

WEEKLY REVIEW (02/17/25 – 02/21/25)

What Happened Last Week

- Weaker consumer sentiment pushed US equities down but lifted bond prices as data paved way for a probable Fed rate cut.
 - February University of Michigan Consumer Sentiment Index at 64.7, lower than 67.8 estimates
 - Walmart projected sales growth to be 3-4% this 2025, slower than 5% growth in 2024.
- Local equities rose on positive earnings growth. Meanwhile, local bond yields slightly increased given uncertainties on the timing of BSP's next rate cut.
- Asset prices WoW changes:
 - The 10-year US Treasury yields declined by 5 basis points (bps) to 4.43%.
 - The 10-year PHP benchmark yield increased from 6.13% to 6.15%.
 - PHP depreciated from 57.83 to 57.94 against the USD.
 - S&P 500 declined by 1.66% to 6,013.13.
 - The PSEi rose by 0.61% to 6,098.04.

What to Expect This Week

- We expect local equity markets to have a downward bias following the recent concerns on the US economy.
- Downside, however, could be cushioned by the announcement from BSP of the Reserve Requirement Ratio (RRR) cut by 200bps to 5.00%, effective March 28.