

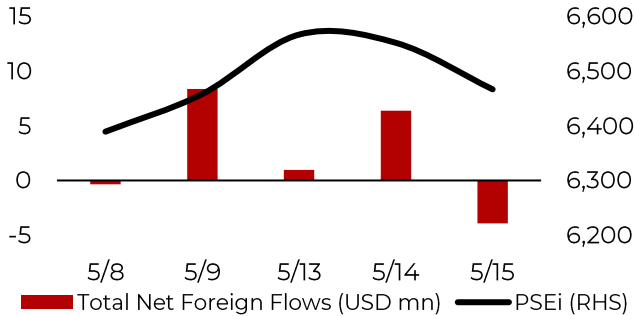


The Morning View

May 16, 2025

Philippine Stock Exchange Index

-1.30% DoD; Net foreign selling: \$3.91mn



	Level	DoD
PSEi	6,466.86	-1.30%
3-mo bond yield	5.52%	-0.99 bps
2-yr bond yield	5.77%	+0.41 bps
5-yr bond yield	5.90%	+1.87 bps
10-yr bond yield	6.21%	+0.88 bps
USDPHP	55.75	-0.20%
Oil (Brent, \$ / barrel)	64.53	-2.36%

Overseas Filipino Workers' cash remittances rose by 2.6% YoY to \$2.81 billion, the slowest growth in nine months. Remittances from land-based workers increased by 3.1% YoY to \$2.22 billion, while money sent home by sea-based workers inched up by 1% YoY to \$595 million. The central bank expects cash remittances to grow by 2.8% this year despite external headwinds.

PLDT Inc. (PSE Ticker: TEL) reported a telco core income (ex-asset sales) of Php8.78 billion (+3% QoQ, -6% YoY) in 1Q25. The YoY decline was due to higher non-cash operating expenses that weighed on TEL's stable topline growth. Notably, Maya achieved its first quarter of profitability, contributing Php127 million to TEL's net income.

Local equities declined amid continued profit-taking and as investors remained on the lookout for any significant catalysts. The PSEi closed at 6,466.86 (-1.30% DoD).

Local fixed income yields rose and the **Philippine peso** strengthened ahead of Fed Chair Powell's speech and the release of US retail sales and producer price index (PPI) inflation data. Lower global oil prices also helped lift the local currency.

On average, yields rose by 1.77 bps, with the 2Y closing at 5.77% (+0.41 bps) and the 10Y closing at 6.21% (+0.88 bps).

The USD/PHP pair closed at 55.75 (-0.20% DoD).

US Fed Chair Powell stated that the strategy around both jobs and inflation needs to be reconsidered. He noted that the economic environment has changed significantly since 2020, and that the review will reflect their assessment of those changes. He also added that supply shocks may be more frequent in the future.

US PPI unexpectedly fell by 0.5% MoM in April (March Rev.: 0.7%), below the market's expectation of 0.2%. This was attributable to wholesale services prices dropping by 0.7%, the largest decline since December 2009. Trade services also declined by 1.6% accounting for more than two-thirds of the drop in services.

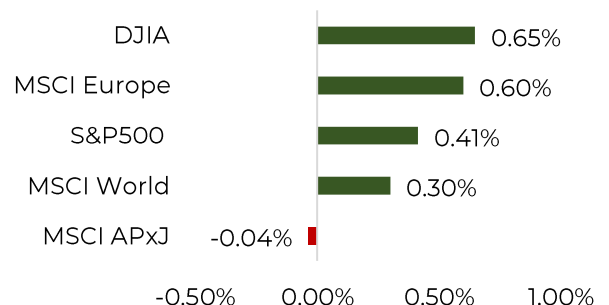
US equities rose, **US Treasury yields** dropped, and the **US dollar** weakened as investors weighed a mixed slew of economic data releases for April including an unexpected decline in PPI inflation to -0.5% MoM and a weaker-than-expected US retail sales growth of 0.1% MoM in April.

The S&P 500 closed at 5,916.93 (+0.41% DoD), while the DJIA ended at 42,322.75 (+0.65% DoD).

On average, yields fell by 7.16 bps, with the 2Y closing at 3.97% (-9.00 bps) and the 10Y closing at 4.44% (-10.50 bps).

The DXY closed at 100.88 (-0.16% DoD).

Global Stock Indices



	Level	DoD
S&P 500	5,916.93	+0.41%
DJIA	42,322.75	+0.65%
3-mo US Treasury yield	4.37%	-2.70 bps
2-yr US Treasury yield	3.97%	-9.00 bps
5-yr US Treasury yield	4.06%	-11.20 bps
10-yr US Treasury yield	4.44%	-10.50 bps
DXY	100.88	-0.16%

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