

WEEKLY REVIEW (04/15/24 – 04/19/24)**What Happened Last Week**

- US bond yields surged as Fed officials signified a delay in rate cuts. Fed statements were supported by strong consumer demand and resilient jobs sector data. Meanwhile, US equities continued their losing streak on rising tensions in the Middle East.
 - March Retail Sales came in at +0.7% MoM, higher than market estimates of +0.4%.
 - Jobless claims came in at 212k, softer than 215k market estimates.
 - Fed officials emphasized that it may be appropriate to keep policy rates unchanged for longer.
- Asset prices WoW changes:
 - The 10-year US Treasury yield closed higher at 4.62% from 4.52%.
 - The 10-year PHP benchmark yield higher at 6.89% from 6.68%.
 - PHP depreciated versus the USD at 57.65 from 56.53
 - S&P 500 declined by 3.05% to 4,967.23.
 - The PSEi declined by 3.25% to 6,443.00.

What to Expect This Week

- Investors will closely watch key macro data releases this week including preliminary 1Q24 US GDP and PCE deflator.
 - 1Q24 GDP: market estimates at +2.5% QoQ, slower than previous period's +3.4%
 - March PCE deflator: market estimates at + 2.6% YoY, higher than previous period's 2.5%.
- On the local front, bond investors are expected to demand for higher yields in the 20-Yr auction on 23 April. Local yields will remain elevated and will continue to track US Treasury yields.
- Local equity markets will tune in to 1Q24 corporate earnings releases by BPI and Robinsons Retail, which may serve as a prelude to releases of other companies in the same sector.