

HIGHER AUCTION YIELDS WEIGH ON BONDS; EQUITIES RETREAT ON CURRENCY AND FISCAL CONCERNS

Weekly Review: 20 – 24 October 2025

What Happened Last Week

- U.S. bond prices edged up after inflation came in lower than expected, while strong corporate earnings pushed stocks to new record highs.
 - September inflation came in at 3.0% YoY, softer than 3.1% market estimates.
 - Out of the ~30% of S&P constituents that reported 3Q earnings, 87% beat market estimates.
- In the absence of a local catalyst, bond prices declined as weak demand at the government auction led to the awarding at higher yields. Local equities dropped below 6,000 anew due to weak PHP and lower government spending data.
 - Government expenditures dropped by 7.5% to PHP529.8b. The decline was largely due to lower disbursements by the DPWH.
- The Philippine peso weakened against US dollar as investors move to safer currency amid renewed tensions between the US and China.
- Asset prices Week-on-Week (WoW) and Year-to-Date (YTD)

Asset	Week-on-Week Oct 17-24, 2025	YTD as of Oct 24, 2025	Current Level as of Oct 24, 2025
	Rate Change		Rate
10Yr US Treasury Yield	▼0.01%	▼0.57%	4.00%
10Yr PHP Benchmark Yield	▲0.03%	▼0.20%	5.98%
Asset	Price Change		Price
Philippine Peso vs. US Dollar	▼0.80%	▼1.35%	PHP 58.63/USD
S&P500	▲1.92%	▲15.47%	6,791.69
PCOMP	▼1.67%	▼8.28%	5,988.02

What To Expect This Week

- Philippine bonds are expected to trade sideways due to lack of fresh drivers.
- Local equities will take cues from earnings reports and guidance from MBT, BDO, and MER.