

**WEEKLY REVIEW (01/20/25 – 01/24/25)****What Happened Last Week**

- US bond and equity prices rose as investors priced-in expectations of moderate tariffs and immigration policies.
  - Trump's administration opted to study potential adjustments instead of immediate tariff increases.
  - On immigration, the focus shifted to deporting immigrants with a criminal history, limiting the effect on the general level of employment and prices.
- Locally, bonds tracked the US uptrend while equities fell on continued foreign selling.
- Asset prices WoW:
  - The 10-year US Treasury yields decreased from 4.63% to 4.62%.
  - The 10-year PHP benchmark yield fell to 6.25% from 6.33%.
  - PHP appreciated from 58.64 to 58.31 against the USD.
  - S&P 500 increased by 1.7% to 6,101.24
  - The PSEi inched lower by 0.9% to 6,296.20

**What to Expect This Week**

- US markets anticipate the Fed to:
  - hold rates steady on its Jan 29 meeting; and
  - affirm market expectations of lesser rate cuts in 2025-two 25-basis point (bp) cuts from the initial hopes of four cuts.
- Longer-dated PH bond yields are expected to increase on upcoming auctions.
  - Bureau of Treasury (BTr) to issue Php15Bn 3Y-bond and Php20bn 20Y bond this week.
- PH equities are anticipated to have thinner volumes with several Asian offices closed from January 29-31 for the Chinese New Year.