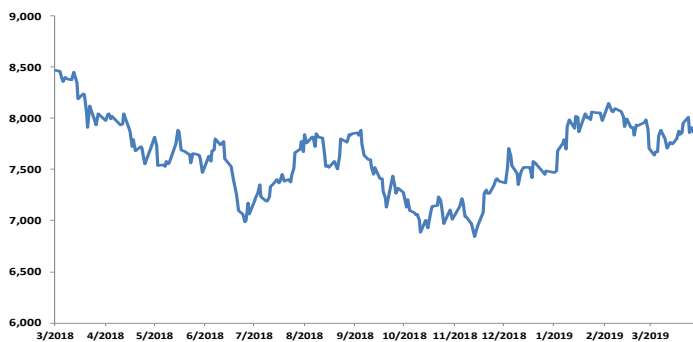


PSEi 2019 Performance



Weekly PSEi Performance

	As of March 29, 2019	W-o-W Change	YTD Change	Weight In the Index
PSEi	7,920.9	-1.2%	6.1%	
FMETF	118.0	-1.0%	5.8%	
All Shares	4,864.2	-1.0%	7.7%	
Financials	1,762.7	-1.5%	-1.0%	17.5
Industrial	11,720.4	-0.1%	7.0%	11.9
Services	1,608.3	0.0%	11.5%	11.1
Property	4,115.6	0.1%	13.4%	21.1
Holdings	7,736.4	-2.6%	5.4%	37.7
Mining & Oil	7,930.8	-4.9%	-3.3%	0.6

Market Statistics (in Php bn)

	March 29, 2019	YTD
Ave. Daily Value Turnover	5.6	8.0
Foreign Buying	16.6	285.3
Foreign Selling	12.9	252.7
Net Foreign Buying/(Selling)	3.6	32.6
% of Foreign to Total	52.5	55.0

Foreign Indices

	Value	W-o-W	YTD	P/E
Dow Jones	25,928.7	1.7%	11.2%	15.8
S&P 500	2,834.4	1.2%	13.1%	17.1
FTSE 100	7,279.2	1.0%	8.2%	13.1
DAX	11,526.0	1.4%	9.2%	12.8
Nikkei	21,205.8	-1.9%	6.0%	15.7
Hang Seng	29,051.4	-0.2%	12.4%	11.5
Shanghai	3,090.8	-0.4%	23.9%	11.9

Sources: PSE data, Bloomberg

Equities Outlook

Outlook. We might see slow accumulation toward weekend and a sell on news stance by fund managers after the inflation number comes out this coming Friday. The trading range for the PSEi is a narrow 7,800-8,000, trapped within this range due to many concerns ranging from The dovish BSP will support the view there will be monetary easing this quarter, a likely triple RRR cut in May. Consensus estimates inflation to ease further this March to 3.5% vs February's 3.8%. Global sentiment also takes some breather, sending US indices higher, after the sell-off sparked by recession fears reflected in the yield curve inversion (spread of US 10Yr over US-3mos turned negative). The solace were the US and China's positive manufacturing data (still in expansive mode), hopes for progress in the latest round of trade talks and its resumption in Washington this week.

Key economic data to be released this week are March inflation expected to be more subdued (our forecast is 3.3%) and Gross International Reserves on Friday.

Market Review. The PSEi gave up 1.2% for the week closing at 7,920.9 last Friday. The main bourse was dragged by heavyweights SM, BPI, and LTG down 3.8%, 4.3%, and 6.8% respectively on profit taking. GTCAP and SCC meanwhile were sold down on subdued sales outlook for coal and vehicle for the year.

Market Flows. Foreigners continue to be net buyers for the fourth straight week totaling Php3.6bn and Php32.6bn WTD and YTD, last Friday. Despite this, market suffered losses and that's due to early profit-taking by locals.

Regional Markets. Recession fears last week led to a sell-off in Asian markets led by South Korea (-2.1%), Tokyo (-1.9%) and Malaysia (-1.4%). A positive development on US-China Trade War which concluded last week and poised for another meeting inspired some bottom picking, capping losses for these markets. China and US remain as top gainers year-to-date with Shanghai Composite Index up 23.9% rebounding from 2018 while US continued its surge up 16.5% for the same period.

