

WEEKLY REVIEW (07/08/24 – 07/12/24)**What Happened Last Week**

- Bond and equity markets, both globally and locally, cheered after softer-than-expected inflation prints strengthened the case of monetary policy easing in the coming months.
 - US June inflation was 3% year-on-year (y/y), slower than consensus of 3.1% and 3.3% in May.
 - US job market showed signs of cooling as emphasized by Fed Chairman Jerome Powell in his statement to the Senate.
 - PH June Consumer Price Index (CPI) was at 3.7%, lower than 4.0% forecast.
- Asset prices WoW
 - The 10-year US Treasury yields fell 10 basis points to 4.18%.
 - The 10-year PHP benchmark yield declined by 26 basis points to 6.25%.
 - PHP appreciated against USD from 58.53 to 58.38.
 - S&P 500 rose by 0.87% to 5,615.35.
 - The PSEi increased by 2.39% to 6,648.23.

What to Expect This Week

- US markets could expect volatility following Donald Trump's assassination attempt.
- Key US economic data and Federal Reserve Beige Book for release this week.
 - Expected Retail Sales to fall 0.2% month-on-month (m/m) in June from +0.1% m/m last month.
 - Housing Starts to recover 1.8% m/m from a drop of 5.5% in May.
 - Building Permits in June to modestly rise to 0.1% m/m from a decline of -2.8% the previous month.
 - June Industrial Production anticipated to increase to 0.3% m/m in June relative to 0.7% m/m last month.
 - Latest Federal Reserve Beige Book to provide a snapshot of the current state of the US economy.
- Locally, release of banks' 2Q24 earnings is expected this week.