

WEEKLY REVIEW (01/06/25 – 01/10/25)**What Happened Last Week**

- US bond and equity prices fell as strong labor data could derail Fed policy rate cuts.
 - November JOLTS Job Openings at 8m, higher than 7.7m market estimates.
 - December Change in Nonfarm Payrolls at 256k, higher than 165k market estimates.
 - December Unemployment Rate at 4.1%, lower than 4.2% market estimates.
- Locally, investors flocked to less risky assets. 1- to 9y bond prices appreciated. 10y bonds were steady but longer-dated bond prices fell. Equities declined on continued foreign selling.
 - December headline Inflation came in at 2.9%, higher than 2.6% market estimates.
 - December core Inflation, which excludes volatile food and energy items, accelerated to 2.8% from 2.5% in the prior month.
- Asset prices WoW:
 - The 10-year US Treasury yields rose by 16 basis points to 4.76%.
 - The 10-year PHP Benchmark yields slightly fell to 6.15% from 6.16%.
 - PHP depreciated from 58.20 to 58.36 against the USD.
 - S&P 500 declined by 0.64% to 6,051.09.
 - PSEi declined by 1.67% to 6,616.51.

What to Expect This Week

- Key US inflation data are expected this week.
 - Expected December US Core Consumer Price Index (CPI) to print at 0.2% month-on-month (m/m), slower than November at 0.3% m/m.
 - December US Producer Price Index (PPI) is anticipated to print at 0.4% (m/m), unchanged from prior month.
 - December Retail Sales is expected to slow at 0.6% m/m from 0.7% in November.