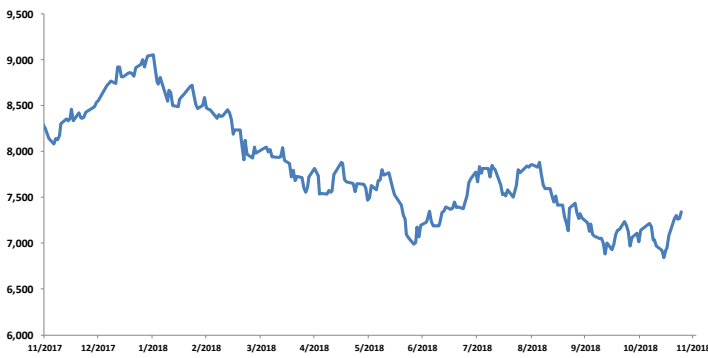


### PSEi 2018 Performance



### Weekly PSEi Performance

	As of Nov. 23, 2018	W-o-W Change	YTD Change	Weight In the Index
PSEi	7,340.2	3.6%	-14.2%	-
FMETF	109.5	2.8%	-13.6%	-
All Shares	4,409.2	2.3%	-11.6%	-
Financials	1,739.2	4.7%	-22.0%	18.8
Industrial	10,783.6	1.0%	-4.0%	12.5
Services	1,398.5	1.3%	-13.7%	10.3
Property	3,574.2	4.3%	-10.2%	20.1
Holdings	7,149.6	3.4%	-17.0%	37.4
Mining & Oil	8,373.0	-6.4%	-27.2%	0.8

### Market Statistics (in Php bn)

	Nov. 23, 2018	YTD
Ave. Daily Value Turnover	8.5	7.1
Foreign Buying	25.6	758.9
Foreign Selling	15.7	817.8
Net Foreign Buying/(Selling)	9.9	(58.8)
% of Foreign to Total	49	51

### Foreign Indices

	Value	W-o-W	YTD	P/E
Dow Jones	24,286.0	-4.4%	-1.8%	15.2
S&P 500	2,632.6	-3.8%	-1.5%	16.1
FTSE 100	6,952.9	-0.9%	-9.6%	12.4
DAX	11,192.7	-1.3%	-13.4%	12.4
Nikkei	21,646.6	-0.2%	-4.9%	15.5
Hang Seng	25,927.7	-1.0%	-13.3%	10.9
Shanghai	2,579.5	-3.7%	-22.0%	10.5

Sources: PSE data, Bloomberg

### Equities Outlook

**Outlook.** The PSEi may sustain its upward trajectory amid improving domestic sentiment over slowing inflation and stronger peso. Bangko Sentral ng Pilipinas (BSP) and central banks in emerging markets (EMs) have done their share of rate hiking aimed at curbing inflation and bridging interest rate differential vs US benchmark will help ease pressure on currency. Dollar's weakness amid recent US sell-off won't necessarily mean an equivalent sell-off in EMs.

Investors are expected to watch closely the G20 Summit this week for clues on the direction of oil prices and US-China trade spat. Other key data to watch out for this week are the release of PH domestic liquidity and money supply growth and FOMC minutes on November 29, and China's manufacturing PMI on November 30.

**Market Review.** The PSEi bucked the global sell-off last week to sustain its second straight week of gains, up 256.8 points (+3.6% week-on-week, w/w) to close on Friday at 7,340.2 on expectation that inflation has peaked and amid the backdrop of stronger peso and falling global oil prices. Global oil prices have gone down by 34% from its 2018's peak in October to \$50.42/barrel. Year-to-date (YTD), the index has cut its losses to 14.2%.

**Market Flows.** Net foreign buying returned totaling P9.9bn after two straight weeks of outflows, trimming the YTD net outflows to P58.8bn.

**Regional Markets.** Except for the PH, Asian markets were down w/w led by China (-3.7%), South Korea (-1.7%), India (-1.3%) and Taiwan (-1.3%). YTD, India is the only gainer (+2.7%), while China (-22%), South Korea (-16.6%) and the PH (-14.2%) remain the top underperformers.

**Currencies.** Philippine peso sustained its strength for the seventh consecutive week, gaining 0.5% w/w to end on Friday at P52.45/\$. YTD, it has pared its losses to 4.8%. Most Bought/Sold Stocks. See table in next page.

