.00 bps, with the 2Y closing at 3.96% (-3.20 bps) and the 10Y closing at 4.27% (-4.20 bps).

Global Stock Indices



	Level	DoD
S&P 500	5,521.52	-1.39%
DJIA	40,813.57	-1.30%
3-mo US Treasury yield	4.30%	-0.60 bps
2-yr US Treasury yield	3.96%	-3.20 bps
5-yr US Treasury yield	4.03%	-4.10 bps
10-yr US Treasury yield	4.27%	-4.20 bps
DXY	103.83	+0.21%

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