

## WEEKLY REVIEW (05/13/24 – 05/17/24)

### What Happened Last Week

- US bond and equity prices rose despite the US Fed's higher for longer warning. US markets opted to focus on inflation that came within consensus and weak production numbers as a sign of that inflation could be cooling.
  - March PPI was revised lower to -0.1% from 0.2%
  - April CPI slowed to 0.3% month-on-month (m/m), as expected.
  - April retail sales disappointed with zero growth vs. expectations of 0.4%
- Philippine bond and stock prices likewise rose after Bangko Sentral ng Pilipinas' (BSP) indicated that policy rate cuts may start this August should inflation remain controlled.
  - BSP maintained its policy rates at 6.50%;
  - BSP officials have lowered their risk-adjusted inflation forecast for 2024 to 3.8% from 4.0%
- Asset prices WoW
  - The 10-year US Treasury yield closed lower at 4.42% from 4.50%
  - The 10-year PHP benchmark yield fell to 6.61% from 6.85%
  - PHP depreciated from 57.42 to 57.62 versus the USD
  - S&P 500 rose by 1.54% to 5,303.27
  - The PSEi rose by 1.64% to 6,618.69

### What to Expect This Week

- Investors get a glimpse of the latest Federal Reserve meeting minutes. US housing and production numbers are set for release this week.
  - April US Existing Home Sales expectations at 4.22Mn from 4.19Mn in March
  - May US Manufacturing PMI expectations at 49.9 from 50 in April
  - April US New Home Sales expectations at 679,000 from 693,000 in March
  - April Durable Goods Orders expectations at -0.7% m/m from 2.6% in March