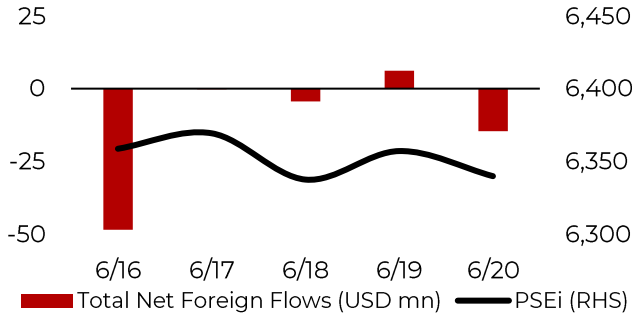


# The Morning View

June 23, 2025

## Philippine Stock Exchange Index

-0.27% DoD; Net foreign selling: \$14.60mn



	Level	DoD
PSEi	6,339.77	-0.27%
3-mo bond yield	5.47%	+0.76 bps
2-yr bond yield	5.74%	-0.13 bps
5-yr bond yield	6.00%	+0.63 bps
10-yr bond yield	6.41%	+2.54 bps
USDPHP	57.17	-0.49%
Oil (Brent, \$ / barrel)	77.01	-2.33%

**The Bangko Sentral ng Pilipinas (BSP) reported that the exposure of Philippine banks and trust entities to the property sector dropped to 19.41% as of end-March, the lowest level in 6 years.** Nonetheless, residential real estate loans still increased by 11% YoY to Php1.13 trillion, while commercial real estate loans rose 7.96% YoY to Php1.83 trillion. Colliers attributed the lower exposure ratio to a softening in consumer demand for housing loans.

**Megaworld Corp. (PSE Ticker: MEG) said that it is planning to infuse office and mall assets into MREIT Inc.** Currently, MREIT has 24 office assets in its portfolio, with a Gross Leasable Area (GLA) of 482,000 square meters (sqm). MREIT plans to expand its GLA by approximately 100,000 sqm annually to support its growth target.

**Local equities** fell and **local fixed income yields** ended mixed but rose on average amid investors' concerns over the risks of rising global oil and shipping costs due to the escalating Israel-Iran conflict. Meanwhile, the **Philippine peso** slightly strengthened following comments from BSP Governor Remolona that the central bank will step in if the peso weakening threatens local inflation.

The PSEi closed at 6,339.77 (-0.27% DoD).

On average, yields rose by 0.59 bps, with the 2Y closing at 5.74% (-0.13 bps) and the 10Y closing at 6.41% (+2.54 bps).

The USD/PHP pair closed at 57.17 (-0.49% DoD).

**Federal Reserve Governor Christopher Waller stated that the Fed could lower rates as early as July as he does not expect the tariffs to boost inflation significantly.** Meanwhile, San Francisco Fed President Mary Daly said she would be more comfortable with waiting for more clarity on the impact of tariffs before cutting rates.

**The US attacked three Iranian nuclear sites, Fordow, Natanz, and Isfahan, on June 22.** Meanwhile, Iran vowed to retaliate and fired missiles at Israel. Additionally, the Iranian parliament approved a measure to close the Strait of Hormuz, wherein approximately 20% of the world's total oil volume flows through daily. However, the closure would still require approval from the Iranian Supreme National Security Council.

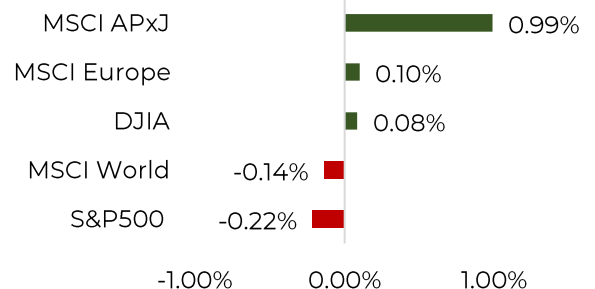
**US equities** closed mixed, **US Treasury yields** ended lower, and the **US dollar** weakened as investors digested mixed comments from Fed officials Waller and Daly and remained cautious as they monitored escalating Israel-Iran tensions.

The S&P 500 closed at 5,967.84 (-0.22% DoD), while the DJIA ended at 42,206.82 (+0.08% DoD).

On average, yields fell by 2.14 bps, with the 2Y closing at 3.91% (-3.60 bps) and the 10Y closing at 4.38% (-1.40 bps).

The DXY closed at 98.71 (-0.20% DoD).

## Global Stock Indices



	Level	DoD
S&P 500	5,967.84	-0.22%
DJIA	42,206.82	+0.08%
3-mo US Treasury yield	4.32%	-2.50 bps
2-yr US Treasury yield	3.91%	-3.60 bps
5-yr US Treasury yield	3.96%	-3.00 bps
10-yr US Treasury yield	4.38%	-1.40 bps
DXY	98.71	-0.20%

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