

WEEKLY REVIEW (05/06/24 – 05/10/24)**What Happened Last Week**

- US equities rose as weak consumer sentiment and higher jobless claims renewed hopes of rate cuts. On the other hand, US bond prices gave up early gains with inflation expectations remaining elevated.
 - April consumer sentiment fell from 77.2 to 67.4.
 - Jobless claims for the week ending May 4 came higher at 231k, above market estimates of 212k.
 - University of Michigan's April survey showed that the 1-year inflation expectation rose to 3.5% from 3.2%.
- Opposite movement observed in the Philippine markets. Net foreign selling drove equity prices lower. PH bond prices rose on lower-than-expected inflation.
 - The PSE saw outflows of USD52-million.
 - PH April inflation came in at 3.8%, below the 4.1% consensus estimates.
- Asset prices WoW
 - The 10-year US Treasury yield closed at 4.51%, flattish versus 4.49%.
 - The 10-year PHP benchmark yield closed lower at 6.85% from 6.99%.
 - S&P 500 added 1.9% to 5,222.68.
 - The PSEi dipped 0.8% to 6,511.93.
 - PHP depreciated versus the USD to 57.420 from 57.345.

What to Expect This Week

- Markets are set to look out for US PPI, CPI, and retail sales numbers due this week.
- The BSP Monetary Board will meet on Thursday, where officials are likely to keep interest rates steady for a 5th straight time.
- Local equities may see some resistance as negative surprises on consumer spending could impact 1Q24 earnings reports of Jollibee Foods (JFC), Globe Telecom (GLO), Ayala Corp. (AC) and GT Capital (GTCAP).