

## PH BONDS UP, EQUITIES DOWN ON WEAK ECONOMIC DATA

Weekly Review: 05-12 September 2025

### What Happened Last Week

- U.S. bonds gained as weak labor market data and steady inflation reinforced expectations of Fed rate cuts. U.S. equities hit record highs, driven by optimism around AI.
  - Nonfarm payrolls (NFP) was revised down by 911,000 for the year ending March 2025 — the largest cut since 2002 — highlighting labor market weakness, echoed by August's soft NFP print.
  - August PPI rose 2.6% YoY, below the 3.3% forecast.
  - August CPI matched expectations at 2.9% YoY.
  - Oracle surged 26% WoW, lifting AI-related sentiment after issuing a strong outlook for its cloud business.
- PH bonds gained from reinvestment of Php288 billion of bond maturities. Local equities weighed down by soft macroeconomic data.
  - July Unemployment rate rose to 5.35% y/y from 3.7% in June.
  - June Foreign Direct Investments fell 17.8%, marking a six-month low.
- The Philippine peso slightly weakened despite softer dollar globally, partly due to concerns over local political issues.
- Asset prices Week-on-Week (WoW) and Year-to-Date (YTD)

Asset	Week-on-Week Sep 05-12, 2025	YTD as of Sep 12, 2025	Current Level as of Sep 12, 2025
	Rate Change		Rate
10Yr US Treasury Yield	▼0.01%	▼0.50%	4.06%
10Yr PHP Benchmark Yield	▼0.03%	▼0.21%	5.97%
Asset	Price Change		Price
Philippine Peso vs. US Dollar	▼0.33%	▲1.29%	PHP 57.10/USD
S&P500	▲1.59%	▲11.95%	6,584.29
PCOMP	▼0.65%	▼6.43%	6,109.21

### What To Expect This Week

- Investors will closely watch the tone/signals and updated economic projections of the Fed.
  - Market expects Fed to cut policy rates by 25bps.