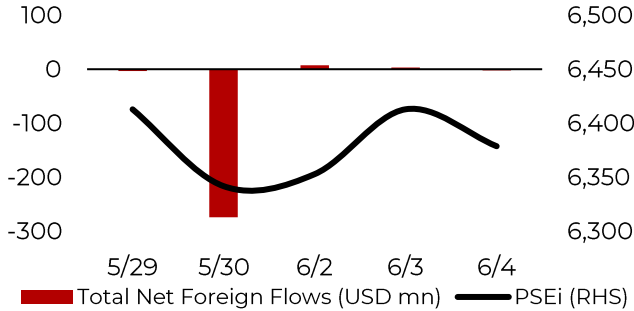


The Morning View

June 5, 2025

Philippine Stock Exchange Index

-0.53% DoD; Net foreign selling: \$2.33mn



	Level	DoD
PSEi	6,378.56	-0.53%
3-mo bond yield	5.41%	-0.08 bps
2-yr bond yield	5.71%	+0.12 bps
5-yr bond yield	5.91%	+0.79 bps
10-yr bond yield	6.31%	+3.02 bps
USD/PHP	55.77	+0.09%
Oil (Brent, \$ / barrel)	64.86	-1.17%

The House of Representatives approved on third and final reading the Php200 across-the-board minimum wage hike for private sector workers. This came a few days before the Congress adjourns for a final time on June 13. The Senate has also greenlit a counterpart bill seeking a Php100 wage increase last year.

Manila Electric Co.'s (PSE Ticker: MER) power generation arm, Meralco Powergen Corp. (MGEN), partnered with a Saudi Arabia-based energy developer for solar power opportunities. The partnership included plans to jointly develop renewable energy projects in the Philippines and across Southeast Asia.

Local equities fell due to profit taking and concerns over slower economic growth prospects. The Organization for Economic Cooperation and Development (OECD) forecasts the PH economy to grow by 5.6% in 2025, below the government's 6.0-8.0% target. The PSEi closed at 6,378.56 (-0.53% DoD).

Local fixed income yields inched up and the **Philippine peso** weakened as traders weighed Trump's 50% steel and aluminum tariffs which took effect yesterday on all trading partners except the United Kingdom (UK).

On average, yields rose by 0.80 bps, with the 2Y closing at 5.71% (+0.12 bps) and the 10Y closing at 6.31% (+3.02 bps).

The USD/PHP pair closed at 55.77 (+0.09% DoD).

The ADP National Employment Report showed that private payrolls increased by 37,000 in May (Apr. Revised: 60,000), below the market consensus of 114,000. This marked the lowest monthly job additions since March 2023. The downbeat report was attributed to job losses in the manufacturing sector but was tempered by job additions in the services sector.

US President Donald Trump on June 4 signed an order doubling US tariffs on all steel and aluminum imports to 50% from previously 25%. The UK is temporarily spared from the doubled tariff with a 25% tariff remaining in place. Meanwhile, Canada said that it is prepared to retaliate over this tariff hike.

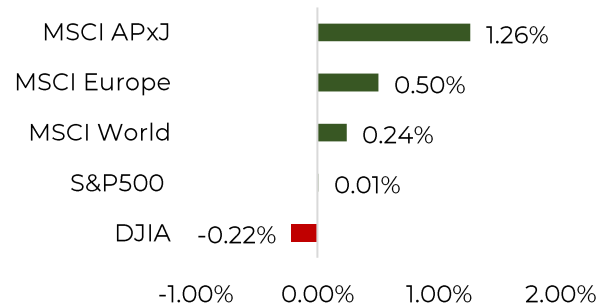
US equities closed mixed, **US Treasury yields** were mixed but fell on average, and the **US dollar** weakened as investors continued to digest trade deal developments between the US and other nations. This also followed news that ADP private payroll additions surprisingly dropped in May.

The S&P 500 closed at 5,970.81 (+0.01% DoD), while the DJIA ended at 42,427.74 (-0.22% DoD).

On average, yields fell by 6.96 bps, with the 2Y closing at 3.87% (-8.60 bps) and the 10Y closing at 4.36% (-10.10 bps).

The DXY closed at 98.79 (-0.44% DoD).

Global Stock Indices



	Level	DoD
S&P 500	5,970.81	+0.01%
DJIA	42,427.74	-0.22%
3-mo US Treasury yield	4.35%	+1.00 bps
2-yr US Treasury yield	3.87%	-8.60 bps
5-yr US Treasury yield	3.93%	-9.80 bps
10-yr US Treasury yield	4.36%	-10.10 bps
DXY	98.79	-0.44%

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