

WEEKLY REVIEW (03/10/25 – 03/14/25)**What Happened Last Week**

- US bond and equity prices fell on rising concerns over the future state of inflation and growth.
 - NY Fed 1Y inflation expectations rose to 3.13%, higher than previous month's 3.0% and market estimates of 3.10%.
 - NFIB Small Business Optimism Index declined to 100.7, lower than previous month's 102.8 and market estimates of 101.
 - University of Michigan Consumer Sentiment Survey decreased to 57.90 from 64.70 the previous month.
- PH bond and equity price declines were more muted as BSP's dovish statements set-off negative global sentiments.
 - The BSP Governor hinted possible 25bps rate cut in April, and plans of further reduction in banks' reserve requirement ratio.
- Asset prices WoW changes:
 - The 10-year US Treasury yields slightly rose to 4.31% from 4.30%.
 - The 10-year PHP benchmark yield increased to 6.23% from 6.21%.
 - PHP depreciated against USD to 57.251 from 57.206.
 - S&P 500 declined by 2.27% to 5,638.94.
 - The PSEi declined by 0.07% to 6,294.11.

What to Expect This Week

- It is widely expected that the Federal Reserve will keep policy rates on hold.
- Cautious trading to continue as the markets await news on Fed's direction given potential economic impact of Trump's policies.