



WEEKLY REVIEW

(11/27/23 – 12/01/23)

What Happened Last Week

- US asset prices rallied on softer inflation and statements from Fed Chair hinting rates have already peaked.
 - October Personal Consumption Expenditures (PCE) moderated to 3.0% y/y (vs. 3.1% y/y consensus) from 3.4% in September.
 - In an interview, Federal Reserve Chair Jerome Powell mentioned that the current level of policy rate is “well into restrictive territory”.
- Local bond yields continued their descent mimicking movements of US yields.
- Local equity investors took profits following 4 consecutive weekly gains.
- Asset prices WoW changes:
 - The 10-year US Treasury yield closed lower at 4.20% from 4.47%.
 - The 10-year PHP benchmark yield closed lower at 6.23% from 6.31%.
 - PHP slightly depreciated versus the USD at 55.40 from 55.38.
 - S&P 500 rose by 0.77% to 4,594.63.
 - The PSEi declined by 0.39% to 6,245.18.

What to Expect This Week

- Investors shall seek signals from US labor data releases in the coming week.
 - November ISM services is expected to accelerate to 52.3 from 51.8 in October
 - November non-farm payrolls is expected to gain 180k from 150k in October.
 - November unemployment is expected to be flat from previous month at 3.9% y/y.
 - October JOLTS openings expected to moderate to 9.3Mn from 9.6Mn in September.
- On the local front, investors will closely watch the November inflation forecasted at 4.3% y/y vs. 4.9% y/y in October. A lower-than-expected inflation may further boost local asset prices.