

WEEKLY REVIEW (07/01/24 – 07/05/24)

WHAT HAPPENED LAST WEEK

- US bond and equity prices rose as weaker than expected labor and manufacturing data boosted hopes of a September rate cut.
 - Unemployment increased to 4.1% in June relative to 4.0% consensus.
 - Job claims for the week ending June 29 was higher at 238k vs 235k estimate.
 - June ISM Manufacturing and Services posted lower than expected results at 48.5 vs 49.1 and 48.8 vs. 52.7, respectively.
- Local bond and equity prices gained as Consumer Price Index (CPI) at 3.7% was within BSP's target range and lower than the 4.0% forecast.
- Asset prices WoW
 - The 10-year US Treasury yields fell by 12 basis points to 4.28%.
 - The 10-year PHP benchmark yield declined from 6.65% to 6.61%.
 - S&P 500 increased by 1.95% to 5,567.19.
 - The PSEi rose by 1.26% to 6,492.75.
 - PHP appreciated versus the USD at 58.53 from 58.61

WHAT TO EXPECT THIS WEEK

- Inflation data and Fed's interest rate signal are expected this week.
 - US June CPI expectations at 3.1% year-on-year (YoY), lower than 3.3% in May
 - Fed Chairman Powell to give his semiannual testimony on monetary policy at the Senate Banking Committee.