

**WEEKLY REVIEW (04/14/25 – 04/18/25)****What Happened Last Week**

- US stocks fell while bonds rallied despite higher inflation expectations as slowing growth weighed more on investors' minds.
  - NY Fed 1year inflation expectations rose to 3.58%, higher than 3.26% consensus estimates.
  - Philadelphia Fed's business outlook for April came in at -26.4, significantly lower than +2.2 consensus estimate. This survey indicated contraction in new orders and shipment.
  - Statement from Fed Chairman Powell further dampened sentiment when he signalled a wait-and-see approach on monetary policy decision making – contrary to market's expectation of rate cut.
- Local bonds bucked the US treasuries rally, but local equities staged a modest rebound on foreign buying.
- Asset prices WoW changes:
  - The 10-year US Treasury yield declined to 4.33% from 4.49%.
  - The 10-year PHP benchmark yield rose to 6.30% from 6.26%.
  - PHP appreciated against USD to 56.80 from 56.97.
  - S&P 500 declined by 1.5% to 5,282.70
  - The PSEi improved by 0.9% to 6,134.62

**What to Expect This Week**

- We expect investors to be on a wait-and-see mode amidst ongoing tariff negotiations.
- Local equities may gain inspiration from BPI's 1st quarter earnings release this week. The company's loan growth could give an indication of the economy's resilience to the global trade concerns.