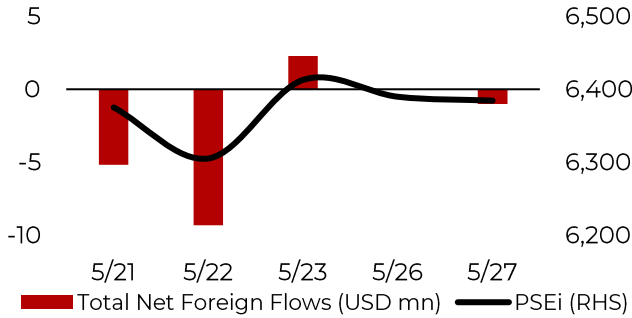


The Morning View

May 28, 2025

Philippine Stock Exchange Index

-0.08% DoD; Net foreign selling: \$1.00mn



	Level	DoD
PSEi	6,384.62	-0.08%
3-mo bond yield	5.46%	+0.82 bps
2-yr bond yield	5.74%	+0.22 bps
5-yr bond yield	5.89%	+0.54 bps
10-yr bond yield	6.25%	-1.18 bps
USDPHP	55.56	+0.25%
Oil (Brent, \$ / barrel)	64.09	-1.00%

The Bureau of the Treasury reported that the National Government posted a Php67.29 billion budget surplus in April, a turnaround from the Php375.73 billion deficit in March. This was attributed to slower government spending which fell to Php454.76 billion (-8% YoY) amid lower interest payments and subsidies. While revenues slid to Php522.05 bn (-3% YoY) due to the timing of nontax collections, tax revenues picked up to Php497.98 billion (+8% YoY).

Ayala Land, Inc. (PSE Ticker: ALI) signed a 25-year lease agreement with the Bases Conversion and Development Authority to continue the operations of Camp John Hay Technohub in Baguio City. The agreement is estimated to generate Php600 million in revenue.

Local equities closed flat, **local fixed income yields** ended mixed, and the **Philippine peso** slightly weakened as investors stayed on the sidelines amid reduced market expectations of Fed rate cuts. This was also following partial awarding of the reissued 20Y T-bonds by the Bureau of the Treasury.

The PSEi closed at 6,384.62 (-0.08% DoD).

On average, yields rose by 0.60 bps, with the 2Y closing at 5.74% (+0.22 bps) and the 10Y closing at 6.25% (-1.18 bps).

The USD/PHP pair closed at 55.56 (+0.25% DoD).

US core capital goods orders tumbled by 1.3% MoM in April (Revised Mar.: +0.3%; Consensus: -0.2%), signaling weaker business spending plans. This is attributed to core capital goods shipments slipping by 0.1% as businesses frontloaded shipments ahead of Trump's sweeping tariffs.

US Confidence Board consumer confidence index rose to 98.0 in May (April Revised: 85.7), better than consensus expectation of 87.1 amid easing trade tensions between the US and China. However, the survey also noted that consumers remained worried over tariffs raising prices and hurting the economy.

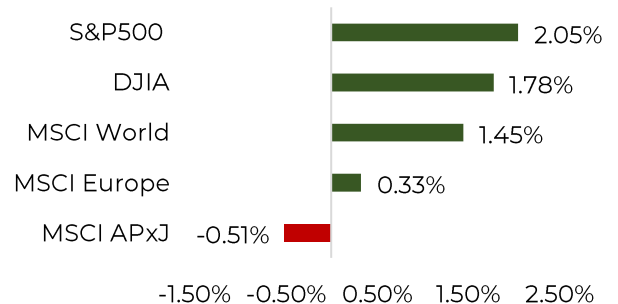
US equities rose, **US Treasury yields** fell, and the **US dollar** strengthened amid improved market sentiment after Trump delayed the planned 50% tariff on European Union goods, and the above-consensus US consumer confidence data. The greenback gained support from a weaker yen after Japan signaled it may cut super-long bond issuance to curb rising yields.

The S&P 500 closed at 5,921.54 (+2.05% DoD), while the DJIA ended at 42,343.65 (+1.78% DoD).

On average, yields fell by 3.85 bps, with the 2Y closing at 3.99% (-1.30 bps) and the 10Y closing at 4.45% (-6.70 bps).

The DXY closed at 99.52 (+0.59% DoD).

Global Stock Indices



	Level	DoD
S&P 500	5,921.54	+2.05%
DJIA	42,343.65	+1.78%
3-mo US Treasury yield	4.32%	-2.30 bps
2-yr US Treasury yield	3.99%	-1.30 bps
5-yr US Treasury yield	4.04%	-4.80 bps
10-yr US Treasury yield	4.45%	-6.70 bps
DXY	99.52	+0.59%

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