

**PH EQUITIES CAUTIOUS AHEAD OF JACKSON HOLE, BONDS UP ON RATE CUT EXPECTATIONS**

Weekly Review: 18 to 22 August 2025

**What Happened Last Week**

- U.S. markets advanced as investors responded positively to stronger-than-expected PMI data and dovish Fed signals.
  - S&P Global US Manufacturing and Services PMIs came in at 53.3 and 55.4, above market estimates of 49.7 and 54.2, respectively.
  - Fed Chair Powell hinted at a possible rate cut in September citing labor market risks.
- Local equities traded cautiously ahead of the Jackson Hole Symposium last August 23 (Manila time) while bonds rose on anticipation of BSP's rate cut next week.
- PHP appreciated as Fed affirms market's rate cut expectation.
- Asset prices Week-on-Week (WoW) and Year-to-Date (YTD)

	Week-on-Week Aug 19-22, 2025	YTD as of Aug 22, 2025	Current Level as of Aug 22, 2025
Asset	Rate Change		Rate
10Yr US Treasury Yield	▼ 0.06%	▼ 0.32%	4.25%
10Yr PHP Benchmark Yield	▼ 0.01%	▼ 0.18%	6.00%
	Price Change		Price
Philippine Peso vs. US Dollar	▲ 0.20%	▲ 1.57%	PHP 56.95/USD
S&P500	▲ 0.27%	▲ 9.95%	6,466.91
PCOMP	▼ 0.54%	▼ 3.79%	6,281.58

**What To Expect This Week**

- Investors are closely monitoring upcoming U.S. consumer price and sentiment data as the impact of recent tariffs begins to surface.
  - Core PCE – Market expects a slight increase to 2.9% YoY vs prior month's 2.8%.
  - University of Michigan Consumer Sentiment is expected to be flat vs previous month at 58.60.
- With subdued growth and benign inflation, the BSP is widely expected to cut policy rates by 25bps in the upcoming Monetary Board meeting.