

WEEKLY REVIEW (10/21/24 – 10/25/24)**What Happened Last Week**

- US bond and equity prices fell. Markets focused on the possibility of a Trump win and ignored better-than-expected economic data.
 - Predictive models point to Trump winning the US elections with a greater than 60% probability.
 - The University of Michigan October Sentiment Index rose to 70.5 from 70.1 in September.
 - October Services Purchasing Managers' Index (PMI) rose to 55.3 relative to 55 forecast and 55.2 in September.
 - Manufacturing PMI increased to 47.8 in October vs. 47.5 forecast and 47.3 last month.
- PH bonds tracked the US downward trend. Likewise, local equities declined on thin volume and net foreign outflows.
- Asset prices Wow
 - The 10-year US Treasury yields increased by 16 basis points to 4.24%.
 - The 10-year PHP benchmark yield rose to 5.83% from 5.74%.
 - PHP depreciated from 57.511 to 58.32 against the USD.
 - S&P 500 dipped by 1.0% to 5,808.12.
 - The PSEi dropped 1.4% to 7,314.23.

What to Expect This Week

- Key US macro data set for release this week:
 - October US Nonfarm Payroll expected to print at 110k, lower than the 254k print in September.
 - Expected unemployment rate in October to remain at 4.1%.
 - 3Q24GDP anticipated to grow by 3.0%, same as the previous quarter.
 - September Core PCE deflator estimated to jump to 0.3% month-on-month, higher than August's 0.1%.
- Locally, BDO, Metrobank, Meralco and Wilcon Depot will report 3Q24 earnings this week.