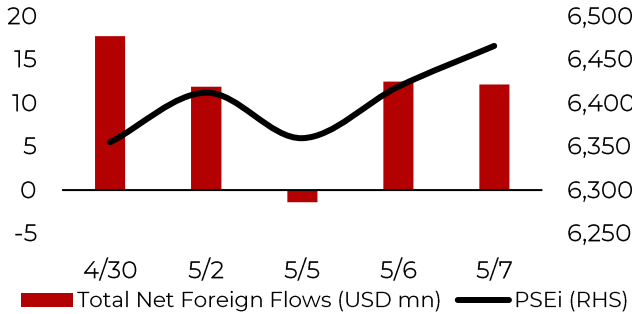


The Morning View

May 8, 2025

Philippine Stock Exchange Index

+0.73% DoD; Net foreign buying: \$12.12mn



	Level	DoD
PSEi	6,465.45	+0.73%
3-mo bond yield	5.51%	-0.91 bps
2-yr bond yield	5.77%	-0.70 bps
5-yr bond yield	5.90%	-2.75 bps
10-yr bond yield	6.18%	-8.96 bps
USDPHP	55.40	-0.38%
Oil (Brent, \$ / barrel)	61.12	-1.66%

Bangko Sentral ng Pilipinas Governor Eli Remolona, Jr. said that the central bank is open to cutting its key policy rate by a further 75 bps in 2025, citing the continued easing price pressures and the Philippine peso's recent appreciation against the US dollar. Remolona also signaled that the BSP is unlikely to intervene to curb the peso's appreciation.

SM Investments Corp. (PSE Ticker: SM) reported a 1Q25 consolidated net income of Php20.1 billion (+9% YoY). Performance in the first quarter was attributable to growth of its banking and property businesses as well as improved consumer sentiment amid easing inflation. Banks accounted for 51% of reported earnings, while property, retail and portfolio investments accounted for 29%, 14%, and 6%, respectively.

Local equities rose, local fixed income yields fell, and the Philippine peso strengthened to a near 14-month high as traders continued to digest the lower-than-expected April inflation print. This was also after BSP Governor Remolona signaled potential further rate cuts of 75 basis points this year.

The PSEi closed at 6,465.45 (+0.73% DoD).

On average, yields fell by 2.18 bps, with the 2Y closing at 5.77% (-0.70 bps) and the 10Y closing at 6.18% (-8.96 bps).

The USD/PHP pair closed at 55.40 (-0.38% DoD).

The US Federal Reserve keeps its policy rates unchanged at the 4.25-4.50% range. The Fed's policy statement reported that there is more uncertainty on the economic outlook, and that inflation and unemployment risks can increase. Fed Chair Powell said that it isn't clear if the economy will continue its pace of growth, or wilt under mounting uncertainty and a possible spike in inflation.

The Chinese government announced several stimulus measures to soften the economic damage caused by the trade war with the US. These stimulus measures include a 10-bp cut to the 7-day reverse repurchase rate, effective May 8, and a 50-bp cut to the reserve requirement ratio, effective May 15.

US equities rose as semiconductor stocks rallied after reports that the Trump administration plans to simplify the Biden-era chip trade restrictions, which was originally set to take effect on May 15. The S&P 500 closed at 5,631.28 (+0.43% DoD), while the DJIA ended at 41,113.97 (+0.70% DoD).

US Treasury yields fell and the **US dollar strengthened** after the Fed decided to hold rates steady, while acknowledging rising risks to inflation and unemployment.

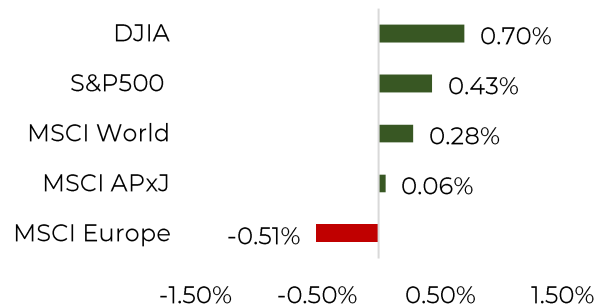
On average, yields fell by 1.56 bps, with the 2Y closing at 3.78% (-0.60 bps) and the 10Y closing at 4.27% (-2.70 bps).

The DXY closed at 99.61 (+0.38% DoD).

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Global Stock Indices



	Level	DoD
S&P 500	5,631.28	+0.43%
DJIA	41,113.97	+0.70%
3-mo US Treasury yield	4.33%	+0.70 bps
2-yr US Treasury yield	3.78%	-0.60 bps
5-yr US Treasury yield	3.87%	-3.00 bps
10-yr US Treasury yield	4.27%	-2.70 bps
DXY	99.61	+0.38%