

WEEKLY REVIEW (11/04/24 – 11/08/24)**What Happened Last Week**

- US equities rallied on Trump's win. Bond yields initially spiked but ended lower following the widely anticipated Fed rate cut.
 - With Trump's victory and the Republican sweep, looser regulations, lower corporate taxes and faster earnings growth are expected.
 - The Fed cut its policy rate by 0.25% to 4.75%.
 - Fed Chair Jerome Powell indicated that the election outcome would not have any "near term" effects on policy decisions.
- Local equities and bond prices declined following the US elections and release of weaker economic data.
 - October inflation rose to 2.3% year-on-year (y/y) from 1.9% in September.
 - 3Q GDP fell short of expectations at 5.2% y/y vs. 5.7% expectations and vs. the revised 2Q growth of 6.4%.
- Asset Prices WoW
 - The 10-year US Treasury yields declined by 9 basis points to 4.30%.
 - The 10-year PHP benchmark yield slightly rose to 5.89% from 5.88%.
 - PHP depreciated from 58.10 to 58.26 against the USD.
 - S&P 500 soared by 4.7% to 5,995.54.
 - The PSEi plunged by 2.3% to 6,977.18.

What to Expect This Week

- Key US economic data for October are set for release this week.
 - Inflation is expected to quicken to 2.6% y/y from 2.4% in September.
 - Budget Balance is expected to be in a deficit of USD 225Bn from USD 64.3Bn surplus in September.
 - Expected Producer Price Index to improve to 2.3% y/y from 1.8% last month.
 - Anticipated Retail Sales to modestly slow at 0.3% month-on-month from September's 0.4%.