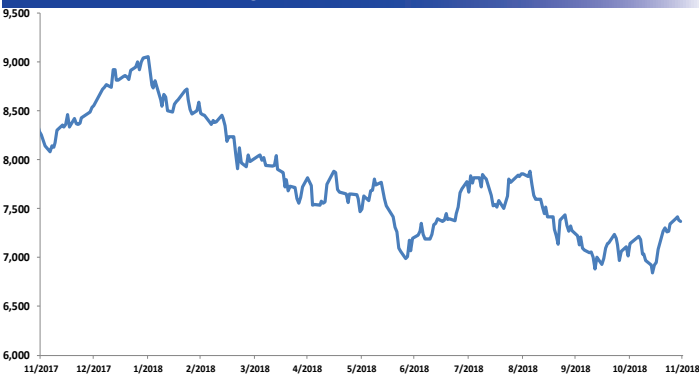


PSEi 2018 Performance



Weekly PSEi Performance

	As of Nov. 29, 2018	W-o-W Change	YTD Change	Weight In the Index
PSEi	7,367.9	0.4%	-13.9%	-
FMETF	110.5	0.9%	-12.8%	-
All Shares	4,441.3	0.7%	-11.0%	-
Financials	1,758.3	1.1%	-21.2%	19.0
Industrial	10,655.1	-1.2%	-5.1%	12.1
Services	1,401.6	0.2%	-13.5%	10.2
Property	3,601.1	0.8%	-9.5%	20.2
Holdings	7,230.9	1.1%	-16.1%	37.7
Mining & Oil	8,487.6	1.4%	-26.2%	0.8

Foreign Indices

	Value	W-o-W	YTD	P/E
Dow Jones	25,538.5	5.2%	3.3%	16.0
S&P 500	2,760.2	4.8%	3.2%	16.9
FTSE 100	6,980.2	0.4%	-9.2%	12.3
DAX	11,257.2	0.6%	-12.9%	12.5
Nikkei	22,351.1	3.3%	-1.8%	16.2
Hang Seng	26,506.8	2.2%	-11.4%	11.1
Shanghai	2,588.2	0.3%	-21.7%	10.6

Sources: PSE data, Bloomberg

Equities Outlook

Outlook. The 7,400 level may become PSEi's new support amid optimism following the US-China trade war truce that will temporarily suspend the implementation of higher tariffs on \$200bn worth of Chinese exports originally scheduled on Jan. 1, 2019, which helps ease concerns over slowing global growth.

On the domestic front, investors await the release of the November inflation on Wednesday (Dec. 5) confirming its peaking and clocking in at a slower: 6.3% year-on-year (y/y) vs 6.7% in the past two months.

Market Review. The PSEi rose for the third consecutive week, up 27.7 points (+0.4% week-on-week, w/w) to close on November 29 at 7,367.9 due to positive sentiment over slower inflation outlook and strengthening peso. Month-on-month (m/m), the local bellwether climbed by 227.56 points (+3.2%) in November, a reversal of two months of decline. From its low of 6,884.38 on October 11, the PSEi has gone up by 7%. Year-to-date (YTD), the index has trimmed its losses to 13.9%.

Market Flows. Excluding FB's block sale of P39.2bn, net foreign outflows totaled P2.2bn for November. Last week, it recorded net foreign selling amounting to P734mn, bringing the YTD tally to P95.8bn (excluding FB).

Regional Markets. Most Asian markets gained w/w led by India (+3.5%), Taiwan (+2.3%) and Hong Kong (2.2%). YTD, only India is a gainer (+6.3%), while China (-21.7%), Korea (-15%) and the Philippines (-13.9%) are the top underperformers.

Currencies. The Philippine peso was flat last week, ending at P52.45/\$ on Thursday. YTD, the peso has pared its losses to 4.8%. For Most Bought/Sold Stocks, see table in next page.

