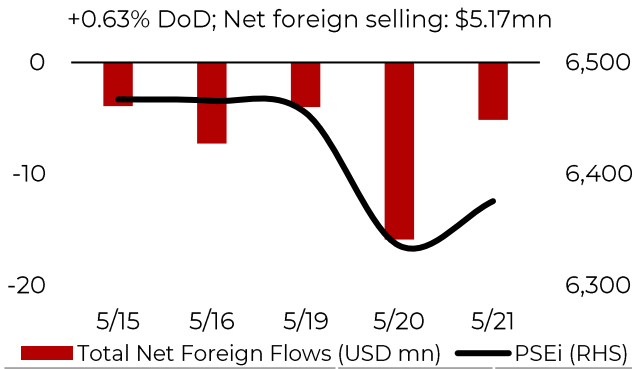


The Morning View

May 22, 2025

Philippine Stock Exchange Index



	Level	DoD
PSEi	6,375.35	+0.63%
3-mo bond yield	5.45%	-2.40 bps
2-yr bond yield	5.76%	-0.68 bps
5-yr bond yield	5.88%	+0.10 bps
10-yr bond yield	6.18%	+0.57 bps
USDPHP	55.66	+0.05%
Oil (Brent, \$ / barrel)	64.91	-0.72%

The Department of Agriculture (DA) announced its aim to broaden the coverage of the Php20/kg rice pilot test to 14 million beneficiaries by September. After the initial launch in select Visayan provinces, the DA seeks to expand to parts of Luzon and Mindanao, targeting areas with high poverty incidence. The pilot test for the program is scheduled to run until December 2025.

SM Prime Holdings, Inc. (PSE Ticker: SMPH) said that it expects to complete the Php1.7-billion SMX Center for International Trade and Exhibitions (SMXCITE) trade hall in Pasay City by 1Q27. SMXCITE will double the size of SMX Convention Center Manila, adding more than 18,000 square meters of leasable space across two buildings, each able to host over 18,000 guests.

Local equities rose on bargain hunting after a five-day decline. The PSEi closed at 6,375.35 (+0.63% DoD).

Local fixed income yields were mixed, and the **Philippine peso** slightly weakened as investors digested cautious signals from US Fed officials urging patience on policy rate decisions. Heightened geopolitical concerns following reports on Israel's plan to strike Iran's nuclear facilities also weighed on sentiment.

On average, yields fell by 0.64 bps, with the 2Y closing at 5.76% (-0.68 bps) and the 10Y closing at 6.18% (+0.57 bps).

The USD/PHP pair closed at 55.66 (+0.05% DoD).

The European Central Bank (ECB) remarked that both the credit and stock markets appeared "out of sync" considering the current global uncertainty. Announced through the ECB's twice-yearly Financial Stability Review, other risks mentioned included funds' depleting cash buffers, overvalued property markets, and high government debt.

Japan's exports growth slowed to 2.0% YoY in April (March: +4.0%). Exports were weighed by the 1.8% YoY decline in shipments to the US amid softer demand for automobiles, steel, and ships. While exports to Asia rose by 6.0% YoY, exports to China fell by 0.6% YoY on muted demand for automobiles and electronic parts.

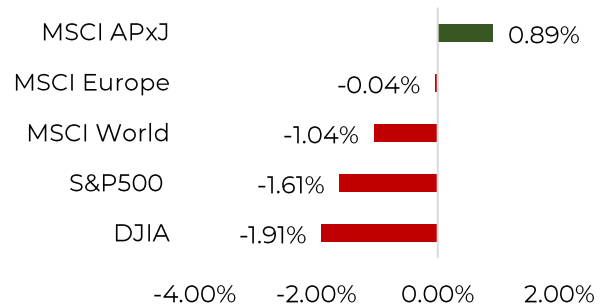
US equities fell, **US Treasury yields** rose, and the **US dollar** weakened amid investors' concerns that Trump's US tax and spending bill could further widen the US' budget deficit. The Congressional Budget Office estimates that the bill will add \$3.8 trillion to the deficit over the next decade.

The S&P 500 closed at 5,844.61 (-1.61% DoD), while the DJIA ended at 41,860.44 (-1.91% DoD).

On average, yields rose by 6.68 bps, with the 2Y closing at 4.02% (+4.70 bps) and the 10Y closing at 4.60% (+11.20 bps).

The DXY closed at 99.56 (-0.56% DoD).

Global Stock Indices



	Level	DoD
S&P 500	5,844.61	-1.61%
DJIA	41,860.44	-1.91%
3-mo US Treasury yield	4.35%	+1.00 bps
2-yr US Treasury yield	4.02%	+4.70 bps
5-yr US Treasury yield	4.16%	+8.70 bps
10-yr US Treasury yield	4.60%	+11.20 bps
DXY	99.56	-0.56%

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