



WEEKLY REVIEW (10/30/23 – 11/03/23)

What Happened Last Week

- Global asset prices bounced sharply on softer US labour data and on Fed's statements driving market speculation that the interest hiking cycle has come to an end.
 - Change in October US Non-farm payroll came in at 150k, weaker than market's 180k estimate.
 - October US unemployment rate worsened to 3.9% from prior month's 3.8%.
 - After the Federal Reserve maintained its policy rates, Fed Chair Jerome Powell was quoted as being comfortable at current rates already as inflation eased and financial conditions have tightened.
- Local asset prices ended mixed on shortened trading week.
- Asset prices WoW changes:
 - The 10-year US Treasury yield closed lower at 4.58% from 4.90%
 - The 10-year PHP benchmark yield closed higher at 7.00% from 6.93%
 - PHP appreciated sharply versus the USD at 56.10 from 56.96
 - S&P 500 rose by 5.85% to 4,358.34
 - The PSEi rose by 0.46% to 5,989.27

What to Expect This Week

- As local investors return from holidays, we expect the local market to track global market's recovery last week.
- Local investors will also tune in to Philippine CPI and 3Q GDP data that will come out this week, with consensus expectations of 5.6% YoY and 4.7% YoY, respectively. This will gauge how the BSP will move its policy rates in its next meeting on Nov 16.