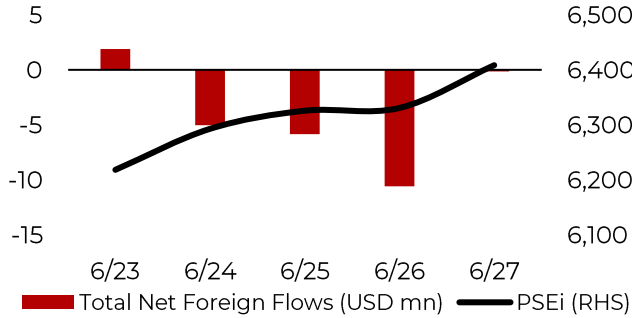


# The Morning View

June 30, 2025

## Philippine Stock Exchange Index

+1.23% DoD; Net foreign selling: \$0.13mn



	Level	DoD
PSEi	6,408.27	+1.23%
3-mo bond yield	5.48%	+0.39 bps
2-yr bond yield	5.72%	+0.08 bps
5-yr bond yield	5.93%	-0.49 bps
10-yr bond yield	6.32%	-1.55 bps
USDPHP	56.57	-0.06%
Oil (Brent, \$ / barrel)	67.77	+0.06%

**The Philippine Statistics Authority reported that the country's trade deficit narrowed to \$3.29 billion in May, a three-month low as imports fell and exports rose.** Imports fell by 4.39% YoY to \$10.58 billion, largely driven by the lower value of oil imports. Meanwhile, exports grew by 15.06% YoY to \$7.29 billion amid the pick-up in exports of agro-based products and electronic products.

**SM Prime Holdings Inc.'s (PSE Ticker: SMPH) hospitality arm, SM Hotels and Convention Corporation (SMHCC), has allocated Php5.3 billion for its major developments over the next five years.** SMHCC will focus on expanding its Meetings, Incentives, Conferences, and Exhibitions footprint, beginning with developments in Cebu and Pasay.

**Local equities** rose as the tentative ceasefire between Israel and Iran continued to boost market sentiment. Meanwhile, **local fixed income yields** ended mixed and the **Philippine peso** slightly strengthened after the 1Q25 US gross domestic product was revised lower. Investors also awaited the release of the US Personal Consumption Expenditures (PCE) inflation data.

The PSEi closed at 6,408.27 (+1.23% DoD).

On average, yields rose by 0.10 bps, with the 2Y closing at 5.72% (+0.08 bps) and the 10Y closing at 6.32% (-1.55 bps).

The USD/PHP pair closed at 56.57 (-0.06% DoD).

**US core Personal Consumption Expenditures (PCE) inflation rose more than expected to 2.7% YoY in May (Revised Apr.: 2.6%; Consensus: 2.6%).** The faster reading was driven by services prices accelerating by 3.4% YoY, while goods prices only slightly ticked up by 0.1% YoY.

**The US Senate voted to open the debate on its version of Trump's tax cut and spending bill.** This was after a narrow 51-49 voting result on the 940-page tax bill. According to the nonpartisan Congressional Budget Office, the Senate version of the bill will add an estimated \$3.3 trillion to US debt over a decade.

**US equities** rose after Commerce Secretary Lutnick said that the US-China trade framework was finalized and is expecting to reach deals with 10 more trading partners. The S&P 500 closed at a record high of 6,173.07 (+0.52% DoD), while the DJIA ended at 43,819.27 (+1.00% DoD).

**US Treasury yields** rose, and the **US dollar** strengthened after the May US core PCE inflation exceeded the market's expectations. Investors also weighed Trump's comment of ending the trade talks with Canada in retaliation over its digital services tax on US firms.

On average, yields rose by 2.30 bps, with the 2Y closing at 3.75% (+2.90 bps) and the 10Y closing at 4.28% (+3.70 bps).

The DXY closed at 97.40 (+0.26% DoD).

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## Global Stock Indices



	Level	DoD
S&P 500	6,173.07	+0.52%
DJIA	43,819.27	+1.00%
3-mo US Treasury yield	4.31%	-2.00 bps
2-yr US Treasury yield	3.75%	+2.90 bps
5-yr US Treasury yield	3.83%	+3.50 bps
10-yr US Treasury yield	4.28%	+3.70 bps
DXY	97.40	+0.26%