

**WEEKLY REVIEW (01/13/25 – 01/17/25)****What Happened Last Week**

- US bond and equity prices recovered from prior week's loss, supported by slower-than-expected December inflation and strong 4Q bank earnings for equities.
  - Core CPI rose 0.2% m/m in December, slower than 0.3% estimate.
  - Producer price index (PPI) for final demand rose 0.2% m/m in December, lower compared to 0.4% estimate.
  - JPMorgan Chase, Goldman Sachs, Citigroup, and Wells Fargo kicked off earnings season with strong 4Q results that beat estimates.
- Local markets bucked the trend as PH bond and equity prices declined ahead of US President-elect Donald Trump's inauguration.
  - Local equities further pressured by foreign fund exodus.
  - Local bonds faced headwinds from rising global oil prices, which tested and poised to break the \$80-a-barrel level.
- Asset prices WoW:
  - The 10-year US Treasury yields decreased to 4.63% from 4.76%.
  - The 10-year PHP benchmark yield rose to 6.33% from 6.15%.
  - PHP depreciated from 58.36 to 58.64 against the USD.
  - S&P 500 rose 2.9% to 5,996.66.
  - The PSEi decreased by 2.2% to 6,352.12.

**What to Expect This Week**

Given the absence of local key economic data releases, movements in the global markets will influence local price action. We expect volatility with downward bias to continue as investors keep an eye on and digest Trump's tariff executive orders on inauguration day.