



## WEEKLY REVIEW (07/10/23 – 07/14/23)

### What Happened

- Global asset prices rallied as the lower-than-expected US inflation print fueled market optimism that the interest hiking cycle is approaching its end.
  - US Headline and Core CPI grew by 3% and 4.8% YoY, both lower than market estimates of 3.1% and 5%, respectively.
  - Producer prices also slowed to 0.1% YoY, better than 0.4% market estimate.
- On the local front, global market optimism and the strengthening of PHP led PSEi to outperform most markets in the region.

### Week on week:

- The S&P 500 rose by 2.42% to 4,505.42
- The PSEi rose by 3.85% to 6,624.79
- The 10-Yr US Treasury yield closed lower at 3.84% from 4.07%.
- The 10-Yr PHP benchmark yield closed lower at 6.31% from 6.69%.
- The PHP closed stronger versus the USD at 54.40 from 55.64.

### What to Expect

- Investors will tune-in to a number of US Economic data releases (Empire Manufacturing Index, Retail Sales and Initial Jobless Claims). Anything below market expectation will support the case for easing interest rate hikes.
- However, equity markets are still under pressure as global recession risk may increase after the release of a weaker-than-expected Chinese GDP data.
- The local equity market may continue to rally on strong 2Q earnings report of listed companies, particularly, from the financial sector.
- Local interest rates will continue to track US Treasury movement given the lack of local catalysts this week