

WEEKLY REVIEW (11/25/24 – 11/29/24)

What Happened Last Week

- US bonds prices rose, and equities hit all-time highs as markets reacted positively to Trump's nomination of treasury secretary and the easing of geopolitical tension in the Middle East.
 - Trump's pick of Scott Bessent as his Treasury secretary has fueled optimism that implementation of his tariff plans will not be as aggressive as feared.
 - Markets welcomed the Israel and Hezbollah's ceasefire agreement. Under the agreement, Hezbollah has been given 60 days to end its armed presence in southern Lebanon while Israeli forces must withdraw from the area over the same period.
- The local equities market continued its drop amidst continuation of foreign selling, while local bonds tracked the rally in US treasuries given the shortened session for the Thanksgiving holiday.
 - Foreign investors registered 6th week of consecutive net selling with USD65 worth of outflow during the week.
- Asset prices WoW changes:
 - The 10-year US Treasury yields decreased to 4.17% from 4.40%.
 - The 10-year PHP benchmark yield fell to 6.00% from 6.02%.
 - PHP appreciated against USD to 58.62 from 58.87.
 - S&P 500 rose by 1.06% to 6,032.38
 - The PSEi declined by 2.45% to 6,613.85

What to Expect This Week

Investors will focus on key US labor data this week to gauge the Fed's stance in the upcoming FOMC. Locally, local inflation print could influence BSP's monetary policy decision this month. Headline inflation is expected to pick up in November to 2.5%, higher than the 2.3% in October as the damage caused by the typhoons drove key agricultural commodities.