

LOCAL ASSETS UP ON BETS OF MORE CUTS AND PESO RECOVERY

Weekly Review: 01 to 08 August 2025

What Happened Last Week

- US equities climbed led by tech stocks, while bonds slipped on renewed inflation concerns.
 - Techs outperformed with Palantir up 21% and Apple up 13%.
 - ISM Prices Paid rose to 69.9, above the 66.5 forecast.
- Local bonds rallied as markets bet on an additional rate cut. Equities rebounded on the Peso's recovery.
 - 2Q GDP printed at 5.5% ahead of 5.4% consensus. However, growth came from a drop in imports, masking slower consumption, investments, and government spending.
 - Headline inflation slowed to 0.9% year-on-year (YoY) in July (June: 1.4%).
 - Weak domestic growth and low inflation spurred expectations of two more cuts for 2025.
 - Philippine Peso rose 1.8% week-on-week as BSP signalled intervention in the FX market.
- Asset prices Week-on-Week (WoW) and Year-to-Date (YTD)

	Week-on-Week Aug 01-08, 2025	YTD as of Aug 08, 2025	Current Level as of Aug 08, 2025
Asset	Rate Change		Rate
10Yr US Treasury Yield	▲ 0.06%	▼ 0.29%	4.28%
10Yr PHP Benchmark Yield	▼ 0.13%	▼ 0.11%	6.07%
	Price Change		Price
Philippine Peso vs. US Dollar	▲ 1.81%	▲ 1.27%	PHP 57.11/USD
S&P500	▲ 2.43%	▲ 8.63%	6,389.45
PCOMP	▲ 0.53%	▼ 3.25%	6,339.38

What To Expect This Week

- Local bond investors will monitor key U.S. data—CPI, retail sales, and industrial production—for signs of tariff-driven inflation.
- The replacement of BLOOM by PLUS in the PCOMP (effective August 15) may trigger selling pressures as other index stocks are sold to accommodate PLUS' bigger weight in the index