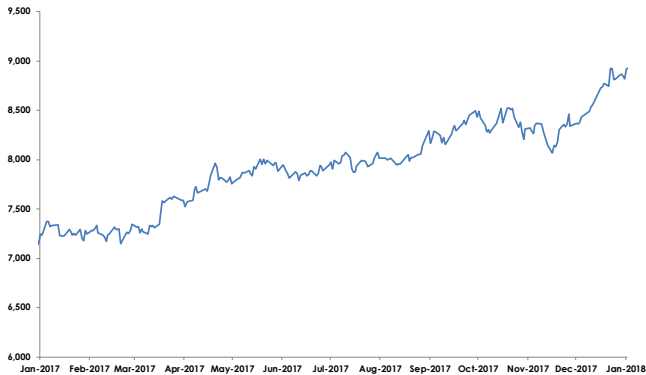


Record Highs

January 15 - January 19, 2018

PSEi 2018 Performance



Weekly PSEi Performance

	As of Jan. 19, 2018	W-o-W Change	YTD Change	Weight In the Index
PSEi	8,915.92	1.15%	4.18%	-
FMETF	134.50	0.90%	3.07%	-
All Shares	5,151.07	1.03%	3.23%	-
Financials	2,288.23	-1.61%	2.60%	19.19
Industrial	11,866.53	3.44%	5.66%	11.05
Services	1,638.77	1.18%	1.17%	10.04
Property	4,035.44	0.37%	1.44%	18.71
Holdings	9,143.90	1.65%	6.12%	39.57
Mining & Oil	12,027.82	2.34%	4.57%	1.02

Market Statistics (in Php bn)

	Jan. 15- Jan. 19, 2018	YTD
Ave. Daily Value Turnover	8.5	8.3
Foreign Buying	24.1	55.4
Foreign Selling	21.2	49.5
Net Foreign Buying/(Selling)	2.9	6.0
% of Foreign to Total	53%	49%

Foreign Indices

	Value	W-o-W	YTD	P/E 2018
Dow Jones	26,071.72	1.04%	5.47%	18.45
S&P 500	2,810.30	0.86%	5.11%	18.60
FTSE 100	7,730.79	-0.62%	0.56%	14.86
DAX	13,434.45	1.43%	4.00%	13.96
Nikkei	23,808.06	0.65%	4.58%	19.54
Hang Seng	32,254.89	2.68%	7.81%	12.81
Shanghai Composite	3,487.86	4.15%	5.46%	13.55
PSE	8,915.92	1.15%	4.18%	19.60

Sources: PSE data, Bloomberg

Equities Outlook

Market Outlook. PSEi likely to trade within the 8,800-8,950. Watch out for the full-year 2017 gross domestic product (GDP) today.

Drivers. Above-expectations GDP may push the local bellwether above 9,000. Profit-taking may be towards weekend with overbought market; 70 relative strength index.

Market Review. Market rally on its seventh weekly gain and all-time high, up by 1.15% week-on-week (w-o-w) to 8,915.92 on the back of strong foreign buying; Php2.85bn last week; year-to-date level is Php5.97bn. The market was the sixth best performing market w-o-w following Hong Kong (+2.7%), India (+2.7%), Taiwan (+2.5%), Indonesia (+1.9%), and China (+1.7%). Year-to-date (ytd), the market was up 4.2%, sixth best performing following Hong Kong (+7.8%), China (+5.5%), Taiwan (+4.8%), Tokyo (+4.6%), Singapore (+4.3%) and India (+4.3%).

Yesterday, the market touched another intraday high of 8,975.12 and closed in green at 8,950.62, up by 0.39% from last Friday's close, tracking regional markets' gains.

Economic Outlook

Foreign portfolio investment (FPI) in 2017 recorded a net outflow of \$205.03mn versus 2016's net inflow of \$404.43mn and lower than the Bangko Sentral ng Pilipinas' (BSP) estimate of \$2.5bn net outflows. For December alone, net inflow was at \$456.93mn, largest monthly net inflow for the year and a turnaround of last year's net outflow of \$314.65mn. Month-on-month, net inflow was up 324% versus November's \$107.71mn. The drivers were: the ratification of the Tax Reform for Acceleration and Inclusion (TRAIN), credit rating upgrade by Fitch Ratings, government issuance of retail treasury bonds and revision of growth forecasts to 6.7% from 6.6% in 2017 by the World Bank. For 2018, the central bank expects foreign portfolio investments to record a net outflow of \$900m.

