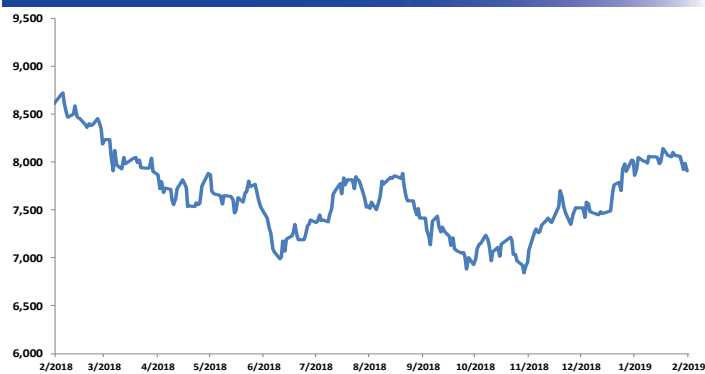


## Foreign Selling

February 11-15, 2019

### PSEi 2019 Performance



### Weekly PSEi Performance

	As of Feb. 15, 2019	W-o-W Change	YTD Change	Weight In the Index
PSEi	7,908.9	-2.0%	5.9%	-
FMETF	118.0	-1.5%	5.8%	-
All Shares	4,823.3	-1.5%	6.8%	-
Financials	1,786.4	-3.3%	0.4%	18.0
Industrial	11,457.3	-1.9%	4.6%	12.1
Services	1,568.5	-3.1%	8.7%	10.1
Property	4,036.7	1.0%	11.3%	20.8
Holdings	7,901.9	-1.6%	7.6%	38.3
Mining & Oil	8,492.9	-2.8%	3.6%	0.7

### Market Statistics (in Php bn)

	Feb. 15, 2019	YTD
Ave. Daily Value Turnover	8.4	8.5
Foreign Buying	22.1	158.5
Foreign Selling	22.3	135.6
Net Foreign Buying/(Selling)	(0.1)	23.1
% of Foreign to Total	53	54

### Foreign Indices

	Value	W-o-W	YTD	P/E
Dow Jones	25,883.3	3.1%	11.0%	15.7
S&P 500	2,775.6	2.5%	10.7%	16.6
FTSE 100	7,236.7	2.3%	7.6%	12.6
DAX	11,299.8	3.6%	7.0%	12.2
Nikkei	20,900.6	2.8%	4.4%	15.1
Hang Seng	27,900.8	-0.2%	8.0%	10.7

Sources: PSE data, Bloomberg

### Equities Outlook

**Outlook.** The PSEi may trade higher this week, between 8,000-8,100, amid optimism on US-China trade deal after the leaders of both countries sounded upbeat on the progress of the trade talks over the weekend. Investors will also closely await the release of the FOMC minutes on February 21 to look for signs that could veer off the Fed from its dovish stance. On the domestic front, corporate earnings results were mixed. Out of the six companies that have released their full year results, one was ahead of consensus (GLO), three were in-line (JFC, ALI and SMPH) and two were behind (CHP, IMI). Next week, BDO (February 26), MER (February 26) and SM (February 28) will release their full year results.

This week, key economic releases are the PH's balance of payments for January (February 19) and FOMC minutes (February 21).

**Market Review.** The PSEi retreated for the second consecutive week, dropping 162 points (-2% week-on-week, w/w) to close on Friday at 7,908.9 as renewed fears over global slowdown and uncertainties on US-China trade deal weighed on investors sentiment. Year-to-date (YTD), the local bourse has gained 5.9%, behind MSCI EM's 6.7% gains for the same period.

**Market Flows.** Foreign investors broke the six straight weeks of net buying streak as they turned net sellers last week for a total amount of P141.6mn. This shaved the YTD net inflows to P23.1bn.

**Regional Markets.** Asian markets were mixed w/w, with Japan (+2.8%), China (+2.5%), and Taiwan (+1.3%) as the top performers, while the PH (-2%), Indonesia (-2%) and India (-2%) as the top underperformers. YTD, Hong Kong (+8%), China (+7.6%) and Korea (+7.6%) are the best performing markets in the region, while India (-0.7%) and Malaysia (-0.1%) are the laggards.

**Currencies.** The Philippine peso weakened by 0.7% w/w to close on Friday at P52.43/\$. YTD, it has gained 0.3% vs MSCI Emerging Currencies' +1.3%. For Most Bought/Sold Stocks, see table in next page.

