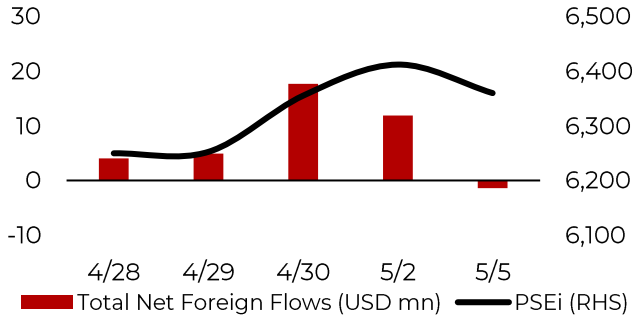


The Morning View

May 6, 2025

Philippine Stock Exchange Index

-0.81% DoD; Net foreign selling: \$1.39mn



	Level	DoD
PSEi	6,359.63	-0.81%
3-mo bond yield	5.54%	+2.97 bps
2-yr bond yield	5.77%	+0.64 bps
5-yr bond yield	5.92%	+0.69 bps
10-yr bond yield	6.27%	+0.76 bps
USDPHP	55.77	+0.36%
Oil (Brent, \$ / barrel)	60.23	-1.73%

Bangko Sentral ng Pilipinas (BSP) Governor Eli Remolona, Jr. said that the central bank sees “a lot of policy space” amid the expectation of a below-2% April inflation print. Nonetheless, Remolona highlighted that the 1Q25 economic growth will be an important factor when the BSP decides the policy move in June.

Semirara Mining and Power Corp. (PSE Ticker: SCC) said that it expects to receive clearance from the Department of Environment and Natural Resources for its mine site in Antique by 2H25. The Acacia mine is estimated to hold approximately 80 million metric tons of coal reserves. SCC President and Chief Operating Officer Maria Cristina Gotianun remarked that exploration is underway, with production slated to start by FY26.

Local equities declined as traders took profits ahead of the April inflation print to be released today. The Bloomberg median consensus estimate expects April inflation to stay at 1.8%. The PSEi closed at 6,359.63 (-0.81% DoD).

Local fixed income yields rose and the **Philippine peso** weakened after the US nonfarm payrolls data came out stronger than expected in April, dampening bets of an early cut by the Fed.

On average, yields rose by 1.19 bps, with the 2Y closing at 5.77% (+0.64 bps) and the 10Y closing at 6.27% (+0.76 bps).

The USD/PHP pair closed at 55.77 (+0.36% DoD).

US Institute for Supply Management (ISM) services index rose to 51.6 in April (Mar: 50.8). This was higher than the market's expectation of 50.2. The above-50 reading indicates growth in the services sector, but the survey noted that Trump's implementation of tariffs have heightened uncertainty over the economy.

US President Donald Trump signed an executive order to incentivize prescription drug manufacturing in the US. This would streamline the path for pharmaceutical companies to build new production sites as tariffs on imported medicines loom.

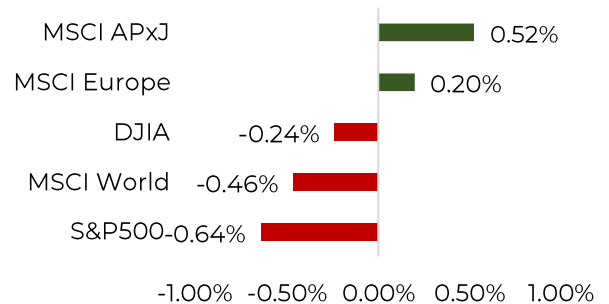
US equities fell, **US Treasury yields** rose, and the **US dollar** weakened ahead of the Fed policy meeting later this week. Investors also digested mixed developments including the expansion of US services activity in April and Trump's announcement of 100% tariffs on foreign-made movies. Details on the tariffs are yet to be provided.

The S&P 500 closed at 5,650.38 (-0.64% DoD), while the DJIA ended at 41,218.83 (-0.24% DoD).

On average, yields rose by 2.01 bps, with the 2Y closing at 3.84% (+1.00 bps) and the 10Y closing at 4.35% (+3.50 bps).

The DXY closed at 99.83 (-0.20% DoD).

Global Stock Indices



	Level	DoD
S&P 500	5,650.38	-0.64%
DJIA	41,218.83	-0.24%
3-mo US Treasury yield	4.32%	-0.30 bps
2-yr US Treasury yield	3.84%	+1.00 bps
5-yr US Treasury yield	3.94%	+2.10 bps
10-yr US Treasury yield	4.35%	+3.50 bps
DXY	99.83	-0.20%

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