

## WEEKLY REVIEW (06/17/24 – 06/21/24)

### What Happened Last Week

- US bond yields slightly rose and US equities gained with stronger manufacturing and services sectors overshadowing weaker consumer demand.
  - May Industrial Production jumped 0.9% month-on-month (m/m) vs. 0.3% estimate.
  - Manufacturing Purchasing Managers' Index (PMI) grew 51.7 relative to 51.3 in May and 51 consensus.
  - Services PMI surged to 55.1 in June, higher than 54.8 last month and 53.7 expectations.
  - May Retail Sales barely increased to 0.1% m/m, slower than 0.3% estimate.
  - Housing Starts decreased 5.5% m/m in May contrary to a 0.75% anticipated increase.
- Philippine equities had a massive sell-off last Friday due to geopolitical tensions and FTSE rebalancing.
- Asset prices WoW
  - The 10-year US Treasury yield minimally increased by 4 basis points to 4.26%.
  - The 10-year PHP benchmark yield remained unchanged at 6.70%.
  - S&P 500 increased by 0.67% to 5,464.62.
  - The PSEi fell by 3.53% to 6,158.48.
  - PHP depreciated from 58.65 to 58.80 against USD.

### What to Expect This Week

- Key US inflation and spending data are set for release this week.
  - US Core PCE expectations for May at 0.1% m/m vs 0.2% in April.
  - May US Personal Spending is anticipated to increase 0.3% m/m in May vs. 0.2% in April.
- Political debate between Biden and Trump

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The US business sector came in hot with a stronger-than-expected PMI above 50, a gain for stocks but not for bonds. Continued strength of the US economy could delay expected rate cuts.