

PH BONDS FELL ON WEAK PESO; EQUITIES GAIN ON UPBEAT LOAN GROWTH

Weekly Review: 09– 16 January 2026

What Happened Last Week

- Stronger-than-expected retail and labor data reduced expectations for early Fed rate cuts, pushing US bond prices lower. US equities also fell, with investors shifting from large cap to mid- and small-cap stocks.
 - November retail sales rose 0.6% MoM, exceeding market expectations of 0.5%.
 - Jobless claims came in at 198k, below the 215k consensus, reflecting continued labor-market strength.
- Local bond prices fell after the peso weakened to a record low of 59.46. Meanwhile, local equities rose on upbeat loan growth data and foreign inflows.
 - Bank lending grew 10.3% YoY in November, matching October's pace and reinforcing steady credit expansion.
- Philippine peso weakened against the dollar amid heightened uncertainty after Trump threatened European allies of tariffs and tensions between US and Iran.

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

	Week-on-Week Jan 09-16, 2026	YTD as of Jan 16, 2026	Current Level as of Jan 16, 2026
Asset	Rate Change		Rate
10Yr US Treasury Yield	▲0.05%	▲0.05%	4.22%
10Yr PHP Benchmark Yield	▲0.02%	▼0.02%	6.05%
	Price Change		Price
Philippine Peso vs. US Dollar	▼0.18%	▼0.95%	PHP 59.35/USD
S&P500	▼0.38%	▲1.38%	6,940.01
PCOMP	▲1.84%	▲6.80%	6,464.67

What To Expect This Week

- Political noise from the Senate Blue Ribbon hearings and the upcoming 4Q25 GDP release may increase near-term volatility and prompt profit-taking in local equities. Rising US Treasury yields, driven by escalating geopolitical risks and shifting Fed expectations, may push local yields higher.