### Economic News

S&P Global Ratings expects the Philippine economy to sustain its above-6% growth to 6.5% this year and 6.6% for 2019, despite near-term headwinds from weaker consumer and government spending, coupled with the growth dampening impact of the Monetary Board's (MB) 175-bp rate hikes this year. The agency sees consumption spending to grow at a slower pace next year vis-a-vis recent data due to still elevated inflation, albeit the implementation of rice tariffication and the temporary suspension of next year's fuel tax hike would help curb rising consumer prices. S&P projects Philippine inflation to average 5.1% this year, but will settle within the BSP's target range of 2-4% to 3.8% in 2019 and 3.5% in 2020. S&P also added that the government may cut the roll out of some non-crucial infrastructure projects to ease deteriorating current account position, which in the first half reached BSP's full year target of \$3.1bn for 2018.

Bureau of the Treasury (BTr) reported that budget deficit for October reached P59.9bn, bringing the YTD tally to P438.1bn. The YTD-October figure was up 87% y/y and comprised 84% of the government's full year program of P523.7bn. Revenues for October likewise rose 20% y/y to P246.8bn, while disbursements increased at a faster pace of 35% to P306.6bn. These led to YTD revenue growth of 18% y/y to P2trn and expenditure increase of 25% to P2.8trn.

### Corporate News

Philippine Long Distance Telephone Co. (TEL) disclosed today that its has signed an agreement with World Bank's private sector arm International Finance Corporation (IFC) and IFC Emerging Asia Fund under which these companies will subscribe to a total of \$40mn worth of Voyagers newly-issued shares for a minority stake. With these investments, the combined funding raised for Voyager from KKR, Tencent, IFC and IFC Emerging Asia Fund would amount to \$215mn. Upon the close of the transactions, which is expected before end-2018, PLDT's stake in Voyager will be reduced to less than 50%, albeit it will remain as its single largest shareholder. TEL closed on Friday at P1,200/share, down 18.9% YTD.

**Index Performer (Year-to-date)**

Gainers				Losers			
Stock	Price	% Chg	P/E	Stock	Price	% Chg	P/E
SMC	172.00	54%	15.3	SECB	162.80	-35%	11.7
MER	390.00	19%	20.3	AEV	48.15	-35%	11.0
JFC	283.00	12%	34.6	JGS	47.40	-34%	12.6
GLO	1,975.00	4%	13.9	MPI	4.69	-32%	9.5
RLC	21.35	4%	13.6	SCC	25.60	-30%	6.8

**Index Performer (Week-on-Week)**

Gainers				Losers			
Stock	Price	% Chg	P/E	Stock	Price	% Chg	P/E
SECB	162.80	16%	11.7	RRHI	72.05	-6%	17.4
MEG	4.85	11%	9.5	LTG	15.48	-3%	9.4
GTCAP	877.00	9%	10.5	SCC	25.60	-2%	6.8
BPI	94.50	6%	14.9	FGEN	17.22	-1%	6.0
ALI	41.50	5%	18.1				

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

Top Foreign Buying		Top Foreign Selling	
MBT	405.8	MPI	-340.3
BPI	357.1	AGI	-295.5
BDO	295.7	ICT	-227.6
ALI	291.0	SM	-225.4
SECB	203.7	JGS	-180.6

**Commodities (in USD)**

	Value	W-o-W	YTD
Gold (per troy ounce)	1,223.1	0.0%	-6.1%
Nickel (per metric tons)	10,915.0	-3.9%	-14.5%
Copper (per lbs)	278.6	-0.9%	-17.1%
WTI (per barrel)	50.4	-10.7%	-16.6%
Sugar (per lbs)	12.5	-1.7%	-20.5%
Rice (per cwt)	10.8	-1.2%	-7.9%

**Market Calendar**

Monday	Tuesday	Wednesday	Thursday	Friday
11/26/2018	11/27/2018	11/28/2018	11/29/2018	11/30/2018
PH: Budget Balance (Oct)		US: Q3 GDP and Core PCE (Second Reading)	PH: Money Supply & Bank Lending (Oct) US: Initial Jobless Claims (Nov 24) and FOMC Minutes (Nov)	CH: Manufacturing PMI (Nov)
12/03/2018	12/04/2018	12/05/2018	12/06/2018	12/07/2018
		PH: Unemployment (Oct) & Inflation (Nov)	US: Initial Jobless Claims	PH: Forex Reserves (Nov) CH: Forex Reserves (Nov)