LOCAL BONDS AND EQUITIES DOWN ON RISING OIL PRICES

Weekly Review: 17-21 August 2026

What Happened Last Week

- U.S. bonds and equities declined amid concerns over elevated U.S. debt levels, expectations of higher-for-longer policy rates, and higher oil prices.
  - The U.S. national debt reached a record US$40 trillion, raising concerns over fiscal sustainability and the potential for increased Treasury issuance.
  - Escalating tensions between the U.S. and Iran pushed oil prices higher by 6.6% WoW.

- Local bonds broadly weakened, except for the 10Y. Local equities and the Philippine peso likewise declined amid rising global oil prices.

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

	Week-on-Week 17 to 21 August, 2026	YTD as of 21 August, 2026	Current Level as of 21 August, 2026
Asset	**Rate Change**		**Rate**
10Yr US Treasury Yield	▲ 0.04%	▲ 0.57%	4.73%
10Yr PHP Benchmark Yield	▼ 0.02%	▲ 1.23%	7.31%
	Price Change		**Price**
Philippine Peso vs. US Dollar	▼ 0.35%	▼ 4.82%	PHP61.66/USD
S&P500	▼ 1.43%	▲ 12.11%	7,674.37
PCOMP	▼ 0.93%	▲ 3.07%	6,238.46

What To Expect This Week

Local markets will focus on U.S.-Iran tensions and the BSP's August 27 policy meeting, with markets expecting a 25-basis-point rate hike.