



WEEKLY REVIEW
(10/02/23 – 10/06/23)

**AIA Investment Management and Trust
Corporation Philippines**
17F AIA Philippines Head Office
Six/NEO, 5th Avenue cor. 26th Street
Bonifacio Global City, Taguig 1634, Philippines
(632) 8521 6300

What Happened Last Week

- Global bond prices declined while equity prices rose on stronger-than-anticipated US manufacturing and employment data, signifying economic resilience amid Fed's stance to keep interest rates higher for longer.
 -
 - September ISM Manufacturing at 49 vs. 47.9 consensus; contracted the least in nearly a year.
 - August JOLTS job openings grew at 9.6m vs 8.8m consensus; higher than previous month's 8.8m.
 - Unemployment rate was at 3.8% vs 3.7% consensus.
 - September Non-farm payroll rose by 336k, almost double the market estimate of 170k.
- Local bond and equity markets were down due to higher-than-expected inflation print, increasing the likelihood of another policy rate hike by the BSP.
 - September inflation rose to 6.1% y/y against 5.3% consensus and previous month's print. This was driven mainly by the 17.9% y/y increase in rice prices.

WoW changes:

- The 10-year US Treasury yield closed higher at 4.80% from 4.57%.
- The 10-year PHP benchmark yield closed higher at 6.58% from 6.49%
- PHP depreciated versus the USD at 56.62 from 56.58
- S&P 500 rose by 0.48% to 4,308.50
- The PSEi declined by 0.97% to 6,259.95

What to Expect This Week

- Expect bond and equity asset prices to decrease as heightened tension in Israel may impact global oil prices, adding further inflationary pressures.
- Market will closely watch the release of US September inflation data where consensus expects a 3.6% print.