

WEEKLY REVIEW (03/25/24 – 03/29/24)**What Happened Last Week**

- US bond yields were unchanged as inflation data met market expectations. On the other hand, US equities posted another all-time high on continued optimism over AI-related stocks.
 - Headline and Core PCE inflation both slowed to +0.3% m/m in February, in line with market expectations.
 - Although not among the Magnificent 7 stocks, Intel hugged the limelight by rising +3% w/w.
- Local bond yields slightly rose as the recently released 2Q24 government borrowing plan was 11.4% higher than previous quarter's. Local equities were higher following a quarter-end window-dressing.
- Asset prices WoW changes:
 - The 10-year US Treasury yield closed unchanged at 4.20%.
 - The 10-year PHP benchmark yield closed higher at 6.23% from 6.20%.
 - S&P 500 inched up by 0.4% to another all-time high of 5,254.35.
 - The PSEi rose 0.3% to 6,903.53.
 - PHP appreciated versus the USD at 56.24 from 56.27.

What to Expect This Week

- Investors will focus on the release of US jobs report and local inflation print for market direction.
 - March US Nonfarm Payroll is expected to print at 200k, lower than the 275k print in February.
 - March US Unemployment Rate is expected to be lower at 3.8% from 3.9% in February.
 - PH March Inflation rate is expected to print at 3.8%, higher than the 3.4% print in February but within the BSP's inflation target of 2-4%.