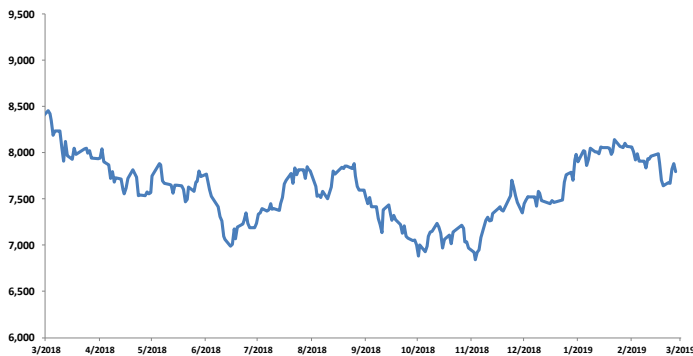


### PSEi 2019 Performance



### Weekly PSEi Performance

	As of March 8, 2019	W-o-W Change	YTD Change	Weight In the Index
PSEi	7,797.1	2.0%	4.4%	-
FMETF	116.2	1.8%	4.2%	-
All Shares	4,817.2	1.8%	6.6%	-
Financials	1,760.9	4.6%	-1.1%	17.7
Industrial	11,580.4	2.1%	5.7%	11.9
Services	1,550.6	2.1%	7.5%	10.7
Property	3,945.7	0.5%	8.8%	20.7
Holdings	7,798.8	1.4%	6.2%	38.4
Mining & Oil	8,139.2	-2.6%	-0.7%	0.6

### Market Statistics (in Php bn)

	March 8, 2019	YTD
Ave. Daily Value Turnover	6.0	8.4
Foreign Buying	15.5	223.9
Foreign Selling	15.8	197.5
Net Foreign Buying/(Selling)	(0.3)	26.5
% of Foreign to Total	52	54

### Foreign Indices

	Value	W-o-W	YTD	P/E
Dow Jones	25,450.2	-2.2%	9.1%	15.4
S&P 500	2,743.1	-2.2%	9.4%	16.4
FTSE 100	7,104.3	0.0%	5.6%	12.6
DAX	11,457.8	-1.2%	8.5%	12.6
Nikkei	21,025.6	-2.7%	5.1%	15.3
Hang Seng	28,228.4	-2.0%	9.2%	10.9
Shanghai	2,969.9	-0.8%	19.1%	11.1

Sources: PSE data, Bloomberg

### Equities Outlook

**Outlook.** The PSEi may trade sideways this week amid mounting worries over global growth slowdown and dearth of domestic catalysts. So far, corporate earnings have failed to excite the market as results were mixed. Out of the 26 companies that have released their earnings, nine outperformed consensus, eight were in line and 10 were behind. See table on page 2.

This week, key economic data to be released are the Philippines' external trade for January (March 12, exports estimate of -4.3%) and OFW remittances for January (March 15, estimate of 4%).

**Market Review.** The PSEi bucked regional markets last week, climbing by 155.3 points (+2% week-on-week, w/w) to close on Friday at 7,797.1 as investors digested the lower-than-expected February inflation of 3.8% vs consensus of 4.1% and speculation of a possible BSP reserve cut due to continuing downtrend of inflation. This was tempered, however, by concerns over China's growth slowdown after its government announced a 6-6.5% growth target for 2019 from 2018's 6.6% actual growth and its February exports data declining at a faster pace of 20.7% vs estimate of 4.8% drop. Year-to-date (YTD), the local bourse has gained 4.4%, still behind the MSCI EM's rise of 6.7%.

**Market Flows.** Net foreign selling totaled P296.5mn last week, shaving the YTD net buying to P26.5bn (\$497mn).

**Regional Markets.** Except for the Philippines and India, all markets in Asia were down last week led by Japan (-2.7%), South Korea (-2.6%) and Hong Kong (-2%) amid renewed concerns on global growth. Nonetheless, except for Malaysia, all Asian markets are gainers YTD, led by China (+19.1%), Hong Kong (+9.2%) and Taiwan (+5.3%).

**Currencies.** The Philippine peso weakened by 1% last week to close at P52.25/\$. This came after the peso rallied on March 4 to \$51.72/\$ following the release of slower February inflation print. Nonetheless, the peso remains a gainer YTD, up 0.6%. Bought/Sold Stocks, see table in next page.

