

MARKET BOUNCES ON TRADE NEGOTIATIONS

Weekly Review: 26 to 30 May 2025

What Happened Last Week

- US asset prices rose on positive data releases, easing global trade tensions, and optimism on tech companies.
 - Conference Board Consumer Confidence rose to 98, better than 87.1 market estimates.
 - April Personal Consumption Expenditure (PCE) Index printed at 2.1% vs 2.2% expectation.
 - 1Q GDP declined by 0.2%, but better than -0.3% market estimates.
 - US and EU are said to be speeding up negotiations, days after Trump declared 50% tariff on EU goods.
 - Nvidia reported a better-than-expected 69% increase in revenue, driven by strong AI demand.
- Local bond prices followed US bonds' uptrend. Meanwhile, local equities fell on end-of-month MSCI rebalancing flows.
- The Philippine peso weakened due to the strong U.S. dollar, following the release of recent U.S. economic data.
- Asset prices Week-on-Week (WoW) and Year-to-Date (YTD)

	Week-on-Week May 23 to 30, 2025	YTD as of May 30, 2025	Current Level as of May 30, 2025
Asset	Rate Change		Rate
10Yr US Treasury Yield	▼0.11%	▼0.17%	4.40%
10Yr PHP Benchmark Yield	▼0.01%	▲0.08%	6.26%
	Price Change		Price
Philippine Peso vs. US Dollar	▼0.90%	▲3.63%	PHP55.745/USD
S&P500	▲1.88%	▲0.51%	5,911.69
PCOMP	▼1.12%	▼2.87%	6,341.53

What To Expect This Week

- Key U.S. labor data releases are expected to shape market sentiment as investors look for clues on the Fed's potential policy move this June.
 - April JOLTS Job Openings to slow to 7.06m from 7.19 million of the previous month.
 - Change in Nonfarm Payrolls in May to soften to 125k from 177k in April.
- Local markets are expecting May inflation to ease slightly to 1.3% from 1.4% in April. This continues to strengthen the 2 rate cuts expected from the Monetary Board.