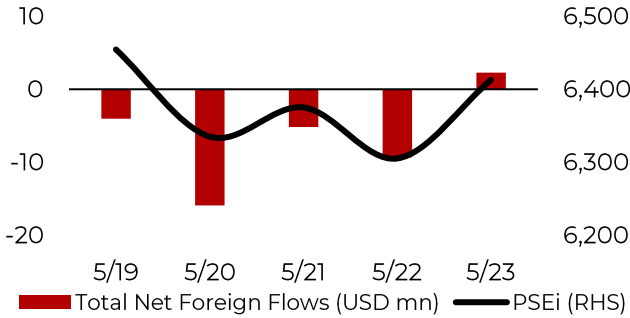


The Morning View

May 26, 2025

Philippine Stock Exchange Index

+1.71% DoD; Net foreign buying: \$2.29mn



	Level	DoD
PSEi	6,413.10	+1.71%
3-mo bond yield	5.46%	+0.71 bps
2-yr bond yield	5.75%	-0.63 bps
5-yr bond yield	5.90%	-0.20 bps
10-yr bond yield	6.27%	+2.37 bps
USDPHP	55.25	-0.60%
Oil (Brent, \$ / barrel)	64.78	+0.53%

Bangko Sentral ng Pilipinas (BSP) Governor Eli Remolona signaled the possibility of additional two 25-basis point (bp) rate cuts for the rest of 2025. He noted that this will not necessarily be done consecutively but a 25-bp rate cut is still “on the table” for the Monetary Board’s June 19 meeting. Additionally, he signaled further reduction in the reserve requirement ratio in 2026.

Manila Electric Co.’s (PSE Ticker: MER) power generation unit, Meralco Powergen Corp. (MGEN) said it is on track to operate its gas-fired power plants in Batangas at 2,500 megawatts by end-May. This includes the Ilijan power plant and three units from Excellent Energy Resources, Inc. Currently, unit three is awaiting approval to operate from the Energy Regulatory Commission.

Local equities rebounded, local fixed income yields ended mixed, and the Philippine peso strengthened after BSP Governor Remolona signaled potential further rate cuts this year. Investors also digested his remark that the BSP is reviewing its US Treasury holdings following the recent US credit downgrade by Moody’s. Additionally, the local bourse also rose amid bargain hunting.

The PSEi closed at 6,413.10 (+1.71% DoD).

On average, yields rose by 1.94 bps, with the 2Y closing at 5.75% (-0.63 bps) and the 10Y closing at 6.27% (+2.37 bps).

The USD/PHP pair closed at 55.25 (-0.60% DoD).

US President Donald Trump threatened to impose 50% tariffs on all imported goods from the European Union (EU), higher than the current 10% baseline tariff. This was prompted by the White House’s belief that trade talks with the EU were not progressing fast enough. After the announcement, Trump agreed to delay the imposition of the 50% tariffs to July 9 from originally June 1.

US new single-family home sales rose by 10.9% MoM in April from a downwardly revised 2.6% MoM growth in March, as builders lowered prices to attract buyers. However, outlook for the housing market remains downbeat due to higher mortgage rates nearing 7% and rising economic uncertainty.

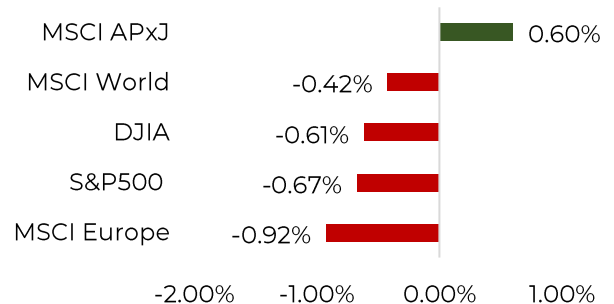
US equities fell, US Treasury yields ended mixed, and the US dollar weakened as investors weighed Trump’s threats of imposing tariffs on smartphones made outside the US. This was also after Trump threatened 50% tariffs on the European Union starting June 1, which was later on delayed to July 9.

The S&P 500 closed at 5,802.82 (-0.67% DoD), while the DJIA ended at 41,603.07 (-0.61% DoD).

On average, yields fell by 0.49 bps, with the 2Y closing at 4.00% (+0.40 bps) and the 10Y closing at 4.52% (-1.60 bps).

The DXY closed at 99.11 (-0.85% DoD).

Global Stock Indices



	Level	DoD
S&P 500	5,802.82	-0.67%
DJIA	41,603.07	-0.61%
3-mo US Treasury yield	4.35%	-0.80 bps
2-yr US Treasury yield	4.00%	+0.40 bps
5-yr US Treasury yield	4.08%	-1.20 bps
10-yr US Treasury yield	4.52%	-1.60 bps
DXY	99.11	-0.85%

This material, which is strictly for information purposes only, is for your sole use, does not constitute a recommendation or an offer to sell or a solicitation to buy any financial product. Any information is subject to change without notice and BPI Wealth is not under any obligation to update or keep current the information contained herein. You are advised to make your own independent judgment with respect to the matter contained in this document. No liability whatsoever is accepted for any loss that may arise (whether direct or consequential) from any use of the information contained herein.

All funds managed by BPI Wealth are Trust and/or Investment Management Funds, which do not carry any guarantee of income or principal, and are NOT covered by the Philippine Deposit Insurance Corporation. Past performance is not a guarantee of future results. BPI Wealth Investment Funds are valued daily using the marked-to-market method.