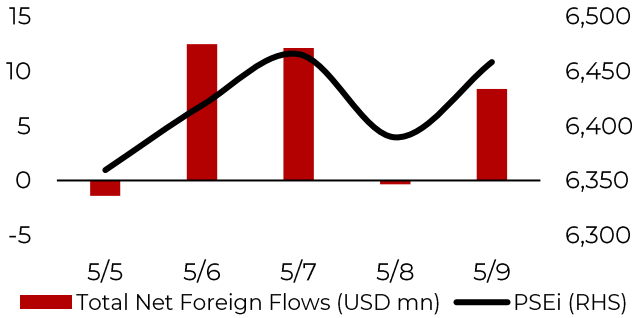


The Morning View

May 13, 2025

Philippine Stock Exchange Index

+0.00% DoD; Net foreign buying: \$8.38mn



The Bureau of the Treasury (BTr) reported that the Philippine government's debt service burden fell by 65.63% YoY to Php183.36 billion in March. This brought the total debt payments in 1Q25 to Php342.02 billion (-65.31% YoY). The lighter debt service burden in March was attributed to lower amortization payments of Php95.24 billion (-79.41% YoY), which offset the rise in interest payments to Php88.12 billion (+24.21% YoY).

Globe Telecom, Inc. (PSE Ticker: GLO) reported an attributable net income of Php6.98 billion (+2.7% YoY) in 1Q25. Performance was driven by contributions from its e-wallet platform GCash. Excluding one-off items, core net income would have declined to Php4.5 billion (-22% YoY) as both service and non-service revenues declined.

Local equities climbed, **local fixed income yields** fell, and the **Philippine peso** strengthened as market sentiment was boosted by the announcement of a limited trade deal between the US and UK. This was also ahead of the local midterm elections yesterday and the US-China trade talks over the weekend.

The PSEi closed at 6,458.2 (+1.08% DoD).

On average, yields fell by 0.57 bps, with the 2Y closing at 5.76% (-0.74 bps) and the 10Y closing at 6.14% (-0.92 bps).

The USD/PHP pair closed at 55.51 (-0.21% DoD).

	Level	DoD
PSEi*	6,458.20	+1.08%
3-mo bond yield*	5.52%	+1.66 bps
2-yr bond yield*	5.76%	-0.74 bps
5-yr bond yield*	5.87%	-1.59 bps
10-yr bond yield*	6.14%	-0.92 bps
USDPHP*	55.51	-0.21%
Oil (Brent, \$ / barrel)	64.96	+1.64%

*As of May 9, 2025

The US and China agreed to temporarily cut down their imposed tariffs for 90 days. Under the agreement, the US will cut tariffs on Chinese imports from 145% to 30%. China will likewise cut tariffs on US imports from 125% to 10% for the same period.

St. Louis Fed President Alberto Musalem said that the Fed should not commit to further rate cuts until the impact of Trump's tariffs become clear. Musalem mentioned that the tariffs could prompt a one-time price jump, which may mostly be concentrated in 2H25. However, he added that it is equally likely that inflation could prove to be more persistent. Given this, committing to policy easing runs the risk of underestimating the persistence of inflation.

US equities rallied, **US Treasury yields** rose, and the **US dollar** strengthened following the announcement of a deal between China and the US, which included a temporary reduction of imposed tariffs for 90 days. This truce boosted investors' confidence and eased fears of an economic slowdown.

The S&P 500 closed at 5,844.19 (+3.26% DoD), while the DJIA ended at 42,410.1 (+2.81% DoD).

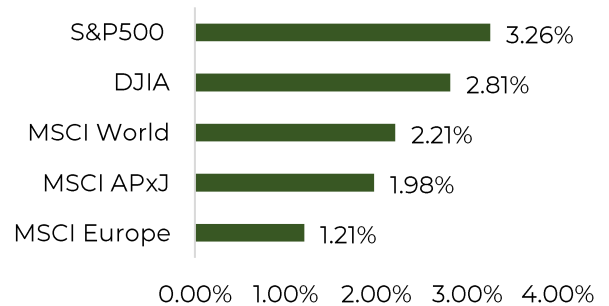
On average, yields rose by 7.55 bps, with the 2Y closing at 4.01% (+12.10 bps) and the 10Y closing at 4.48% (+9.30 bps).

The DXY closed at 101.79 (+1.44% DoD).

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Global Stock Indices



	Level	DoD
S&P 500	5,844.19	+3.26%
DJIA	42,410.10	+2.81%
3-mo US Treasury yield	4.40%	+6.90 bps
2-yr US Treasury yield	4.01%	+12.10 bps
5-yr US Treasury yield	4.11%	+11.20 bps
10-yr US Treasury yield	4.48%	+9.30 bps
DXY	101.79	+1.44%

As of May 12, 2025