



WEEKLY REVIEW (07/3/23 – 07/7/23)

The Week That Was

- Global asset prices ended lower on resilient US jobs report. Strong jobs market spur demand-driven inflation and strengthens the case for more rate hikes.
 - June Unemployment Rate was in-line with market estimate of 3.6%, better than previous month's 3.7%.
 - June Average Hourly Earnings grew by 4.4%YoY, higher than market estimate of 4.3% and higher than previous month's 4.2%.
- The FOMC June minutes revealed that Federal Reserve officials were divided on the decision to pause with some participants arguing for a 0.25% hike.

Asset prices WoW changes:

- 10-Yr US Treasury rate closed higher at 4.07% from 3.84%
- 10-Yr PHP benchmark yield closed higher at 6.69% from 6.29%
- PHP closed weaker versus the USD at 55.62 from 55.20
- S&P 500 declined by 1.16% to 4,398.95
- The PSEi declined by 1.38% to 6,379.03

What to Expect This Week

- Global investors will be cautious ahead of the release of US June inflation data and Fed speak in the coming week. US June month-on-month inflation expected at 0.3%.
- 15-year peso bond auction on July 11 will indicate the Bureau of Treasury's appetite to borrow at higher rates.
- Local equity market is likely to trade lower on lack of catalysts.