

WEEKLY REVIEW (10/07/24 – 10/11/24)**What Happened Last Week**

- US bond prices fell as higher-than-expected inflation could indicate smaller rate cuts in the future. Equities gained. Strong bank earnings and optimistic expectations from bank presidents overshadowed higher jobless claims.
 - US Consumer Price Index (CPI) in September at 2.4% year-on-year (y/y), slightly higher than 2.3% forecast.
 - September US Purchasing Price Index (PPI) at 1.8% y/y, above 1.6% expectations.
 - Jobless Claims for the week ending Oct 5 at 258k, above 230k estimates.
- Locally, 1 to 7-year bonds tracked US bond declines but longer-dated bonds appreciated on lack of supply. Equities declined due to the weakening peso and foreign outflows.
- Asset prices WoW
 - The 10-year US Treasury yields rose by 13 basis points (bps) to 4.10%.
 - The 10-year PHP benchmark yield slightly fell from 5.76% to 5.73%.
 - PHP depreciated from 56.295 to 57.205 against USD.
 - S&P 500 improved by 1.1% to 5,815.03.
 - The PSEi declined by 2.1% to 7,310.32.

What to Expect This Week

- Key US data for release this week.
 - September Retail Sales to accelerate 0.3% month-on-month (m/m) from 0.1% in August.
 - Industrial Production to decline 0.1% m/m in September vs. 0.8% last month.
 - 3Q2024 earnings of Goldman Sachs, Bank of America, and Morgan Stanley
- Locally, BSP is expected to cut the policy rate by 0.25% at the October 16 Monetary Board meeting.