

## 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)

Asset	Week-on-Week	YTD	Current Level
	Jan 09-16, 2026	as of Jan 16, 2026	as of Jan 16, 2026
<b>Asset</b>	<b>Rate Change</b>		<b>Rate</b>
10Yr US Treasury Yield	▲0.05%	▲0.05%	4.22%
10Yr PHP Benchmark Yield	▲0.02%	▼0.02%	6.05%
			<b>Price</b>
<b>Price Change</b>			
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.