Economic News

Analysts widely anticipate Philippine inflation to slow to 6.3% y/y (median) in November after recording a 9-year high of 6.7% in September and October. This is in line with the Department of Finance' (DoF) estimate and falls within the Bangko Sentral ng Pilipinas' (BSP) forecast of 5.8-6.6%. The slower inflation forecasts came amid the sharp decline in global oil prices (which in November fell on the average by 20% m/m), the normalization of food supply, especially agricultural products, and stronger peso (on the average, peso gained by 2.3% m/m). These are expected to partly offset the increase in fares for jeepneys and buses implemented in November as well as the higher electricity rates for Meralco serviced areas (Meralco rates were adjusted upward by P0.1135/kWh in November). We (house view), likewise, expect inflation to decelerate to 6.2% in November.

BSP reported that money supply (M3) growth decelerated for the fifth straight month in October to 8.2% y/y from 9.8% in the previous month, following the Monetary Board's (MB) aggressive contractionary stance to limit further inflation uptick. Despite the M3 slowdown, bank lending growth quickened to 18.4% y/y (net of RRP) in October from 17.4% in September, buoyed by robust lending for productive activities (+18.7% from +17.4% in September), especially for manufacturing (+20.6%), wholesale and retail trade (+19.9%) and real estate (+15.4%). Consumer lending, meanwhile, slowed to 14.6% y/y in October from 18.2% in September, dragged by the marked slowdown in motor vehicle loans (+14.2% from 21.9%). Motor vehicle loans comprised 45% of total household loans.

Corporate News

D&L Industries (DNL) has announced the construction of two new plants in First Industrial Township (Special Economic Zone) in Tanauan, Batangas -- one for food ingredients and an integrated facility to manufacture oleochemicals and downstream packaging. The new plants are expected to be completed by 2021. Estimated capex for the project is P8bn, 70% of which will be financed by debt and 30% thru internally generated funds. DNL closed on Thursday at P10.20/share, -7.3% YTD.

Index Performer (Year-to-date)

Gainers				Losers			
Stock	Price	% Chg	P/E	Stock	Price	% Chg	P/E
SMC	174.70	57%	15.5	SECB	161.00	-36%	12.1
MER	384.20	17%	20.0	JGS	48.20	-33%	12.8
JFC	278.40	10%	34.1	MPI	4.70	-31%	9.5
FGEN	17.72	4%	6.1	AEV	52.20	-29%	12.0
GLO	1,970.00	4%	13.9	GTCAP	888.00	-29%	10.7

Index Performer (Week-on-Week)

Gainers				Losers			
Stock	Price	% Chg	P/E	Stock	Price	% Chg	P/E
AEV	52.20	8%	12.0	MEG	4.51	-7%	8.8
RRHI	76.40	6%	18.8	DMC	12.34	-6%	9.6
MBT	74.60	3%	10.6	URC	128.00	-5%	25.6
SMPH	34.70	3%	28.1	RLC	20.45	-4%	13.0
LTG	15.98	3%	9.7	TEL	1,158.00	-4%	10.9

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

Top Foreign Buying		Top Foreign Selling	
MBT	1,670.3	ICT	-1,048.8
BPI	263.0	SM	-658.0
SMPH	164.3	PGOLD	-375.1
BDO	80.1	JGS	-194.0
MER	77.2	DMC	-191.0

Commodities (in USD)

	Value	W-o-W	YTD
Gold (per troy ounce)	1,220.5	-0.2%	-6.3%
Nickel (per metric tons)	11,200.0	2.6%	-12.2%
Copper (per lbs)	278.8	0.1%	-17.0%
WTI (per barrel)	50.9	1.0%	-15.7%
Sugar (per lbs)	12.8	3.0%	-18.2%
Rice (per cwt)	10.9	1.2%	-6.8%

Market Calendar

Monday	Tuesday	Wednesday	Thursday	Friday
12/03/2018	12/04/2018	12/05/2018	12/06/2018	12/07/2018
		PH: Unemployment (Oct) & Inflation (Nov)	US: Initial Jobless Claims (Dec 1)	PH: Forex Reserves (Nov) CH: Forex Reserves (Nov) US: Unemployment Rate (Nov)
12/10/2018	12/11/2018	12/12/2018	12/13/2018	12/14/2018
	PH: External Trade (Oct)	US: CPI (Nov)	PH: Monetary Board Meeting US: Initial Jobless Claims (Dec 8) and FOMC Meeting	CH: Retail Sales (Nov)