

PH STOCKS RALLY ON BUDGET SIGN-OFF; BONDS GAIN ON BSP FEBRUARY RATE CUT

Weekly Review: 05-09 January 2026

What Happened Last Week

- US equities rallied to fresh all-time highs on falling unemployment, while Treasury yields diverged—2-year yields rose on a longer-for-longer Fed outlook, even as the 10-year yield declined.
 - Unemployment rate fell to 4.4% in December from 4.5% in November.
- Philippine equities tracked regional rally, boosted by the timely signing of the PHP6.79tn national budget for 2026. Meanwhile, peso bond yields declined on expectation that the BSP will deliver a rate cut in February.
- The Philippine peso weakened as expectations of a February rate cut eroded its yield advantage.

Asset prices Week-on-Week (WoW) and Year-to-Date (YTD)

Asset	Week-on-Week Jan 2 to 9, 2026	YTD as of Jan 9, 2026	Current Level as of Jan 9, 2026
Rate Change			
10Yr US Treasury Yield	▼ -0.03%	▲ 0.06%	4.17%
10Yr PHP Benchmark Yield	▼ -0.02%	▼ -0.05%	6.03%
Price Change			
Philippine Peso vs. US Dollar	▼ 0.69%	▼ 0.77%	PHP 59.25
S&P500	▲ 1.57%	▲ 0.88%	6,966.28
PCOMP	▲ 3.47%	▲ 4.88%	6,348.14

What To Expect This Week

- With a light local economic calendar, market direction will hinge on upcoming U.S. data releases, including CPI and PMI.
- Philippine equities may extend their uptrend but could face resistance near the 6,500 level.



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AIA Investment Management and Trust Corporation Philippines (AIAIM PH)