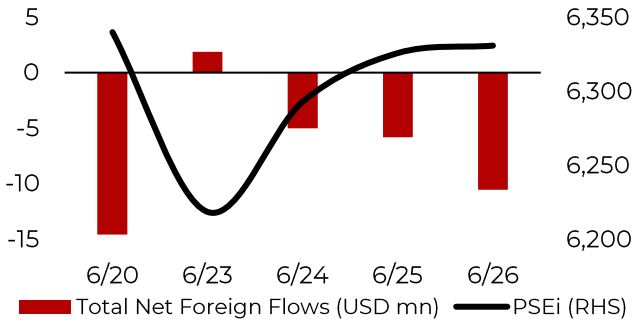


The Morning View

June 27, 2025

Philippine Stock Exchange Index

+0.08% DoD; Net foreign selling: \$10.58mn



	Level	DoD
PSEi	6,330.65	+0.08%
3-mo bond yield	5.48%	-0.69 bps
2-yr bond yield	5.72%	+0.52 bps
5-yr bond yield	5.94%	-0.79 bps
10-yr bond yield	6.34%	-0.12 bps
USDPHP	56.61	-0.19%
Oil (Brent, \$ / barrel)	67.73	+0.07%

The Development Budget Coordination Committee (DBCC) downgraded its PH economic growth target for FY2025 to 5.5-6.5% from previously 6-8%. This was attributed to the heightened global uncertainties driven by the imposition of US tariffs and increasing tensions in the Middle East.

Megaworld Corp.'s (PSE Ticker: MEG) subsidiary, Global-Estate Resorts, Inc. (GERI), has allocated Php5 billion for its Township project in Nasugbu. The 116-hectare project is set to be developed over the next five years. The project will be MEG's 36th township and features beachside condominium clusters and leisure destinations.

Local equities inched up, **local fixed income yields** ended mixed, and the **Philippine peso** slightly strengthened as investors weighed Fed Chair Powell's reiteration of the Fed's 'wait-and-see' approach to monetary policy amid uncertainties from tariffs and the fragile ceasefire between Iran and Israel. Additionally, reports that Trump is considering announcing the next US Fed chair soon weighed on the US dollar.

The PSEi closed at 6,330.65 (+0.08% DoD).

On average, yields fell by 0.36 bps, with the 2Y closing at 5.72% (+0.52 bps) and the 10Y closing at 6.34% (-0.12 bps).

The USD/PHP pair closed at 56.61 (-0.19% DoD).

US 1Q25 Gross Domestic Product (GDP) growth was revised lower to a -0.5% annualized rate from previously -0.2%. This was mainly attributed to weaker consumer spending, which only grew by 0.5% instead of the initial estimate of 1.2%. Meanwhile, the Atlanta Federal Reserve is forecasting GDP growth to accelerate to 3.4% in 2Q25 as the surge in imports in 1Q25 normalize.

Minneapolis Fed President Kashkari said that recent inflation data has been "quite positive" but flagged that some inflationary effect of the tariffs may be delayed. He signaled a more wait-and-see stance to get better assessment of the tariffs' impact, stating that there are still a lot of uncertainty and trade negotiations are still under way.

US equities rose amid global trade optimism after the White House's statement that Trump could extend the tariff deadline. The S&P 500 closed at 6,141.02 (+0.80% DoD), while the DJIA ended at 43,386.84 (+0.94% DoD).

US Treasury yields fell, and the **US dollar** weakened amid concerns over the Fed's independence following reports that Trump might announce Fed Chair Powell's replacement early.

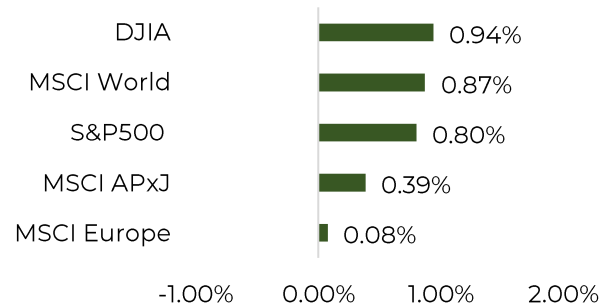
On average, yields fell by 3.52 bps, with the 2Y closing at 3.72% (-6.40 bps) and the 10Y closing at 4.24% (-5.00 bps).

The DXY closed at 97.15 (-0.54% DoD).

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Global Stock Indices



	Level	DoD
S&P 500	6,141.02	+0.80%
DJIA	43,386.84	+0.94%
3-mo US Treasury yield	4.33%	+2.30 bps
2-yr US Treasury yield	3.72%	-6.40 bps
5-yr US Treasury yield	3.80%	-5.50 bps
10-yr US Treasury yield	4.24%	-5.00 bps
DXY	97.15	-0.54%