PH BONDS FALL ON RISING OIL PRICES; STOCKS RISE ON EXPECTED INFLOWS FROM INDONESIA MSCI EXIT

Weekly Review: 12 – 16 October 2026

What Happened Last Week

- US equities fell as investors moved out of AI stocks to U.S. bonds, lifting bond prices.
- Local equities rose on expectations that Indonesia's potential MSCI deletion could redirect up to USD20 billion to emerging markets like PH. Local bonds declined as rising oil prices heightened concerns over inflation.
    - Brent oil reached a high of USD100/bbl as Middle East tensions persist.
- Local currency touched all-time low of PHP63/$ amidst rising oil prices.
- Asset prices Week-on-Week (WoW) and Year-to-Date (YTD)

	Week-on-Week 12 to 16 Oct, 2026	YTD as of 16 Oct, 2026	Current Level as of 16 Oct, 2026
Asset	**Rate Change**		**Rate**
10Yr US Treasury Yield	▼ 0.17%	▲ 0.91%	5.07%
10Yr PHP Benchmark Yield	▲ 0.14%	▲ 1.95%	8.02%
	Price Change		**Price**
Philippine Peso vs. US Dollar	▼ 0.25%	▼ 7.07%	PHP62.98/USD
S&P500	▼ 1.95%	▲ 11.89%	7,659.44
PCOMP	▲ 1.43%	▼ 4.46%	5,782.70

What To Expect This Week

Market sentiment is likely to be driven by developments in the Middle East and the BSP Monetary Board meeting on October 22. Markets expect a 25-bps rate hike and signals of further increases ahead.