### Economic News

Bangko Sentral ng Pilipinas (BSP) reported that OFW cash remittances for full year 2018 had hit an all-time high of \$28.9bn, albeit growth was at its slowest pace to 3.1% year-on-year (y/y) from 4.3% in the previous year. In December alone, cash remittances rose 3.9% y/y to \$2.8bn. Full year expansion in cash remittances was driven by the strong inflows from the US (+6%); Asia (+12.3%), due to the double-digit increases in Hong Kong (+15%), Korea (+20.1%), Malaysia (+31.8%) and Taiwan (+45.5%), which accounted for more than a third of cash remittances from the region; and Europe (+7.7%), especially from the Netherlands (+35.8%), UK (+10.4%) and Germany (+12.6%), which comprised 57% of remittances from the region. These offset the sharp decline in remittances from the Middle East (-15.3%) partly attributed to the repatriation program of the government due to Saudization. Cash remittances from the Philippines' top three markets in the region, which contributed 80% of the remittances from the Middle East, contracted last year namely, UAE (-19.9%), Saudi Arabia (-11.1%) and Qatar (-9.2%). Nonetheless, we still expect OFW cash remittances to remain resilient this year and grow by 2-4% y/y.

BSP reported that registered net portfolio investments in January totaled \$762.8mn, 4.7x higher from a year ago. The central bank attributed the higher net inflows to investors optimism due to easing US-China trade tension, coupled with the country's improving inflation outlook. Of the total amount, \$506mn were invested in PSE-listed securities, \$256mn in peso-denominated government securities and less than \$1mn in peso time deposits, while net outflows of less than \$1mn were recorded in peso debt instruments. Portfolio inflows came mainly from the UK, US, Singapore, Norway and Hong Kong, comprising a combined share of 74.7%.

### Corporate News

Ayala Land, Inc. (ALI) reported core net income of P29.2bn in full year 2018, up 20% from a year ago. Consolidated revenues rose 17% to P166.2bn due to strong property business (+18%) and leasing business (+17%). Reservation sales grew 16%

to P141.9bn amid robust demand from local and overseas Filipinos comprising 82% of total sales. ALI closed today at P44.65/share, up 10% YTD.

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

Gainers				Losers			
Stock	Price	% Chg	P/E	Stock	Price	% Chg	P/E
AEV	66.00	20%	14.7	PCOR	6.60	-14%	5.9
AGI	13.86	16%	7.7	LTG	15.30	-8%	8.6
ICT	115.00	15%	22.4	MER	355.00	-7%	18.1
URC	146.00	15%	28.9	BPI	89.20	-5%	14.6
JGS	62.25	12%	16.3	AP	34.00	-3%	9.8

### Index Performer (Week-on-Week)

Gainers				Losers			
Stock	Price	% Chg	P/E	Stock	Price	% Chg	P/E
AEV	66.00	6%	14.7	TEL	1,112.00	-10%	10.5
AC	961.00	4%	16.4	AP	34.00	-10%	9.8
SMPH	39.40	2%	31.5	GTCAP	990.00	-10%	11.9
RLC	21.95	2%	13.5	PCOR	6.60	-8%	5.9
ICT	115.00	1%	22.4	GLO	1,890.00	-7%	13.2

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

Top Foreign Buying		Top Foreign Selling	
ICT	697.4	BDO	-303.0
SCC	595.9	MER	-229.0
ALI	364.8	SM	-189.4
SMPH	251.3	PCOR	-170.6
MEG	139.6	GTCAP	-157.6

### Commodities (in USD)

	Value	W-o-W	YTD
Gold (per troy ounce)	1,322.5	0.6%	3.1%
Nickel (per metric tons)	12,400.0	-1.4%	16.0%
Copper (per lbs)	279.9	-0.4%	6.4%
WTI (per barrel)	55.6	5.4%	22.4%
Sugar (per lbs)	13.0	2.7%	7.4%
Rice (per cwt)	10.0	-3.6%	-1.0%

### Market Calendar

Monday	Tuesday	Wednesday	Thursday	Friday
2/18/2019	2/19/2019	2/20/2019	2/21/2019	2/22/2019
	PH: BOP (Jan)		US: FOMC Minutes & Initial Jobless Claims (Feb 16)	
2/25/2019	2/26/2019	2/27/2019	2/28/2019	3/1/2019
PH: Budget Balance (Dec)			PH: Money Supply (Jan) & Bank Lending (Jan) CH: Manufacturing PMI (Feb) US: Initial Jobless Claims (Feb 23) & Q4 GDP	PH: Nikkei Philippine PMI Mfg (Feb) CH: Caixin China PMI Mfg (Feb) US: PCE Core (Dec) & Markit US Manufacturing PMI (Feb F)