

WEEKLY REVIEW (12/02/24 – 12/06/24)

What Happened Last Week

- US bonds and equities gained on mixed jobs report. Bond investors focused on higher unemployment rate, fuelling the case for a December rate cut. Equity investors, meanwhile, focused on increased job openings.
 - November US unemployment rate at 4.2% year-on-year (y/y), higher than the previous month and expectations of 4.1%.
 - Nonfarm Payrolls added 227,000 in November, beating estimates of 220,000 and October print of 36,000.
- Local equity and bond prices rose with inflation data supporting a BSP rate cut in December.
 - November inflation rose to 2.5% y/y, in line with market consensus.
 - Year-to-date inflation at 3.2%, within BSP's long-run target of 2%-4%.
- Asset Prices WoW
 - The 10-year US Treasury yields declined by 3 basis points from 4.17%.
 - The 10-year PHP benchmark yield fell to 5.88% from 6.00%.
 - PHP appreciated from 58.62 to 57.735 against the USD.
 - S&P 500 increased by 1.0% to 6,090.27.
 - The PSEi gained by 1.7% to 6,729.14.

What to Expect This Week

- Investors to keep an eye on key US labor and inflation data this week:
 - Weekly jobless claims seen tapering off to 220,000 from 240,000 previously.
 - November US Consumer Price Index (CPI) is anticipated to increase to 2.7% y/y from 2.6% in October.
 - Expected November US Producer Price Index (PPI) to rise to 2.6% y/y from 2.4% last month.