

WEEKLY REVIEW (09/30/24 – 10/04/24)

What Happened Last Week

- US markets overlooked Middle East tensions and focused on the blockbuster jobs report. Stocks rallied but bond prices fell. The strong growth and labor market resilience weakened the case for a larger rate cut in November.
 - September Non-farm Payrolls printed at +254k, significantly higher than +150k estimates and +159k in August.
 - Wage growth in September faster at 4% year-on-year (y/y) vs. 3.8% estimates and 3.9% in August.
 - September unemployment rate slightly dropped to 4.1% vs. 4.2% market estimates.
- Locally, September inflation printed lower at 1.9% y/y. While equities rose, the bond market ignored the inflation data and prices tracked the downtrend in the US.
- Asset Prices WoW
 - The 10-year US Treasury yields jumped by 22 basis points to 3.97%.
 - The 10-year PHP benchmark yield slightly rose from 5.74% to 5.76%.
 - PHP depreciated from 56.077 to 56.295 against the USD.
 - S&P 500 rose by 0.22% to 5,751.07.
 - The PSEi rose by 0.53% to 7,467.92.
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What to Expect This Week

- Key US macro data for release this week.
 - October University of Michigan Consumer Sentiment Index is expected at 70.5, slightly higher than 70.1 in September.
 - Expected September Consumer Price Index (CPI) at +2.3% y/y, lower than +2.5% in August.
 - Producer Price Index (PPI) in September is estimated at +1.6% y/y, lower than August's +1.7%.
- Geopolitical conflict expected to affect local equities as PH sources its oil requirements from the Middle East.