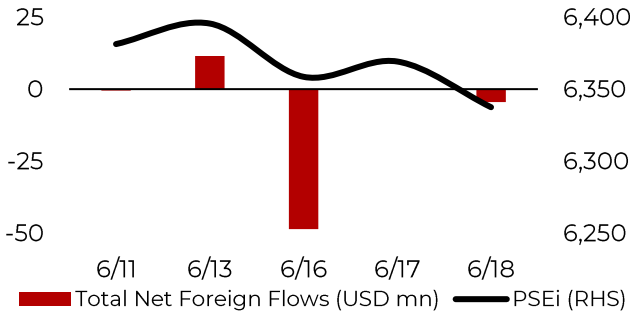


The Morning View

June 19, 2025

Philippine Stock Exchange Index

-0.50% DoD; Net foreign selling: \$4.46mn



Philippine automotive sales slipped by 1.2% YoY to 39,775 units in May. Although passenger car sales dropped by 28.0% YoY, the 21.5% MoM growth suggests strong momentum moving forward. For the January to May period, new vehicle sales increased by 1.7% YoY to 190,429 units despite the slump in passenger car sales.

Manila Water Company, Inc. (PSE Ticker: MWC) and Maynilad Water Services, Inc. secured President Marcos' approval of a 10-year extension that aligns the legislative franchises of both concessionaires from July 31, 2037, to January 21, 2047. The Philippine government projects the contract extension to generate up to Php50.3 billion in additional government revenues.

Local equities fell, **local fixed income yields** declined, and the **Philippine peso** weakened as investors stayed on the sidelines ahead of the Bangko Sentral ng Pilipinas' (BSP) policy decision later today. Additionally, the ongoing conflict between Israel and Iran and the continued rise in oil prices also weighed on sentiment.

The PSEi closed at 6,337.43 (-0.50% DoD).

On average, yields fell by 1.61 bps, with the 2Y closing at 5.74% (-0.10 bps) and the 10Y closing at 6.39% (-0.79 bps).

The USD/PHP pair closed at 56.98 (+0.49% DoD).

	Level	DoD
PSEi	6,337.43	-0.50%
3-mo bond yield	5.47%	-1.58 bps
2-yr bond yield	5.74%	-0.10 bps
5-yr bond yield	6.00%	+0.97 bps
10-yr bond yield	6.39%	-0.79 bps
USDPHP	56.98	+0.49%
Oil (Brent, \$ / barrel)	76.70	+0.33%

The US Federal Reserve kept its policy rates steady in the 4.25%-4.50% range. In their June economic projections, the Fed sees economic growth slowing to 1.4%, unemployment rising to 4.5%, and Personal Consumption Expenditures (PCE) inflation ending higher at 3.0% in 2025. Moreover, the Fed's dot plot revealed that officials still see two 25-bp cuts this year.

US weekly jobless claims fell by 5,000 to 245,000 for the week ended June 14, in-line with market consensus. The report from the Labor Department showed widespread layoffs in transportation and warehousing, accommodation and food services, agriculture, construction and manufacturing.

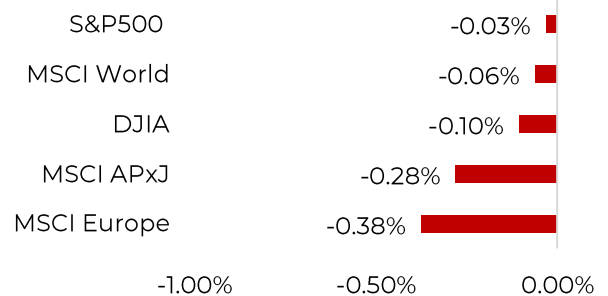
US equities closed flat, **US Treasury yields** inched lower, and the **US dollar** slightly strengthened after the Fed kept its policy rate steady. The market also weighed the implications of the Fed's revised economic projections, including two rate cuts in 2025, with fewer expected in the coming years.

The S&P 500 closed at 5,980.87 (-0.03% DoD), while the DJIA ended at 42,171.66 (-0.10% DoD).

On average, yields fell by 1.45 bps, with the 2Y closing at 3.95% (-1.00 bps) and the 10Y closing at 4.40% (-2.90 bps).

The DXY closed at 98.91 (+0.09% DoD).

Global Stock Indices



	Level	DoD
S&P 500	5,980.87	-0.03%
DJIA	42,171.66	-0.10%
3-mo US Treasury yield	4.34%	-2.40 bps
2-yr US Treasury yield	3.95%	-1.00 bps
5-yr US Treasury yield	3.99%	-2.90 bps
10-yr US Treasury yield	4.40%	-2.90 bps
DXY	98.91	+0.09%

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