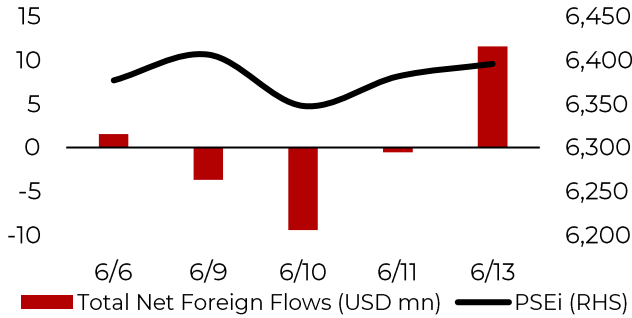


# The Morning View

June 16, 2025

## Philippine Stock Exchange Index

+0.22% DoD; Net foreign buying: \$11.55mn



	Level	DoD
PSEi	6,395.59	+0.22%
3-mo bond yield	5.44%	+0.10 bps
2-yr bond yield	5.71%	+0.08 bps
5-yr bond yield	5.95%	+2.17 bps
10-yr bond yield	6.35%	+1.62 bps
USD/PHP	56.21	+0.58%
Oil (Brent, \$ / barrel)	74.23	+7.02%

**The Bangko Sentral ng Pilipinas (BSP) reported that the PH current account deficit surged 105% YoY in 1Q25 to \$4.25 billion.**

The BSP attributed this to the widening merchandise trade gap, as import spending grew faster than export earnings. This was partially moderated by higher cash remittances, up by 2.7% YoY to \$8.44 billion in 1Q25.

**Aboitiz Power (PSE Ticker: AP), Aboitiz Equity Ventures' (PSE Ticker: AEV) power unit, has secured the Securities and Exchange Commission's approval for a shelf registration of up to Php100 billion in fixed-rate bonds.** AP plans to offer up to Php30 billion in the first tranche from June 23 to 27, with listing scheduled for July 7.

**Local equities** inched up as investors weighed the better-than-expected May consumer and producer price inflation figures in the US. However, gains were capped by rising geopolitical tensions in the Middle East. The PSEi closed at 6,395.59 (+0.22% DoD).

**Local fixed income yields** were flat ahead of the US Fed and Bangko Sentral ng Pilipinas' policy meetings this week. On average, yields rose by 0.01 bps, with the 2Y closing at 5.71% (+0.08 bps) and the 10Y closing at 6.35% (+1.62 bps).

The **Philippine peso** weakened following the jump in oil prices as geopolitical tensions escalated between Israel and Iran. The USD/PHP pair closed at 56.21 (+0.58% DoD).

**Israel launched a major military attack on Iran last Friday, targeting its nuclear and military sites.** Iran responded with a barrage of missiles and drones targeting major Israeli cities. Consequently, oil prices rose 7% DoD higher amid fears of a wider regional conflict.

**University of Michigan's Consumer Sentiment Index improved to 60.5 in June from 52.2 in May as trade tensions between the US and China eased.** However, consumers remain cautious as they still perceive downside risks to the economy. Meanwhile, consumer's 12-month inflation expectations fell to 5.1% from 6.6% in May.

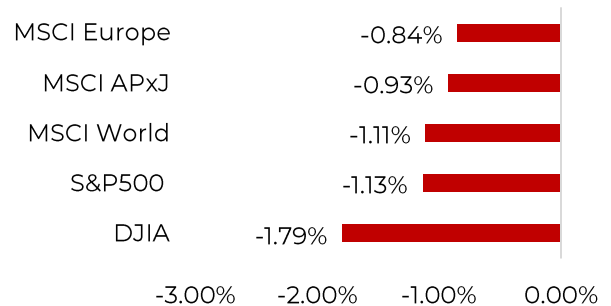
**US equities** fell, **US Treasury yields** climbed, and the **US dollar** strengthened amid escalating Israel-Iran tensions, stoking fears of global oil supply disruptions and potential inflationary pressures.

The S&P 500 closed at 5,976.97 (-1.13% DoD), while the DJIA ended at 42,197.79 (-1.79% DoD).

On average, yields rose by 2.79 bps, with the 2Y closing at 3.95% (+3.80 bps) and the 10Y closing at 4.40% (+4.00 bps).

The DXY closed at 98.18 (+0.27% DoD).

## Global Stock Indices



	Level	DoD
S&P 500	5,976.97	-1.13%
DJIA	42,197.79	-1.79%
3-mo US Treasury yield	4.37%	-1.20 bps
2-yr US Treasury yield	3.95%	+3.80 bps
5-yr US Treasury yield	4.00%	+3.30 bps
10-yr US Treasury yield	4.40%	+4.00 bps
DXY	98.18	+0.27%

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