

**PH BONDS DOWN ON EARLIER RATE HIKE EXPECTATION;
EQUITIES SLID ON WEAK 1Q EARNINGS**

Weekly Review: 15-22 May 2026

What Happened Last Week

- U.S. bonds were mixed amid uncertainty surrounding the Fed’s policy rate direction after its new Chair took office. US equities ended the week higher on stronger-than-expected manufacturing data.
 - S&P manufacturing PMI in May stood at 55.3, higher than 53.8 estimates.
- Local bonds dipped on expectations of an earlier BSP rate hike. Equities fell on weak Q1 2026 earnings.
- The currency rose modestly after the central bank hinted at policy rate increase.
- Asset prices Week-on-Week (WoW) and Year-to-Date (YTD)

Asset	Week-on-Week	YTD	Current Level
	May 15-22, 2026	as of May 22, 2026	as of May 22, 2026
	Rate Change		Rate
10Yr US Treasury Yield	▼0.04%	▲0.39%	4.56%
10Yr PHP Benchmark Yield	▲0.13%	▲1.67%	7.75%
	Price Change		Price
Philippine Peso vs. US Dollar	▲0.05%	▼4.93%	PHP 61.69/USD
S&P500	▲0.88%	▲9.17%	7,473.47
PCOMP	▼0.26%	▼1.51%	5,961.40

What To Expect This Week

- Markets stay cautious amid expectations of a possible rate hike ahead of the BSP’s 18 June meeting.
- In US markets, key catalysts this week include Thursday’s Core PCE and GDP releases, which are expected to shape Fed rate expectations and drive market direction.

