

WEEKLY REVIEW (02/12/24 – 02/16/24)

What Happened Last Week

- US bond and equity prices declined on stronger-than-expected US inflation amidst the release of mixed economic figures.
 - US January CPI rose 3.1% y/y vs. 2.9% consensus.
 - January Retail Sales came in weak at -0.8% vs -0.2% consensus.
 - January Jobless Claims though came in stronger at 212,000 vs 220,000 consensus.
- Local equities bucked the trend ending the week marginally higher on softer local inflation and sustained foreign buying.
 - PH January headline inflation decelerated to 2.8% y/y in from 3.9% in December, slower than consensus of 3.1%. This level likewise touched the lower end of BSP's 2.8% to 3.6% target range.
 - BSP maintained policy rates at 6.50% and revised its inflation forecast for 2024 to 3.9% from 4.2%.
 - Net foreign buying in local equities was registered at USD38 Million, bringing YTD net foreign buying to USD168 Million.
- Asset prices WoW changes:
 - The 10-year US Treasury yield closed higher at 4.28% from 4.18%.
 - The 10-year PHP benchmark yield closed higher at 6.26% from 6.19%.
 - PHP depreciated versus the USD at 55.96 from 55.911
 - S&P 500 dipped by 0.4% to 5,005.57.
 - The PSEi gained 0.3% to 6,873.23.

What to Expect This Week

- Investors will be on the lookout for the January FOMC minutes for clues on the US Fed's policy rate directions.
- Local equity investors will take cues from 4Q23 earnings releases from property developers Ayala Land and SM Prime for guidance on market's strength.