

WEEKLY REVIEW (08/26/24 – 08/30/24)

What Happened Last Week

- US bond prices fell as solid consumer spending tempered hopes for a 0.50% rate cut in September. Conversely, signs of economic resilience were good for US equities with S&P 500 registering its 4th straight monthly advance.
 - July personal consumption expenditure accelerated to 0.50% after an unrevised 0.30% gain in June.
 - July personal income increased +0.3% month-on-month.
 - July year-on-year Core PCE deflator came in at +2.6%, unchanged from previous month.
- Local bond yields remain unchanged for a second week while the PCOMP declined due to profit-taking and the MSCI rebalancing last Friday.
- Asset Prices WoW
 - The 10-year US Treasury yields rose to 3.90% from 3.80%.
 - The 10-year PHP benchmark yield was flat at 6.07%.
 - PHP appreciated against the USD to 56.11 from 56.34
 - S&P 500 gained by 0.2% to 5,648.40.
 - The PSEi declined by 0.9% to 6,897.54.

What to Expect This Week

- Investors will now look ahead to the US labor market report for clues on the scale and pace of the Fed's rate cuts on September 19. On the local front, August inflation data is set to be released this week.
 - August US Nonfarm Payroll is expected to print at 165k, higher than the 114k print in July.
 - August US Unemployment Rate is expected to be lower at 4.2% from 4.3% in July.
 - PH August Inflation is expected to print at 3.6%, lower than the 4.4% print in July.