

WEEKLY REVIEW (03/04/24 – 03/08/24)

What Happened Last Week

- US labour data releases were mixed but generally pointing to a slowdown in the labour market. This led to lower US bond yields and a decline in US equity prices.
 - Nonfarm payrolls rose 275k vs 200k forecast but with large downward revisions to the data released over the last two months.
 - The unemployment rate rose to 3.9% in February vs 3.7% consensus.
 - Average hourly earnings slowed to 0.1% MoM from a downwardly revised 0.5% the prior month.
- Local asset prices bucked the global trend.
 - Local bond yields ended the week slightly higher following a higher-than-expected February inflation print and hawkish BSP remarks.
 - Local equities rallied towards the end of the week on net foreign buying amounting to USD10 Million.
- Asset prices WoW changes:
 - The 10-year US Treasury yield closed lower at 4.08% from 4.18%.
 - The 10-year PHP benchmark yield slightly higher at 6.25% from 6.24%.
 - PHP appreciated versus the USD at 55.57 from 56.02
 - S&P 500 declined by 0.26% to 5,123.69
 - The PSEi rose by 0.33% to 6,942.21

What to Expect This Week

Investors will focus on US inflation and consumption-related releases for market direction.

- February Inflation: market expects +0.4% MoM, from +0.3% of previous month
- Retail Sales: market expects +0.8% MoM, from -0.8% of previous month.
- PPI: market expects + 0.3% MoM, from +0.3% of previous month.