



**WEEKLY REVIEW
(08/21/23 – 08/25/23)**

The Week That Was

- No surprises from the Jackson Hole Symposium. The Fed Chair Powell emphasized higher for longer interest rates as inflation remains high.
 - US bond prices were flat on the expected reiteration of Fed Chair Powell.
 - US equity prices slightly rose, mainly driven by AI-related tech stocks.
- Local bond market stayed light ahead of the Jackson Hole Symposium and after BTR's rejection on 15yr bond auction.
- Local equities continue its downtrend on rising commodity prices and tapering loan growth.
 - According to PSA data, the retail price in July of well-milled rice and regular milled rice rose by 0.4% and 1.9% MoM, respectively.
 - Oil prices continue to rise, marking its 7th consecutive weekly increase since July 10.
 - PH bank's loan growth slowed in June to 7.8% from 9.4% in May.

WoW changes:

- S&P 500 rose by 0.82% to 4,405.71
- PSEi declined by 2.06% to 6,160.61
- US Treasury yield held steady at 4.25%.
- 10-Yr PHP benchmark yield closed slightly lower at 6.52% from 6.55%
- PHP depreciated versus the USD at 56.57 from 56.18.

What to Expect This Week

- It's still the same tune. Good news will be bad news as strong data indicate that inflation is not cooling and tightening may not be over.
 - JOLTS July Job Openings is expected to be 9.5m vs June's 9.58m
 - July PCE Core Deflator is expected at 4.2% YoY vs June's 4.1%
 - August Nonfarm Payrolls is expected to grow by 170k
 - August Unemployment Rate is expected to be unchanged at 3.5%
- Light calendar week for PH markets. Investors may take buying opportunity on oversold levels of PSEi and create potential bounce.