

## WEEKLY REVIEW (01/02/24 – 01/05/24)

### What Happened Last Week

- Global asset prices declined as FOMC minutes and jobs data diluted expectations of a rate pivot in March.
  - Fed officials called for policy rates to be steady for “longer than they were currently anticipated” on “incredible amount of uncertainty” over economic forecasts.
  - Nonfarm Payrolls in December surged to 216k, versus 175k consensus.
  - Average Hourly Earnings in December grew by 4.1% YoY, higher than 3.9% consensus.
- Local equities bucked the trend as PH inflation came in soft.
  - December’s 3.9% inflation came in slower than both consensus (at 4.0%) and November’s print (4.1%).
  - Likewise, full year 2023 inflation averaged 6.0% vs. BSP’s 6.1% estimate.
- Asset prices WoW changes:
  - The 10-year US Treasury yield closed higher at 4.05% from 3.88%.
  - The 10-year PHP benchmark yield closed higher at 6.11% from 5.99%.
  - PHP depreciated versus the USD at 55.57 from 55.37.
  - S&P 500 declined by 1.52% to 4,697.24.
  - The PSEi rose by 2.78% to 6,629.64.

### What to Expect This Week

- Market will tune-in to this week’s US inflation print.
  - Investors expects December inflation to print 3.2%, higher versus November’s 3.1%.
  - An upside surprise would solidify Fed’s view that cuts may not commence in March.
- For local equities, sustained easing in oil prices may support stock prices. A rollback of Php0.50 in pump prices is set this week.