

LOCAL STOCKS FELL ON GROWTH CONCERNS, BONDS GAIN AS INFLATION EASES

Weekly Review: 28 November – 05 December 2025

What Happened Last Week

- US equities rose as weaker employment data bolstered expectations for a December Fed rate cut. US bonds fell on expectations the Fed will slow easing in 2026 as inflation stays above 2%.
 - Private payrolls from ADP fell by 32k in November, versus consensus for a 10k increase
 - September Core PCE Price Index at 2.8% y/y, matching expectations
- Local equities fell on weaker growth outlook and peso depreciation, while local bonds rose on softer inflation, boosting prospects for BSP rate cuts.
 - Government think tank Philippine Institute for Development Studies (PIDS) expects 5% GDP growth in 2025, lower than government's target range of 5.5-6.5%
 - November CPI also came in at 1.5% y/y, below 1.7% consensus expectations
- The Philippine peso weakened as higher US yields lifted dollar demand.
- Asset prices Week-on-Week (WoW) and Year-to-Date (YTD)

Asset	Week-on-Week Nov 28 -Dec 05, 2025	YTD as of Dec 05, 2025	Current Level as of Dec 05, 2025
	Rate Change		Rate
10Yr US Treasury Yield	▲0.12%	▼0.43%	4.14%
10Yr PHP Benchmark Yield	▼0.02%	▼0.26%	5.92%
	Price Change		Price
Philippine Peso vs. US Dollar	▼0.49%	▼1.88%	PHP 58.935/USD
S&P500	▲0.31%	▲16.40%	6,870.40
PCOMP	▼1.21%	▼8.88%	5,949.22

What To Expect This Week

- Local markets may move sideways ahead of central bank policy rate decisions – the Fed and BSP are expected to cut its policy rates on Wednesday and Thursday, respectively.