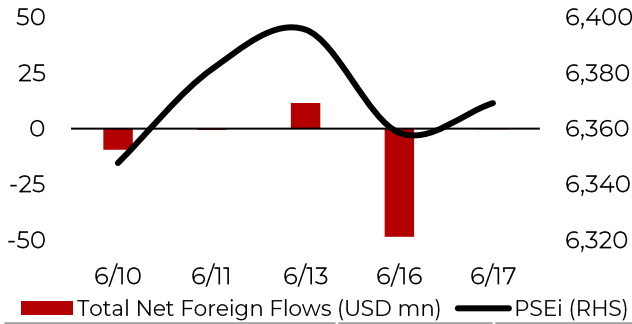


The Morning View

June 18, 2025

Philippine Stock Exchange Index

+0.17% DoD; Net foreign selling: \$0.26mn



	Level	DoD
PSEi	6,369.19	+0.17%
3-mo bond yield	5.49%	+1.99 bps
2-yr bond yield	5.74%	+0.53 bps
5-yr bond yield	5.99%	-0.32 bps
10-yr bond yield	6.39%	+1.47 bps
USDPHP	56.70	+0.51%
Oil (Brent, \$ / barrel)	76.45	+4.40%

The Department of Energy urged the local oil industry to adjust prices in a staggered manner to minimize the impact of the continued geopolitical tensions in the Middle East. Currently, oil firms are mandated to maintain a minimum 30-day inventory of crude oil and a 15-day supply of finished petroleum products to ensure a stable and sufficient supply.

ACEN Corporation (PSE Ticker: ACEN) disclosed that it will divest its remaining diesel power assets by end-2025. The sale will include approximately 189 megawatts of diesel capacity across the Philippines. The transaction would proceed upon fulfillment of all the required conditions and execution of definitive agreements.

Local equities inched up following the upbeat overseas Filipino workers' cash remittances, which rose by 4.0% YoY in April. The PSEi closed at 6,369.19 (+0.17% DoD).

Local fixed income yields rose and the **Philippine peso** weakened against the US dollar as investors assessed the rise in oil prices and the ongoing Middle East tensions. Moreover, the Bureau of the Treasury's partial award of reissued 10Y T-bonds also lifted yields.

On average, yields rose by 0.61 bps, with the 2Y closing at 5.74% (+0.53 bps) and the 10Y closing at 6.39% (+1.47 bps).

The USD/PHP pair closed at 56.70 (+0.51% DoD).

US retail sales fell more than expected by 0.9% MoM in May (Apr. revised: -0.1%), marking the largest drop in four months. The decrease was attributed to the decline in motor sales as the rush to front-run the potential tariffs faded. Additionally, sales of building materials, electronics, and receipts at service stations also declined.

US manufacturing output rose by 0.1% MoM in May (Apr. Revised: -0.5%), in line with market expectations. This was driven by the surge in motor vehicle and aircraft output but was partially offset by the decline in output of fabricated metal products, machinery, and nonmetallic mineral products.

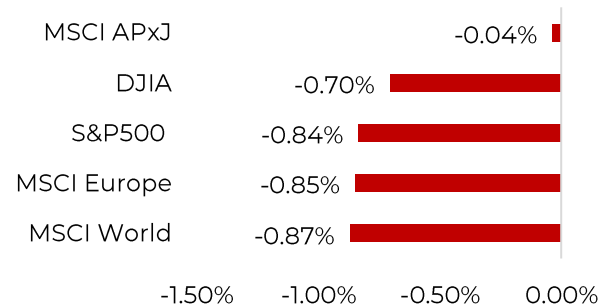
US equities fell, **US Treasury yields** slipped, and the **US dollar** strengthened amid investors' risk-off sentiment driven by the latest developments in the Middle East, with the Israel-Iran conflict entering its fifth day. Investors also digested the below-consensus US May retail sales and looked ahead to the Fed's policy decision.

The S&P 500 closed at 5,982.72 (-0.84% DoD), while the DJIA ended at 42,215.80 (-0.70% DoD).

On average, yields fell by 3.95 bps, with the 2Y closing at 3.96% (-1.50 bps) and the 10Y closing at 4.39% (-5.70 bps).

The DXY closed at 98.82 (+0.84% DoD).

Global Stock Indices



	Level	DoD
S&P 500	5,982.72	-0.84%
DJIA	42,215.80	-0.70%
3-mo US Treasury yield	4.32%	-4.10 bps
2-yr US Treasury yield	3.96%	-1.50 bps
5-yr US Treasury yield	3.99%	-4.20 bps
10-yr US Treasury yield	4.39%	-5.70 bps
DXY	98.82	+0.84%

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