

## WEEKLY REVIEW (03/18/24 – 03/22/24)

### What Happened Last Week

- US Bonds and equities gained on the back of unexpectedly dovish Federal Reserve. Meanwhile, rosy economic releases gave equities a further boost.
  - Federal Reserve kept its policy rates at 5.25% and still calls for a 75 bps cut in 2024 despite strong inflation in January.
  - February Housing Starts came in at +10.7% MoM, higher than market estimates of 8.2%.
  - Building Permits came in at +1.9% MoM, higher than market estimates of 0.5%.
  - S&P Global US Manufacturing PMI came in higher at 52.5 versus 51.8 market estimates.
- Asset prices WoW changes:
  - The 10-year US Treasury yield closed lower at 4.20% from 4.31%.
  - The 10-year PHP benchmark yield closed lower at 6.20% from 6.22%.
  - PHP depreciated versus the USD at 56.27 from 55.53.
  - S&P 500 rose by 2.29% to 5,234.18.
  - The PSEi rose by 0.87% to 6,881.97.

### What to Expect This Week

- Investors will focus on US economic releases this week where a print above expectations might push rate cuts to a later date.
  - Final release of 4Q23 GDP is expected to print 3.2% QoQ, equal to last quarter's growth.
  - University of Michigan Consumer Sentiment Index is expected at 76.5, flat versus last month's survey.
  - February PCE Deflator is expected to print 2.5% YoY, higher than previous month's 2.4%.
- PH asset prices are seen to consolidate as we approach a shortened trading week ahead of Lenten culmination.