PH BONDS FALL ON RISING MIDDLE EAST TENSIONS; PH EQUITIES REBOUND POST-MSCI REBALANCING

Weekly Review: 31 August - 04 September 2026

What Happened Last Week

- U.S. bonds declined as rising U.S.-Iran tensions stoked inflation fears. U.S. equities edged higher on AI-driven optimism.
    - Renewed U.S.-Iran attacks pushed oil prices higher, with crude up 7.8% WoW
    - NVIDIA's acquisition of Hugging Face reinforced confidence in AI growth and tech stocks.

- Local bonds followed the decline in global bond markets. Philippine equities rebounded after the MSCI rebalancing-driven sell-off in late August.

- Philippine peso weakened following an oil price spike driven by geopolitical risks.

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

	Week-on-Week 31 Aug to 04 September, 2026	YTD as of 04 September, 2026	Current Level as of 04 September, 2026
Asset	**Rate Change**		**Rate**
10Yr US Treasury Yield	▲ 0.06%	▲ 0.62%	4.78%
10Yr PHP Benchmark Yield	▲ 0.03%	▲ 1.22%	7.29%
	Price Change		**Price**
Philippine Peso vs. US Dollar	▼ 0.55%	▼ 6.43%	PHP62.6/USD
S&P500	▲ 0.09%	▲ 12.75%	7,718.60
PCOMP	▲ 2.25%	▲ 0.62%	6,090.60

What To Expect This Week

Focus will remain on U.S.-Iran tensions and upcoming U.S. inflation data, both of which could shape interest rates outlook.