

WEEKLY REVIEW (08/12/24 – 08/16/24)

What Happened Last Week

- US bond prices slightly increased amid cooling inflation and improved consumer sentiment. Meanwhile, US equities recorded its strongest week of the year with stronger retail sales and lower jobless claims.
 - US July inflation moderated to 2.9% year-on-year (y/y), lower than June's 3.0% print.
 - The University of Michigan Consumer Sentiment Index (MCSI) increased from 66.4 in July to 67.8 in August.
 - July Retail Sales rose 1.0% month-on-month (m/m), after a 0.02% decline in June.
 - Jobless claims for the week ending August 10 at 227k, lower than 235k market estimates.
- Local bond and equity prices rose following Bangko Sentral ng Pilipinas' 25-basis point rate cut to 6.25%.
- Asset Prices WoW
 - The 10-year US Treasury yields slightly fell 6 basis points to 3.88%.
 - The 10-year PHP benchmark yield decreased from 6.15% to 6.06%.
 - S&P 500 rose by 3.9% to 5,554.25.
 - The PSEi gained by 3.0% to 6,847.37.
 - PHP appreciated against the USD to 57.25 from 58.28.

What to Expect This Week

- More data on the health of the US economy together with messaging from the Fed
 - August US Manufacturing PMI expectations at 49.8 from 49.6 in July.
 - July US New Home Sales expectations at 624k from 617k in June
 - Fed Chair Powell's economic outlook speech at the Jackson Hole Symposium.