

PH BONDS DECLINE, EQUITIES GAIN ON WORLD BANK UPPER MIDDLE-INCOME STATUS UPGRADE

Weekly Review: 29 June–3 July 2026

What Happened Last Week

- US bond prices fell while equities gained on stronger-than-expected employment data, underscoring US economic strength and reducing expectations of a near-term Federal Reserve rate cut.
 - Unemployment rate improved to to 4.2% from 4.3% in May vs. 4.3% consensus estimate.
 - May job openings rose to 7.6 million, above the 7.3 million consensus estimate.
- Local bonds declined, tracking US bonds. Meanwhile, Philippine equities rose on the World Bank’s decision to upgrade the country to upper middle-income status.
- Philippine peso depreciated on broad dollar strength due to higher-for-longer US rate expectations.
- Asset prices Week-on-Week (WoW) and Year-to-Date (YTD)

Asset	Week-on-Week	YTD	Current Level
	June 29-July 3, 2026	as of July 3, 2026	as of July 3, 2026
	Rate Change		Rate
10Yr US Treasury Yield	▲0.11%	▲0.32%	4.48%
10Yr PHP Benchmark Yield	▲0.22%	▲1.08%	7.15%
	Price Change		Price
Philippine Peso vs. US Dollar	▼0.20%	▼4.47%	PHP 61.42/USD
S&P500	▲1.76%	▲9.32%	7,483.24
PCOMP	▲1.91%	▲3.08%	6,188.03

What To Expect This Week

- Markets will continue to closely monitor developments in the Middle East, particularly any progress in US-Iran peace negotiation. Locally, investor focus will shift to the June CPI release. Inflation is expected to ease to 6.5% from 6.8% in May.

