

## WEEKLY REVIEW (08/05/24 – 08/09/24)

### What Happened Last Week

- Global equity markets suffered a rout on Monday following Friday's weak employment data while bond prices rallied sharply on recession fears. Subsequently, US equities recovered lost ground while bond yields rose as stronger services and lower jobless claims allayed recession fears.
  - July ISM Services Index was at 51.4, higher relative to June's 48.8 and market estimate of 51.
  - Jobless claims for the week ending August 3 came in at 233k, lower than 240k market estimates.
- PH bond yields slightly increased with higher inflation while PH equities rose as GDP printed as expected.
  - July PH inflation increased at 4.4% year-on-year (y/y) vs. June's 3.7% and 4.1% consensus.
  - 2QGDP rose to 6.3% y/y, higher than 1QGDP of 5.8%.
- Asset prices WoW
  - The 10-year US Treasury yields rose 15 basis points to 3.94%.
  - The 10-year PHP benchmark yield increased to 6.15% from 6.13%.
  - PHP appreciated against the USD from 58.08 to 57.28.
  - S&P 500 was flattish at 5,346.56 (-0.04%).
  - The PSEi rose by 0.64% to 6,647.80.

### What to Expect This Week

- Global Volatility is expected in the near-term following a slew of key economic data and events.
  - Expected US Producer Price Index to moderate in July at 2.3% y/y from 2.6% last month.
  - July US CPI expected to print 3% y/y, similar to June.
  - US Retails Sales is anticipated to accelerate in July at 0.4% from 0.0% in June.
  - Locally, BSP is set to release its policy rate decision on August 15 with mixed market expectations.
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