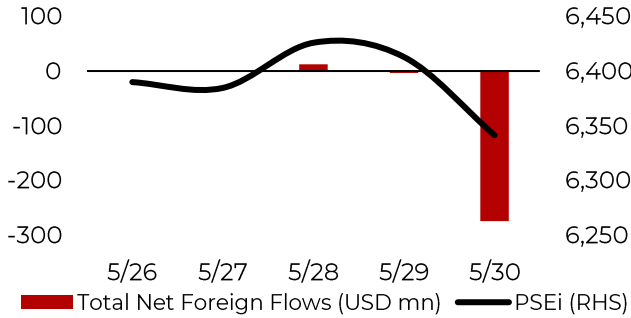


The Morning View

June 2, 2025

Philippine Stock Exchange Index

-1.11% DoD; Net foreign selling: \$274.41mn



	Level	DoD
PSEi	6,341.53	-1.11%
3-mo bond yield	5.43%	+0.31 bps
2-yr bond yield	5.71%	-1.61 bps
5-yr bond yield	5.90%	+0.32 bps
10-yr bond yield	6.26%	+0.50 bps
USDPHP	55.75	+0.03%
Oil (Brent, \$ / barrel)	63.90	-0.39%

The Philippine trade deficit in goods narrowed to \$3.49 billion (-26.05% YoY) in April, as imports contracted to its lowest level in 13 months. Imports fell by 7.16% YoY to \$10.24 billion, while exports rose by 7.00% YoY to \$6.75 billion in the same period. As of 4M25, the year-to-date trade deficit stood at \$15.91 billion (4M24: \$15.99 billion).

Razon-led Prime Infrastructure Capital, Inc. (Prime Infra) acquired a 60% equity stake in First Gen Corp.'s (PSE Ticker: FGEN) liquified natural gas (LNG) business. The Php50-billion acquisition includes FGEN's four operating LNG power plants, the proposed 1,200-megawatt Santa Maria power plant, and an interim offshore LNG terminal.

Local equities declined, **local fixed income yields** ended mixed, and the **Philippine peso** was flat as investors digested the uncertainty over on-and-off US tariffs. This was after the US Appellate court's decision to temporarily reinstate Trump's tariffs. The latest MSCI Rebalancing also weighed on the local bourse.

The PSEi closed at 6,341.53 (-1.11% DoD).

On average, yields ended flat, with the 2Y closing at 5.71% (-1.61 bps) and the 10Y closing at 6.26% (+0.50 bps).

The USD/PHP pair closed at 55.75 (+0.03% DoD).

The US core personal consumption expenditure (PCE) inflation, the Fed's preferred gauge, rose by 2.5% YoY in April (Mar. Revised: 2.7%). This was in line with consensus and was driven by a rise in prices for recreational goods, vehicles, and durable household equipment. The increase was tempered by a slower rise in services prices amid a drop in financial services and insurance.

US President Donald Trump planned to increase tariffs on steel and aluminum to 50% from 25%. In line with this, the European Commission warned that it may impose countermeasures. Additionally, Trump claimed that China violated the bilateral deal to roll back tariffs and trade restrictions for critical minerals. He later on noted that he will be speaking with Chinese President Xi Jinping.

US equities ended mixed, **US Treasury yields** fell, and the **US dollar** closed flat amid global trade jitters after recent tariff developments. This was also following the in-line April US core PCE inflation print.

The S&P 500 closed at 5,911.69 (-0.01% DoD), while the DJIA ended at 42,270.07 (+0.13% DoD).

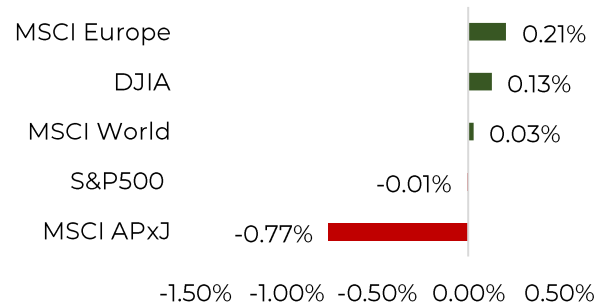
On average, yields fell by 1.17 bps, with the 2Y closing at 3.90% (-3.70 bps) and the 10Y closing at 4.41% (-1.60 bps).

The DXY closed at 99.33 (+0.05% DoD).

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Global Stock Indices



	Level	DoD
S&P 500	5,911.69	-0.01%
DJIA	42,270.07	+0.13%
3-mo US Treasury yield	4.35%	+0.10 bps
2-yr US Treasury yield	3.90%	-3.70 bps
5-yr US Treasury yield	3.96%	-3.70 bps
10-yr US Treasury yield	4.41%	-1.60 bps
DXY	99.33	+0.05%