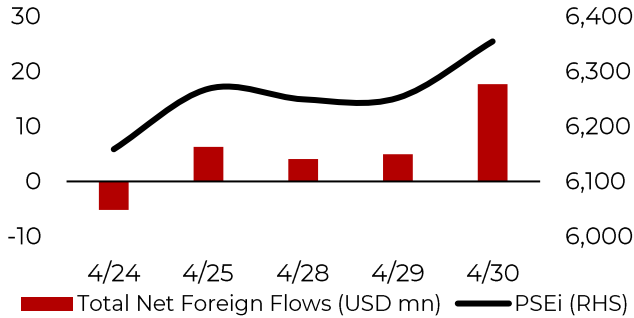


The Morning View

May 2, 2025

Philippine Stock Exchange Index

+1.64% DoD; Net foreign buying: \$17.68mn



	Level	DoD
PSEi*	6,354.99	+1.64%
3-mo bond yield*	5.49%	+1.81 bps
2-yr bond yield*	5.76%	-0.12 bps
5-yr bond yield*	5.91%	-0.69 bps
10-yr bond yield*	6.26%	-3.44 bps
USDPHP*	55.84	-0.54%
Oil (Brent, \$ / barrel)	62.13	-1.57%

*As of April 30, 2025

US gross domestic product (GDP) declined by 0.3% on an annualized QoQ basis in 1Q25 (4Q24: +2.4%; Consensus -0.2%), marking the first contraction since 1Q22. This was attributed to the surge in imports as businesses frontloaded their purchases ahead of higher tariffs. Meanwhile, consumer spending grew by 1.8%, albeit slower than 4.0% in 4Q24.

The US ISM Manufacturing PMI fell to 48.7 in April (March: 49.0), above the market's expectation of 47.9. The below-50 reading indicates a contraction in the manufacturing sector. This was attributed to the impact of the tariffs which strained supply chains and elevated factory gate prices.

US equities rose following the stronger-than-expected quarterly corporate earnings results by Meta and Microsoft. The S&P 500 closed at 5,604.14 (+0.63% DoD), while the DJIA ended at 40,752.96 (+0.21% DoD).

US Treasury yields climbed as investors weighed the US core Personal Consumption Expenditures (PCE) inflation which rose to 3.5% in 1Q25. On average, yields rose by 4.67 bps, with the 2Y closing at 3.70% (+9.60 bps) and the 10Y closing at 4.22% (+5.70 bps).

The **US dollar** strengthened on continued US trade deal optimism and amid a weaker yen after the Bank of Japan's decision to keep its rates steady. The DXY closed at 100.25 (+0.78% DoD).

BusinessWorld poll showed that consensus expects local inflation to remain at 1.8% in April. Analysts have cited the continued slowdown in food prices and lower global oil prices. Meanwhile, the Bangko Sentral ng Pilipinas (BSP) forecasts April inflation to settle within the 1.3%-2.1% range, with a median of 1.7%.

SM Prime Holdings, Inc. (PSE Ticker: SMPH) said that it targets the completion of the sand filling of its Pasay reclamation project by year-end. The reclamation project is a 360-hectare mixed-use development connected to the Mall of Asia. SMPH's President Jeffrey C. Lim noted that the master plan will be finalized within the first half of this year.

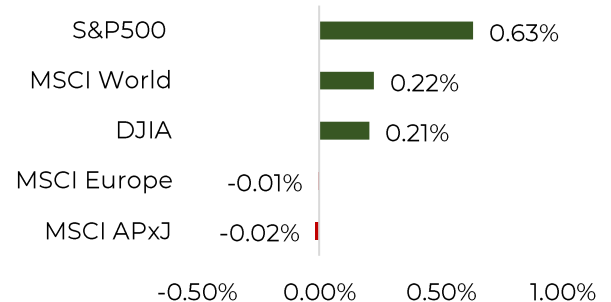
Local equities rose, **local fixed income yields** fell, the **Philippine peso** strengthened amid easing trade tensions after US Commerce Secretary Lutnick noted that the Trump administration has reached its first trade deal. Investors' optimism was also boosted after Fitch Ratings affirmed the country's investment-grade rating.

The PSEi closed at 6,354.99 (+1.64% DoD).

On average, yields rose by 0.38 bps, with the 2Y closing at 5.76% (-0.12 bps) and the 10Y closing at 6.26% (-3.44 bps).

The USD/PHP pair closed at 55.84 (-0.54% DoD).

Global Stock Indices



	Level	DoD
S&P 500	5,604.14	+0.63%
DJIA	40,752.96	+0.21%
3-mo US Treasury yield	4.30%	+1.30 bps
2-yr US Treasury yield	3.70%	+9.60 bps
5-yr US Treasury yield	3.81%	+7.80 bps
10-yr US Treasury yield	4.22%	+5.70 bps
DXY	100.25	+0.78%

As of May 1, 2025

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