

WEEKLY REVIEW (03/20/23 - 03/24/23)

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What Happened

- Asset prices closed higher week-on-week despite another rate hike from the US Federal Reserve. The 0.25% adjustment was widely anticipated. Rising recession risk on continued tightening and banking system concerns are seen to temper future rate action.
 - The BSP did a parallel 25 bps hike and reduced inflation forecasts to 6% and 2.9% for 2023 and 2024, respectively.
- · Week on week:
 - The S&P 500 rose by 1.39% to 3,970.99.
 - The PSEi rose by 2.05% to 6,602.17
 - o The 10-Yr US Treasury yield closed lower at 3.38% from 3.43%.
 - o The 10-Yr PHP benchmark yield closed lower at 6.19% from 6.23%.
 - PHP closed stronger versus the USD at 54.35 from 54.71

What to Expect

• Investors will tune into US GDP & Personal Consumption Expenditures (PCE) data releases this week. Low GDP and PCE prints may give the Fed more ammunition to consider a rate pivot.