

FLIGHT TO SAFETY AMID MIDDLE EAST TENSIONS

Weekly Review: 09 to 13 June 2025

What Happened Last Week

- US bonds rose while equities declined as investors flocked to safe haven assets amidst tensions in the Middle East.
 - Iran's retaliation against Israel's attack on its nuclear facilities raised concerns about escalating conflict, causing oil prices to surge by 13% WoW.
- Local bonds declined as rising oil prices ignited fears of higher inflation that could derail BSP's monetary easing.
- Local equities bucked the global trend, buoyed by selective buying in a few large-cap stocks.
- The Peso depreciated due to the spike in oil prices and pressures to the current account position.

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

	Week-on-Week Jun 9 to 13, 2025	YTD as of June 13, 2025	Current Level as of June 13, 2025
Asset	Rate Change		Rate
10Yr US Treasury Yield	▼0.11%	▼0.17%	4.40%
10Yr PHP Benchmark Yield	▲0.05%	▲0.17%	6.35%
	Price Change		Price
Philippine Peso vs. US Dollar	▼1.06%	▲2.83%	PHP56.21/USD
S&P500	▼0.39%	▲1.62%	5,976.97
PCOMP	▲0.29%	▼2.04%	6,395.59

What To Expect This Week

- With the Middle East tensions to escalate further, markets are expected to have a downward bias. Investors shall continue to be sensitive to interest rate guidance from both the U.S. Federal Reserve and BSP in their upcoming policy meetings.
- Local equities are expected to weaken and track US equity decline over the weekend.