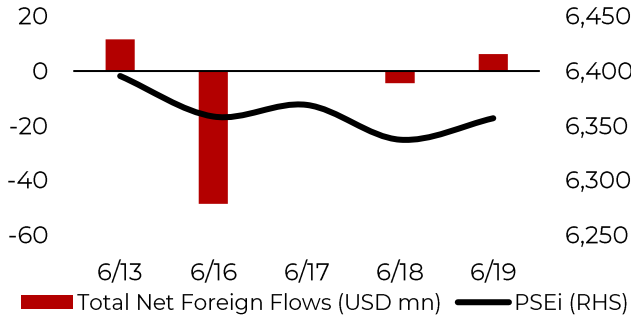


The Morning View

June 20, 2025

Philippine Stock Exchange Index

+0.31% DoD; Net foreign buying: \$6.16mn



	Level	DoD
PSEi	6,357.01	+0.31%
3-mo bond yield	5.46%	-1.03 bps
2-yr bond yield	5.74%	-0.01 bps
5-yr bond yield	5.99%	-0.78 bps
10-yr bond yield	6.39%	+0.11 bps
USDPHP	57.45	+0.82%
Oil (Brent, \$ / barrel)	78.85	+2.80%

The Bangko Sentral ng Pilipinas (BSP) cut its policy rate by 25 bps to 5.25%. BSP Governor Eli Remolona noted that the Monetary Board maintains its more accommodative policy stance and signaled that they may implement another 25-bp rate cut this year if things remain on track. The BSP also lowered its FY2025 inflation forecast from 2.4% to 1.6% but raised its FY2026 projection from 3.3% to 3.4%.

Ayala Corp. (PSE Ticker: AC) raised Php20 billion from a preferred shared offering. The offering consisted of the re-issuance of five million preferred Class "B" shares, with an overallotment option of up to five million shares, both priced at Php2,000 per share. The proceeds will be used to pay AC's short-term bank loans and to finance its capital expenditures.

Local equities climbed, **local fixed income yields** declined, and the **Philippine peso** weakened as investors focused on the widely anticipated rate cut from the BSP. The jump in oil prices amid escalating Israel-Iran tensions also weighed on the local currency.

The PSEi closed at 6,357.01 (+0.31% DoD).

On average, yields fell by 0.71 bps, with the 2Y closing at 5.74% (-0.01 bps) and the 10Y closing at 6.39% (+0.11 bps).

The USD/PHP pair closed at 57.45 (+0.82% DoD).

US President Donald Trump said that he will decide within the next two weeks whether the US will get involved with the Israel-Iran conflict. Meanwhile, Iran's Supreme National Security Council stated that it would use a different strategy if a "third party" joined Israel in the war.

Oil prices jumped amid the growing tensions between Israel and Iran and uncertainty about the potential involvement of the US. On Thursday, Israel bombed nuclear targets in Iran, while Iran fired missiles and drones at Israel. After the news, Brent crude oil price jumped almost 3% to \$78.85 per barrel.

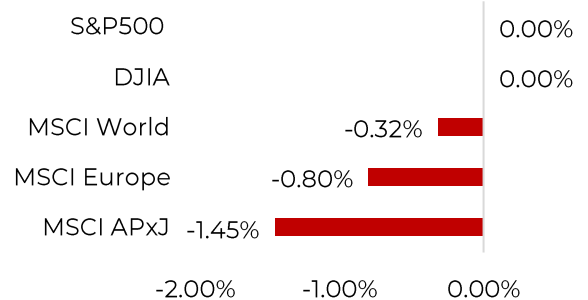
US equities, US Treasury yields, and the US dollar were unchanged as US markets were closed in observance of the Juneteenth holiday.

Last Wednesday, the S&P 500 closed at 5,980.87 (0.00% DoD), while the DJIA ended at 42,171.66 (0.00% DoD).

On average, yields inched up by 0.10 bps, with the 2Y closing at 3.95% (0.00 bps) and the 10Y closing at 4.40% (0.00 bps).

The DXY was unchanged at 98.91 (0.00% DoD).

Global Stock Indices



	Level	DoD
S&P 500	5,980.87	0.00%
DJIA	42,171.66	0.00%
3-mo US Treasury yield	4.34%	0.00 bps
2-yr US Treasury yield	3.95%	0.00 bps
5-yr US Treasury yield	3.99%	0.00 bps
10-yr US Treasury yield	4.40%	0.00 bps
DXY	98.91	0.00%

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