



## WEEKLY REVIEW

(05/02/23 – 05/05/23)

### What Happened

- Global asset prices rose on hopes the Fed is nearing the end of its rate hike cycle on renewed concerns over the US banking sector, dismissing higher inflation data.
  - US Bank concerns resurfaced as First Republic's 1Q23 deposit outflows were worse than projected.
  - US Core Personal Expenditure (PCE), the Fed's preferred inflation gauge, increased by 4.9% YoY in 1Q, higher than consensus estimates and the previous quarter.
- Week on week:
  - The 10-Yr US Treasury yield closed lower at 3.43% from 3.57%.
  - The 10-Yr PHP benchmark yield closed lower at 6.10% from 6.17%.
  - The PHP closed stronger versus the USD at 55.38 from 56.02.
  - The S&P 500 rose by 0.87% to 4,169.48.
  - The PSEi rose by 1.60% to 6,625.08.

### What to Expect

- We expect the investors to take cue from the Federal Open Market Committee (FOMC) interest rate guidance on 4 May.
- Local investors will remain cautious ahead of the BSP meeting on 18 May on heightening risks of El Nino's impact on agricultural sector and food supply.