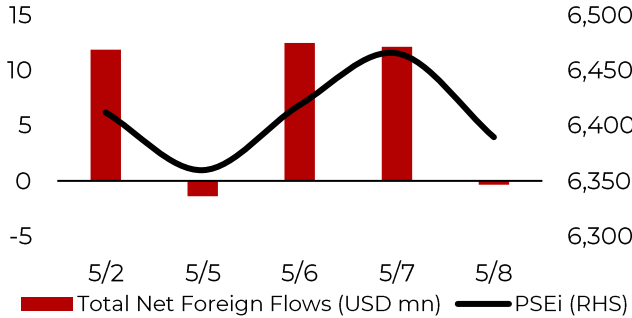


The Morning View

May 9, 2025

Philippine Stock Exchange Index

-1.17% DoD; Net foreign selling: \$0.34mn



	Level	DoD
PSEi	6,389.49	-1.17%
3-mo bond yield	5.51%	-0.40 bps
2-yr bond yield	5.77%	+0.01 bps
5-yr bond yield	5.88%	-1.88 bps
10-yr bond yield	6.15%	-2.68 bps
USDPHP	55.63	+0.41%
Oil (Brent, \$ / barrel)	62.84	+2.81%

The Philippine Statistics Authority (PSA) reported that the country's gross domestic product (GDP) grew by 5.4% YoY in 1Q25 (Revised 4Q24: 5.3%; 1Q24: 5.9%). This came below the market expectation of 5.7% and below the government's 6-8% target for 2025. The 1Q25 GDP growth was mainly driven by stronger government spending ahead of the election-related spending ban, and the pick-up in household spending. However, the surge in imports weighed on growth.

ACEN Corp. (PSE Ticker: ACEN) reported a consolidated net income of Php2.0 billion (+60% QoQ, -28% YoY) in 1Q25. ACEN's performance was weighed by (1) weaker Wholesale Electricity Spot Market prices during the period, (2) higher depreciation and interest expenses recognized from the new operational plants, and (3) outages across the company's PH wind farms due to the lingering impact of Typhoon Marce last November 2024.

Local equities fell, **local fixed income yields** declined, and the **Philippine peso** weakened after the country's GDP came in weaker than expected at 5.4% in 1Q25.

The PSEi closed at 6,389.49 (-1.17% DoD).

On average, yields fell by 0.97 bps, with the 2Y closing at 5.77% (+0.01 bps) and the 10Y closing at 6.15% (-2.68 bps).

The USD/PHP pair closed at 55.63 (+0.41% DoD).

The US and UK sign a limited trade deal, lowering US tariffs on British car exports and increasing agricultural access for both countries. The deal will create new export opportunities for American producers of beef, while eliminating US tariffs on UK steel and UK tariffs on US ethanol. Nonetheless, the original 10% baseline tariffs remain in place for majority of imports from the UK.

US weekly initial jobless claims dropped more than expected by 13,000 to 228,000 (consensus: 230,000) for the week ended May 3. The decline partly reversed the surge from the prior week caused by spring breaks, which lifted claims to a two-month high. Nonetheless, this signaled that the labor market remains resilient.

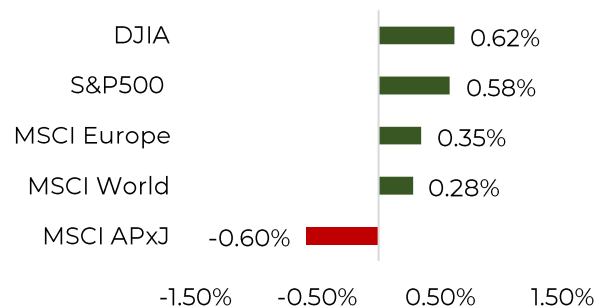
US equities rose, **US Treasury yields** climbed, and the **US dollar** strengthened following the announcement of a US-UK trade deal, fueling hopes of more favorable negotiations with other countries. Investors also anticipate good outcome from the upcoming talks between US and China in the coming weekend.

The S&P 500 closed at 5,663.94 (+0.58% DoD), while the DJIA ended at 41,368.45 (+0.62% DoD).

On average, yields rose by 7.30 bps, with the 2Y closing at 3.88% (+9.70 bps) and the 10Y closing at 4.38% (+10.90 bps).

The DXY closed at 100.64 (+1.03% DoD).

Global Stock Indices



	Level	DoD
S&P 500	5,663.94	+0.58%
DJIA	41,368.45	+0.62%
3-mo US Treasury yield	4.34%	+0.80 bps
2-yr US Treasury yield	3.88%	+9.70 bps
5-yr US Treasury yield	3.99%	+12.10 bps
10-yr US Treasury yield	4.38%	+10.90 bps
DXY	100.64	+1.03%

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