



### What Happened

- Despite policy hikes from US and Eurozone, US Equities ended the week strong as investors welcome robust economic numbers. On the other hand, bond prices ended lower as recent positive data suggest recession risk is fading, causing a slow shift to more risky assets.
  - As widely anticipated, both the Federal Reserve and European Central Bank raised its policy rates by 25 bps.
  - 2Q23 Real GDP accelerated by 2.4% from 2.0% QoQ, better than market estimate of 1.8%.
  - Weekly jobless claims printed at 221k, better than 235k market estimate, showing signs of labor resiliency.
  - June PCE Core Deflator slowed to 4.1% YoY from 4.2% previously, beating market estimate of 4.6%
- On the local front, equities declined WoW as investors locked-in profit following PSEi's 4% gain since early July.

#### Week on week:

- S&P 500 rose by 1.01% to 4,582.23
- The PSEi declined by 0.34% to 6,625.26
- The 10-Yr US Treasury yield closed higher at 3.95% from 3.83%.
- The 10-Yr PHP benchmark yield closed higher at 6.36% from 6.30%.
- The PHP closed weaker versus the USD at 54.91 from 54.755.

### What to Expect

- Investors tune in to this week's US employment numbers with a positive surprise encouraging an extended tightening cycle
- PH stocks are expected to rally on window dressing and strong 2Q earnings reports especially from BDO and Meralco.
- Locally, all eyes will be on July inflation release on August 4 with expectations to slowdown to 4.9% YoY from 5.4% in June.