

PH EQUITIES DOWN ON FOREIGN SELLING; BONDS UP ON SURPRISE RATE CUT

Weekly Review: 03 – 10 October 2025

What Happened Last Week

- US equities fell sharply as renewed trade tensions sparked investor caution, while bonds rose as investors shifted towards safer assets.
 - On October 10, Trump announced a 100% tariff on all Chinese imports starting November 1, in response to Beijing's rare earth export controls—escalating trade tensions and rattling global markets.
 - In response, Beijing vowed to implement countermeasures should the U.S. proceed with the tariff hike.
- Local equities retreated as foreign selling persisted amid continued political noise, while local bond prices went up after BSP's surprise rate cut.
 - The BSP lowered its policy rate by 25 basis points to 4.75%, citing risks to growth stemming from corruption and governance issues.
- Philippine peso weakened against the dollar, pressured by the BSP's rate cut and ongoing domestic risks.
- Asset prices Week-on-Week (WoW) and Year-to-Date (YTD)

	Week-on-Week Oct 03-10, 2025	YTD as of Oct 10, 2025	Current Level as of Oct 10, 2025
Asset	Rate Change		Rate
10Yr US Treasury Yield	▼0.09%	▼0.54%	4.03%
10Yr PHP Benchmark Yield	▼0.07%	▼0.22%	5.96%
	Price Change		Price
Philippine Peso vs. US Dollar	▼0.63%	▼0.68%	PHP 58.24/USD
S&P500	▼2.43%	▲11.41%	6,552.51
PCOMP	▼1.16%	▼7.52%	6,037.79

What To Expect This Week

- Mild foreign inflows from portfolio rebalancing may lend some support to local equities, while steady demand for local bonds is expected as investors digest the BSP's surprise rate cut and adjust expectations for further easing
- Markets remain cautious as participants closely monitor any escalation in the U.S.-China trade tensions, which could dampen global risk sentiment and trigger renewed capital outflows.