### Economic News

Bangko Sentral ng Pilipinas (BSP) reported that foreign direct investments (FDIs) for full year 2018 totaled \$9.8bn, 4.4% lower than 2017's \$10.3bn and behind the central bank's target of \$10.4bn for the year. The increase in debt instruments by 11.3% to \$6.7bn partially offset the 33.3% decline to \$2.3bn in net equity capital placements and flat (-0.4% to \$859mn) reinvestment of earnings. For December alone, FDIs dropped by 4.8% to \$677mn. Bulk of the equity capital placements for 2018 came from Singapore (\$936mn), Hong Kong (\$270mn) and Japan (\$219mn). These were mostly channeled in manufacturing (\$1bn), financial and insurance (\$330mn) and real estate (\$296mn).

Bureau of the Treasury (BTr) reported that total gross borrowings rose 5.1% y/y in 2018 to P947.5bn, albeit slightly lower than government's planned borrowing of P986bn. This was driven by the 80.3% increase in external borrowing to P303.1bn amid the decline in domestic debt by 12.1% to P644.5bn. For December alone, gross debt grew 44.3% y/y to P132.3bn. For 2019, the national government's programmed borrowing will increase by 20% to P1.19trn given expectation of fiscal deficit of 3.2% of GDP or P624.4bn. Of this amount, P297.2bn will be sourced from foreign creditors and P891.7bn from domestic lenders.

### Corporate News

Aboitiz Equity Ventures' (AEV) net income rose 3% year-on-year (y/y) to P22.2bn in 2018. Power was the largest income contributor (73% share), followed by financial services (16%) and food (3%). Meanwhile, core net income dropped by 3% y/y to P23.1bn, while consolidated EBITDA rose 6.5% to P60.7bn. AEV closed today at P56.90/share, up 3.4% YTD.

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

Gainers				Losers			
Stock	Price	% Chg	P/E	Stock	Price	% Chg	P/E
BLOOM	12.14	29%	15.1	SCC	20.35	-12%	6.2
AGI	14.62	23%	8.1	DMC	11.56	-10%	9.3
JGS	67.00	20%	17.2	BPI	86.30	-8%	14.2
SMC	174.10	18%	15.2	LTG	15.80	-5%	9.0
RLC	23.50	17%	14.5	TEL	1,075.00	-4%	10.0

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

Gainers				Losers			
Stock	Price	% Chg	P/E	Stock	Price	% Chg	P/E
MPI	4.92	8%	10.1	SCC	20.35	-6%	6.2
BDO	133.00	8%	14.0	AP	34.00	-3%	10.0
BLOOM	12.14	7%	15.1	AEV	58.80	-2%	13.1
GTCAP	993.00	7%	12.0	RRHI	85.50	-1%	21.4
AGI	14.62	7%	8.1				

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

Top Foreign Buying		Top Foreign Selling	
URC	280.0	ALI	-971.5
MEG	272.2	TEL	-202.4
SMC	146.4	MBT	-149.7
JGS	120.8	AC	-114.2
ICT	99.9	DMC	-104.7

**Commodities (in USD)**

	Value	W-o-W	YTD
Gold (per troy ounce)	1,298.3	0.4%	1.2%
Nickel (per metric tons)	13,090.0	-0.8%	22.5%
Copper (per lbs)	289.4	-1.3%	9.7%
WTI (per barrel)	56.1	0.5%	23.5%
Sugar (per lbs)	12.2	-3.5%	0.7%
Rice (per cwt)	10.6	3.0%	4.9%

**Earnings Results for 2018**

Company	2018 Earnings Growth YoY	Remarks
AEV	-3%	Below
ALI	20%	IL
AP	2%	OP
BDO	23%	OP
BEL	-8%	Below
BLOOM	18%	OP
BPI	3%	IL
CHIB	10%	OP
CHP	-193%	Below
DMC	-2%	Below
EAGLE	13%	OP
GLO	38%	OP
ICT	5%	OP
JFC	13%	IL
MER	11%	OP
MPI	7%	IL
RCB	0%	IL
RLC	2%	Below
RRHI	3%	Below

Company	2018 Earnings Growth YoY	Remarks
SCC	-15%	Below
SECB	1%	Below
SHLPH	39%	OP
SM	13%	IL
SMPH	35%	IL
TEL	1%	Below
UBP	-6%	Below

Notes:  
 OP - outperformed consensus  
 IL - in-line with consensus  
 Below - Below consensus

Market Calendar

Monday	Tuesday	Wednesday	Thursday	Friday
3/11/2019 US: Retail Sales Advance (Jan)	3/12/2019 PH: External Trade (Jan) US: CPI (Feb)	3/13/2019	3/14/2019 CH: Retail Sales (Feb) & Industrial Production (Feb) US: Initial Jobless Claims (Mar 9)	3/15/2019 PH: OFW Remittances (Jan)
3/18/2019	3/19/2019	3/20/2019	3/21/2019 US: FOMC Meeting and Initial Jobless Claims (Mar 16)	3/22/2019