

WEEKLY REVIEW (04/22/24 – 04/26/24)

What Happened Last Week

- Global markets shrugged off weaker-than-expected 1Q US GDP data and focused on the US inflation gauge. US bond yields rose amid strong inflation data, strengthening expectations of Federal Reserve rate cut delays. Meanwhile, US equity prices rose on by better-than-expected first quarter earnings.
 - 1Q US GDP at 1.6% QoQ, slower than expectations of 2.5%
 - March US PCE Deflator rose by 2.7% YoY, faster than expectations of 2.6%
- Asset prices WoW
 - The 10-year US Treasury yield closed higher at 4.66% from 4.62%.
 - The 10-year PHP benchmark yield closed higher at 6.95% from 6.90%.
 - S&P 500 gained 2.7% to 5,099.96
 - The PSEi climbed 2.9% to 6,628.75
 - PHP depreciated versus the USD at 57.71 from 57.65

What to Expect This Week

- Investors will closely watch key employment and productivity data set for release this week.
 - April ISM Manufacturing at 50.1, slightly lower than 50.3 in March.
 - April Nonfarm Payrolls at 250,000, lower than 303,000 in March.
 - April ISM Services Index at 52.0, slightly higher than 51.4 in March
- Global markets will also anticipate the Fed's policy rate outlook in the FOMC meeting on Thursday given recent inflationary pressures. The Fed policy rate is expected to be kept unchanged at 5.50%.
- Local equity markets will tune in to 1Q24 earnings releases from index names such as Meralco (MER), Metrobank (MBT), and Aboitiz Equity Ventures (AEV).