

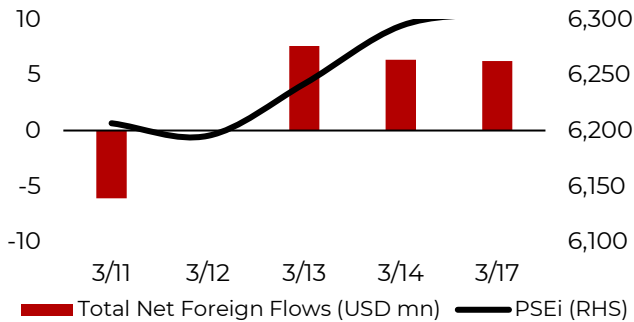


The Morning View

March 18, 2025

Philippine Stock Exchange Index

+0.19% DoD; Net foreign buying: \$6.24mn



	Level	DoD
PSEi	6,306.19	+0.19%
3-mo bond yield	5.24%	-1.49 bps
2-yr bond yield	5.79%	-1.84 bps
5-yr bond yield	5.96%	+0.97 bps
10-yr bond yield	6.24%	+1.47 bps
USDPHP	57.30	+0.09%
Oil (Brent, \$ / barrel)	71.07	+0.69%

The Bangko Sentral ng Pilipinas (BSP) said that inflation could overshoot its 2-4% target in 2H25 due to base effects. The BSP cited the heightened risks from supply chain disruptions, volatile commodity prices, and foreign exchange fluctuations. Moreover, the BSP raised its baseline inflation forecast for 2025 to 3.5% from previously 3.3%.

Universal Robina Corporation (PSE Ticker: URC) reported a 2% YoY decline in its core net income to Php12.2 billion in FY2024. URC's performance was weighed by lower profits from its sugar and renewables segment. URC also announced a cash dividend of Php2.00 per share, with a payout scheduled for May 9, 2025.

Local equities climbed, tracking gains of other Asian markets, as investors cheered China's new stimulus measures to boost consumption. The PSEi closed at 6,306.19 (+0.19% DoD).

Local fixed income yields were mixed but fell on average and the **Philippine peso** slightly weakened ahead of the US Federal Reserve's two-day policy meeting later this week.

On average, yields fell by 0.31 bps, with the 2Y closing at 5.79% (-1.84 bps) and the 10Y closing at 6.24% (+1.47 bps).

The USD/PHP pair closed at 57.30 (+0.09% DoD).

US retail sales increased by 0.2% MoM in February (Jan: -0.9%), below the market's expectation of 0.6% MoM. The drag in retail sales was attributed to weaker discretionary spending from consumers amid growing uncertainty over the economy. Nonetheless, the rebound from January was driven by improved spending online and in personal care stores.

US homebuilder sentiment dropped to a seven-month low in March as tariffs on imported materials raised construction costs. The National Association of Home Builders/Wells Fargo Housing Market Index fell to 39 in March (Feb.: 42), dragged by worries over tariffs, higher construction costs, and economic uncertainty.

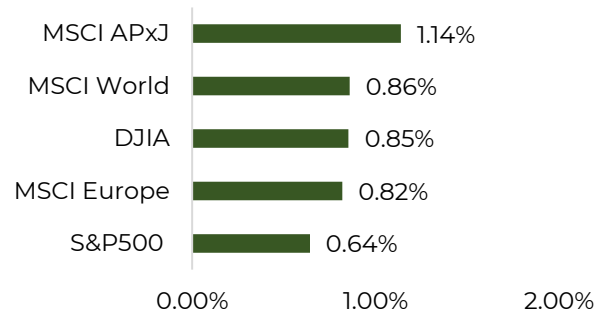
US equities inched up, **US Treasury yields** were mixed, and the **US dollar** slightly weakened ahead of the Fed's policy decision and Trump's discussion with Russian President Putin about a potential Russia-Ukraine ceasefire. Investors also digested the rebound in February retail sales data, albeit lower than market expectations.

The S&P 500 closed at 5,675.12 (+0.64% DoD), while the DJIA ended at 41,841.63 (+0.85% DoD).

On average, yields fell by 0.12 bps, with the 2Y closing at 4.05% (+2.90 bps) and the 10Y closing at 4.30% (-1.40 bps).

The DXY closed at 103.37 (-0.34% DoD).

Global Stock Indices



	Level	DoD
S&P 500	5,675.12	+0.64%
DJIA	41,841.63	+0.85%
3-mo US Treasury yield	4.30%	-0.10 bps
2-yr US Treasury yield	4.05%	+2.90 bps
5-yr US Treasury yield	4.09%	+0.20 bps
10-yr US Treasury yield	4.30%	-1.40 bps
DXY	103.37	-0.34%

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