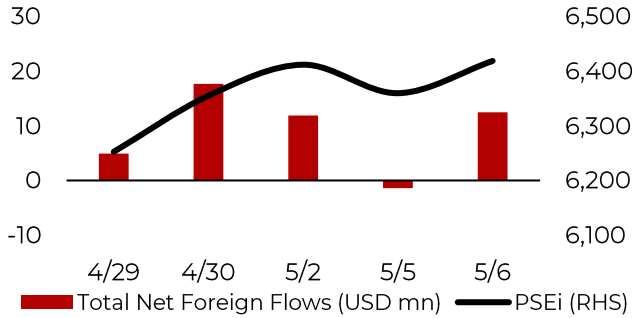


The Morning View

May 7, 2025

Philippine Stock Exchange Index

+0.93% DoD; Net foreign buying: \$12.47mn



	Level	DoD
PSEi	6,418.69	+0.93%
3-mo bond yield	5.52%	-2.50 bps
2-yr bond yield	5.78%	+0.53 bps
5-yr bond yield	5.93%	+1.35 bps
10-yr bond yield	6.27%	+0.15 bps
USDPHP	55.61	-0.29%
Oil (Brent, \$ / barrel)	62.15	+3.19%

The Philippine Statistics Authority (PSA) reported that the local headline inflation decelerated to 1.4% in April (March: 1.8%), coming in lower than the consensus forecast of 1.8% and was the lowest level since November 2019. The cooler April inflation print was attributed to the drop in food prices, particularly rice, and the continued moderation in pump prices.

Ayala Land, Inc. (PSE Ticker: ALI) reported a net income of Php6.95 billion (-2% QoQ, +10% YoY). Earnings growth year-on-year was led by leasing operations and property development revenue. ALI's residential pre-sales moderated to Php31.2 billion (+17% QoQ, -6% YoY) as higher pre-sales from the premium segment cushioned the continued decline in core pre-sales.

Local equities rebounded as local inflation sharply eased to 1.4% in April, boosting bets of more rate cuts from the Bangko Sentral ng Pilipinas. The PSEi closed at 6,418.69 (+0.93% DoD).

Local fixed income yields were mixed but inched down on average after the government made a full award on Php30-billion worth of reissued 7Y T-bonds. This was also ahead of the Fed policy meeting. On average, yields fell by 0.24 bps, with the 2Y closing at 5.78% (+0.53 bps) and the 10Y closing at 6.27% (+0.15 bps).

The **Philippine peso** strengthened as investors cheered the softer-than-expected local inflation print for April. The USD/PHP pair closed at 55.61 (-0.29% DoD).

US trade deficit widened to \$140.5 billion in March (Feb Revised: \$123.2 billion). This was higher than the market's expectation of a \$137.2 billion deficit and was driven by imports surging ahead of Trump's tariffs. Notably, consumer goods imports rose to an all-time high of \$22.5 billion, driven by the surge in pharmaceutical imports from Ireland.

China's Caixin/S&P Global services purchasing managers' index (PMI) fell to 50.7 in April (March: 51.9), below consensus of 51.8. The reading staying above 50 indicates a continued expansion but at a slower pace. This was attributed to weaker new orders, weighed by the uncertainty caused by US tariffs.

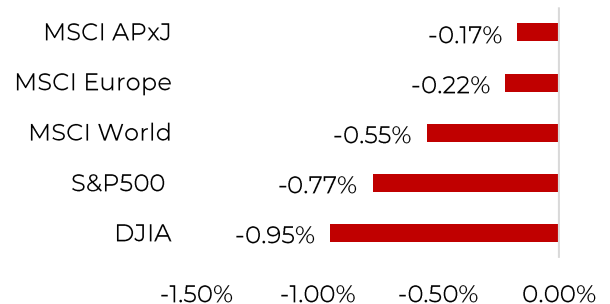
US equities fell, **US Treasury yields** ended lower, and the **US dollar** weakened following Trump's statement that the US does not need to 'sign deals' with trade partners, dampening hopes of future trade agreements. Strong demand during the 10-year Treasury note auction also drove yields lower.

The S&P 500 closed at 5,606.91 (-0.77% DoD), while the DJIA ended at 40,829. (-0.95% DoD).

On average, yields fell by 3.23 bps, with the 2Y closing at 3.79% (-4.90 bps) and the 10Y closing at 4.3% (-4.70 bps).

The DXY closed at 99.24 (-0.59% DoD).

Global Stock Indices



	Level	DoD
S&P 500	5,606.91	-0.77%
DJIA	40,829.00	-0.95%
3-mo US Treasury yield	4.32%	-0.20 bps
2-yr US Treasury yield	3.79%	-4.90 bps
5-yr US Treasury yield	3.90%	-4.50 bps
10-yr US Treasury yield	4.30%	-4.70 bps
DXY	99.24	-0.59%

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