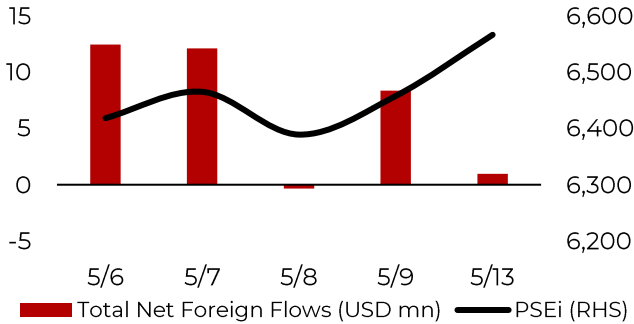


The Morning View

May 14, 2025

Philippine Stock Exchange Index

+1.68% DoD; Net foreign buying: \$0.98mn



	Level	DoD
PSEi	6,566.82	+1.68%
3-mo bond yield	5.55%	+2.49 bps
2-yr bond yield	5.75%	-0.95 bps
5-yr bond yield	5.88%	+1.69 bps
10-yr bond yield	6.18%	+3.54 bps
USDPHP	55.80	+0.51%
Oil (Brent, \$ / barrel)	66.63	+2.57%

Department of Economy, Planning, and Development Secretary Arsenio Balisacan said that the government is open to adopting a seasonal tariff scheme for rice imports. The seasonal tariff aims to shield farmers from the impact of volatile rice prices by implementing variable rather than fixed levies.

Jollibee Foods Corporation (PSE Ticker: JFC) reported an **attributable net income of Php2.4 billion (+30% QoQ, -8% YoY) in 1Q25**. Operational performance was driven by a 12% YoY and 30% YoY rise in PH and International System-wide sales, respectively. However, earnings were weighed by higher interest expenses recognized after JFC refinanced its perpetual bonds in the period.

Local equities rose to a four-month high, **local fixed income yields** ended mixed, and the **Philippine peso** weakened as investors cheered the news of a US-China truce. The agreement includes a 90-day period of reduced tariffs, easing trade tensions and boosting market sentiment. This was also ahead of the release of the US inflation print.

The PSEi closed at 6,566.82 (+1.68% DoD).

On average, yields rose by 2.30 bps, with the 2Y closing at 5.75% (-0.95 bps) and the 10Y closing at 6.18% (+3.54 bps).

The USD/PHP pair closed at 55.80 (+0.51% DoD).

US Consumer Price Index (CPI) inflation eases to 2.3% YoY in April (March: +2.4% YoY, -0.1% MoM), below the market's expectation of 2.4%. The moderation in inflation was attributable to declining food costs amid lower egg prices, which offset sticky shelter costs. Meanwhile, Core CPI remained steady at 2.8% YoY.

US slashed the 'de minimis' tariff on low-value commercial shipments from China to as low as 30%. The 30% rate reflects the Trump administration's decision to cut China's "reciprocal" tariff rate to 10% from 145%, plus a separate 20% duty related to the US fentanyl crisis. Likewise, levies for direct-to-consumer postal shipments have been reduced to 54% from 120% with a flat fee of \$100 for items valued at up to \$800.

US equities closed mixed, **US Treasury yields** fell, and the **US dollar** weakened as investors digested the easing US-China trade tensions and the softer-than-expected CPI inflation. The DJIA was weighed by the 18% drop in UnitedHealth shares following the abrupt resignation of its Chief Executive Officer Andrew Witty.

The S&P 500 closed at 5,886.55 (+0.72% DoD), while the DJIA ended at 42,140.43 (-0.64% DoD).

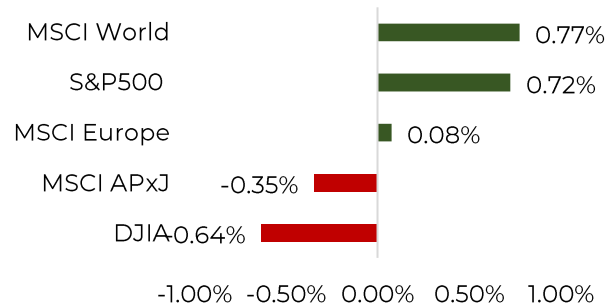
On average, yields fell by 0.41 bps, with the 2Y closing at 4.00% (-1.00 bps) and the 10Y closing at 4.47% (-0.60 bps).

The DXY closed at 101.00 (-0.77% DoD).

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Global Stock Indices



	Level	DoD
S&P 500	5,886.55	+0.72%
DJIA	42,140.43	-0.64%
3-mo US Treasury yield	4.39%	-1.00 bps
2-yr US Treasury yield	4.00%	-1.00 bps
5-yr US Treasury yield	4.10%	-1.50 bps
10-yr US Treasury yield	4.47%	-0.60 bps
DXY	101.00	-0.77%