The country's balance of payments (BOP) position recorded a surplus of \$917mn in December 2017, a reversal of the \$214mn BOP deficit in December 2016. This brought ytd 2017 BOP outflow to \$863mn versus \$420mn outflow in 2016 and behind the BSP's projection of \$1.4bn. Partially offset by the payments made by the NG for foreign obligations, foreign exchange operations of the central bank, net foreign currency deposits of the national government (NG) and income from the bank's investments abroad were behind the surplus. The BSP expects the 2018 BOP position to post a lower deficit of \$1.0bn driven by a net inflow in financial accounts due to continued positive developments in the domestic economy and infrastructure projects.

Corporate News

Metrobank and Bank of the Philippine Islands (MBT) and (BPI) will raise Php60bn and Php50bn, respectively, via stock rights offer. MBT will issue 820mn shares (26% of outstanding) while BPI will issue 567mn (14%). Implied price for MBT is at Php73.2/share which translates to 10x P/E while BPI at Php88.2/share at 13x P/E.

Commodities (in USD)

	Value	W-o-W	YTD
Gold (per troy ounce)	1,331.84	-0.43%	2.23%
Nickel (per metric tons)	12,720.00	-0.04%	-0.31%
Copper (per lbs)	318.75	-0.96%	-3.42%
WTI (per barrel)	63.37	-1.45%	4.88%
Sugar (per lbs)	13.25	-6.56%	-12.60%

Index Performer (Year-to-date; 2018 P/E)

Gainers				Losers			
Stock	Price	% Chg	PE	Stock	Price	% Chg	PE
LTG	23.00	23%	21.27	GLO	1,725.00	-9%	14.78
SMC	133.00	19%	-	FGEN	15.90	-6%	8.24
BPI	123.50	14%	18.11	RLC	20.00	-6%	12.55
URC	170.00	13%	31.50	BDO	159.50	-3%	20.31
JFC	280.00	11%	38.97	MBT	100.20	-1%	13.33

Index Performer (Week-on-Week; 2018 P/E)

Gainers				Losers			
Stock	Price	% Chg	PE	Stock	Price	% Chg	PE
JFC	280.00	10%	38.97	MBT	100.20	-9%	13.33
LTG	23.00	8%	21.27	RLC	20.00	-5%	12.55
AEV	78.00	6%	16.48	BDO	159.50	-3%	20.31
BPI	123.50	6%	18.11	AC	1,031.00	-3%	20.46
TEL	1,482.00	4%	14.86	GTCAP	1,392.00	-3%	15.73

Top Weekly Net Foreign Buying/Selling (Index Components, in Php mn)

Top Foreign Buying		Top Foreign Selling	
JFC	979.50	BDO	(548.83)
BPI	363.44	AC	(362.72)
TEL	345.68	MEG	(234.74)
AEV	276.57	RLC	(216.92)
SMPH	275.28	MBT	(114.88)

Market Calendar

Monday	Tuesday	Wednesday	Thursday	Friday
1/8/2018	1/9/2018	1/10/2018	1/11/2018	1/12/2018
	PH: Trade Balance	CH: CPI	US: Initial Jobless Claims	US: CPI
1/15/2018	1/16/2018	1/17/2018	1/18/2018	1/19/2018
PH: OFW Remittances			US: Initial Jobless Claims CH: GDP	PH: Balance of Payments
1/22/2018	1/23/2018	1/24/2018	1/25/2018	1/26/2018
	PH: GDP Annual YoY	US: US Manufacturing PMI	US: Initial Jobless Claims	US: GDP Annualized
1/29/2018	1/30/2018	1/31/2018	2/1/2018	2/2/2018
		PH: Bank Lending PH: Money Supply CH: Manufacturing PMI	US: Initial Jobless Claims US: FOMC Rate Decision US: ISM Manufacturing CH: Caixin PMI Mfg	US: Nonfarm Payrolls