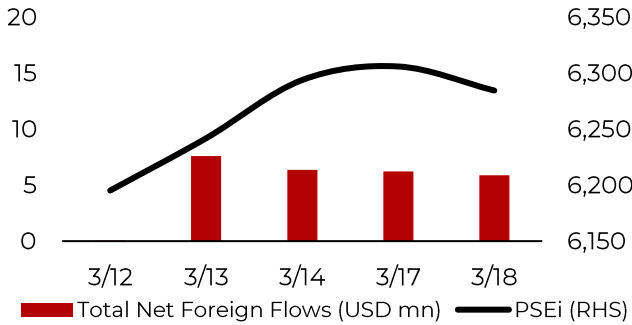


# The Morning View

March 19, 2025

## Philippine Stock Exchange Index

-0.34% DoD; Net foreign buying: \$5.89mn



	Level	DoD
PSEi	6,284.68	-0.34%
3-mo bond yield	5.22%	-1.04 bps
2-yr bond yield	5.78%	-0.79 bps
5-yr bond yield	5.96%	+0.05 bps
10-yr bond yield	6.25%	+0.12 bps
USDPHP	57.30	-0.01%
Oil (Brent, \$ / barrel)	70.56	-0.72%

**The Bureau of the Treasury reported that the Philippine government's budget surplus narrowed to Php68.4 billion (-22.3% YoY) in January.** Total revenue collections rose by 10.8% YoY driven by higher tax collections. Total expenditures also surged by 19.5% YoY due to capital outlay projects of the Department of Public Works and Highways and larger interest payments.

**ACEN Corp. (PSE Ticker: ACEN) signed a Php660-million subscription agreement with its subsidiary, Buendia Christiana Holdings Corp. (BCHC),** to acquire 660,000 common shares and 5.94 million redeemable preferred shares, subject to regulatory approval. This investment aims to support BCHC in acquiring real estate for potential future power projects.

**Local equities** declined amid profit-taking after a three-day market rally. Investors also weighed the lower-than-expected US retail sales data in February, which raised concerns over US economic growth. The PSEi closed at 6,284.68 (-0.34% DoD).

**Local fixed income yields** were mixed but fell on average, and the **Philippine peso** closed flat as the local market awaited the policy rate decision of the US Federal Reserve this week.

On average, yields fell by 1.19 bps, with the 2Y closing at 5.78% (-0.79 bps) and the 10Y closing at 6.25% (+0.12 bps).

The USD/PHP pair closed at 57.3 (-0.01% DoD).

**US single family housing starts, which accounts for the majority of homebuilding, surged by 11.4% MoM in February (Revised Jan.: -11.5%)** to a seasonally adjusted annual rate of 1.108 million units. The rebound can be attributed to easing disruptions caused by frigid temperatures.

**US manufacturing output jumped by 0.9% MoM in February (Revised Jan.: +0.1%), beating the consensus forecast of a 0.3% MoM rise.** The increase was mainly driven by a surge in motor vehicle output, while gains were also seen in most other categories of durable manufacturing.

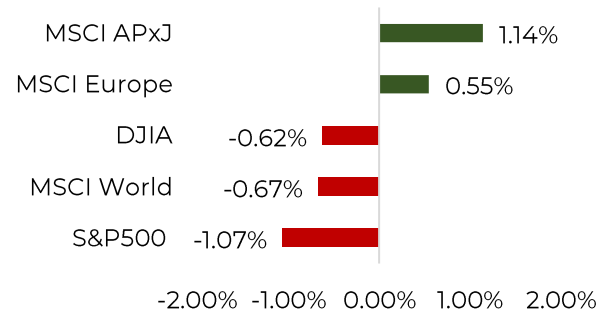
**US equities** fell, **US Treasury yields** inched down, and the **US dollar** weakened as investors turned cautious ahead of the US Fed's policy rate decision and outlook. The dollar also eased amid the strengthening of the euro following the German parliament's approval for a massive spending surge.

The S&P 500 closed at 5,614.66 (-1.07% DoD), while the DJIA ended at 41,581.31 (-0.62% DoD).

On average, yields fell by 0.86 bps, with the 2Y closing at 4.04% (-0.40 bps) and the 10Y closing at 4.29% (-1.50 bps).

The DXY closed at 103.24 (-0.12% DoD).

## Global Stock Indices



	Level	DoD
S&P 500	5,614.66	-1.07%
DJIA	41,581.31	-0.62%
3-mo US Treasury yield	4.29%	-0.90 bps
2-yr US Treasury yield	4.04%	-0.40 bps
5-yr US Treasury yield	4.08%	-1.80 bps
10-yr US Treasury yield	4.29%	-1.50 bps
DXY	103.24	-0.12%

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