Currencies. The Peso was down 0.3% w/w closing at Php52.51/USD erasing year-to-date gains to 0.1%. Bought/Sold Stocks, see table in next page.

Economic News

The World Bank trimmed its GDP growth outlook for the Philippines to 6.4% (initially at 6.5%), citing the effects of reenacted budget on the government's expenditure and the impact of El Nino to the agricultural sector. The Development & Budget Coordination Council's (DBCC) outlook for a reenacted budget released two weeks ago was lower at 6.1%-6.3%. Despite the budget delays, the government was able to swing to deficit in February, registering Php76.4bn from January's Php44.5billion surplus. The Finance department, however, said the government failed to spend a programmed P43.7 billion in the first two months due to a three-month delay in enacting the P3.757-trillion national budget.

BSP reported that M3 grew slower at 7.1% year-on-year in February compared to January's 7.7% growth. This was driven by slower loan growth which registered 13.7% in February from 15.3% in January, dragged by slower growth in loans for production activities at 13.6% from 15.5% in the preceding month. Meanwhile, household consumption grew at faster clip of 14.9% vs 13.2% in January.

Corporate News

MacroAsia Corp. saw net income grew 3% in FY18 to Php1.05bn, pushed by a strong 4Q18 profit growth of 116% thanks in large part to contracts secured from PAL. Contracts secured in 3Q18 for PAL and PALEx planes drove Lufthansa Technik Philippines (LTP) profit. LTP is 49% owned by MAC. PAL is also seen to drive the ramp up in MacroAsia's catering and ground handling business as MAC takes over these business for PAL starting March 2019. The catering business' capacity is expected to rise thanks to its new commissary as well as its newly-acquired PAL Kitchen expanding current capacity from 18,000meals/day to 47,000meals/day. Ground handling business expects to double flight handling activities for PAL as it became the preferred ground handler for PAL in Manila and Cebu. MAC programmed Php6bn spread in three years for its expansion plans.

Index Performer (Year-to-date)

Gainers				Losers			
Stock	Price	% Chg	P/E	Stock	Price	% Chg	P/E
AGI	16.2	35.8%	8.7	BPI	84.2	-10.4%	13.8
ICT	130.7	30.7%	24.5	DMC	12.0	-6.1%	9.7
BLOOM	12.0	27.5%	17.1	SCC	22.0	-4.8%	7.1
MEG	5.8	22.1%	11.1	GTCAP	931.5	-4.5%	11.6
RLC	24.5	21.6%	14.9	LTG	16.1	-3.0%	9.2

Index Performer (Week-on-Week)

Gainers				Losers			
Stock	Price	% Chg	P/E	Stock	Price	% Chg	P/E
ICT	130.7	5.2%	24.5	GTCAP	931.5	-10.4%	11.6
URC	152.0	1.9%	30.4	LTG	16.1	-6.8%	9.2
JFC	317.0	1.5%	38.2	SCC	22.0	-4.6%	7.1
SECB	173.0	1.1%	13.1	BPI	84.2	-4.3%	13.8
SMPH	39.9	1.0%	31.2	SM	934.0	-3.8%	26.0

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

Top Foreign Buying		Top Foreign Selling	
ICT	899.5	BPI	(300.0)
SMPH	878.4	GTCAP	(235.4)
ALI	536.4	RRHI	(198.0)
URC	301.7	AC	(118.3)
AGI	260.9	MPI	(86.3)

Commodities (in USD)

	Value	W-o-W	YTD
Gold (per troy ounce)	1,292.4	-1.6%	0.8%
Nickel (per metric tons)	12,984.0	-0.1%	21.5%
Copper (per lbs)	293.6	3.3%	11.3%
WTI (per barrel)	60.1	1.9%	32.4%
Sugar (per lbs)	12.5	-0.3%	3.6%
Rice (per cwt)	10.9	-3.2%	7.5%

Market Calendar

Monday	Tuesday	Wednesday	Thursday	Friday
4/01/2019	4/02/2019	4/03/2019	4/04/2019	4/05/2019
PH: Nikkei Philippines PMI Mfg (Mar) US: Retail Sales (Feb A) and Markit US Mfg PMI (Mar F)		CH: Caixin China PMI Mfg (Mar)	US: Initial Jobless Claims (Mar 30)	PH: Forex Reserves (Mar) and CPI (Mar) US: Unemployment Rate (Mar)