

WEEKLY REVIEW (11/11/24 – 11/15/24)

What Happened Last Week

- US bonds and stocks declined as inflation and retail sales data fueled speculation that rate cuts could be deferred. Fed Chair Jerome Powell indicated that Fed is in no hurry to lower rates again bringing bets of a December rate cut down to 50% percent.
 - US October CPI came it at +0.2%, in-line with market consensus.
 - Retail Sales rose +0.4% MoM, ahead of market estimates.
- PH bonds rates rose with US rates. Philippine stocks continued to fall on foreign selling spurred by the weakening peso.
 - Foreign investors registered the 14th consecutive day of net selling with an outflow of USD101.5.
 - Philippine peso depreciated against the greenback to 58.73, a four-month low. The peso's move tracked broad weakness of emerging market currencies on concerns over U.S. protectionist trade policy under Trump.
- Asset Prices WoW
 - The 10-year US Treasury yields increased to 4.44% from 4.31%.
 - The 10-year PHP benchmark yield rose to 6.07% from 5.89%.
 - PHP depreciated against USD to 58.73 from 58.26.
 - S&P 500 declined by 2.08% to 5,870.62.
 - The PSEi declined by 4.31% to 6,676.65.

What to Expect This Week

The roller coaster ride continues. Stocks due for a technical rebound while interest rates consolidate at current elevated levels. Asset prices to see-saw within a wide range as Fed action remain data dependent and as markets await how President-elect Donald Trump's trade and fiscal policies will be executed.