

### PSEi 2019 Performance



### Weekly PSEi Performance

	As of April 5, 2019	W-o-W Change	YTD Change	Weight In the Index
PSEi	7,873.2	-0.6%	5.5%	
FMETF	117.6	-0.3%	5.5%	
All Shares	4,847.0	-0.4%	7.3%	
Financials	1,742.2	-1.2%	-2.1%	17.5
Industrial	11,741.0	0.2%	7.2%	11.9
Services	1,591.5	-1.0%	10.3%	11.1
Property	4,075.1	-1.0%	12.3%	21.1
Holdings	7,732.9	0.0%	5.3%	37.7
Mining & Oil	7,734.3	-2.5%	-5.7%	0.6

### Market Statistics (in Php bn)

	April 5, 2019	YTD
Ave. Daily Value Turnover	5.5	7.8
Foreign Buying	15.4	300.4
Foreign Selling	12.5	264.9
Net Foreign Buying/(Selling)	2.9	35.5
% of Foreign to Total	50%	55%

### Foreign Indices

	Value	W-o-W	YTD	P/E
Dow Jones	26,425.0	1.9%	13.3%	16.0
S&P 500	2,892.7	2.1%	15.4%	17.4
FTSE 100	7,446.9	2.3%	10.7%	13.0
DAX	12,009.8	4.2%	13.7%	13.2
Nikkei	21,807.5	2.8%	9.0%	15.0
Hang Seng	29,936.3	3.0%	15.8%	11.6
Shanghai	3,246.6	5.0%	30.2%	12.2

Sources: PSE data, Bloomberg

### Equities Outlook

**Outlook.** We're expecting the market to rebound this week and trade at the higher 7,900-8,100 range, encouraged by falling inflation affirmed by the lower-than-expected inflation print of 3.3% in March. The BSP stands ready to ease monetary policy amid a backdrop of challenging global economic outlook. Concerns of rising oil prices brought by conflict in Libya is offset by continued decline in rice prices as rice tariffication law IRR was already signed.

January Foreign Direct Investment (FDI) is scheduled to be released this Wednesday while February trade balance will be out Thursday.

**Market Review.** The PSEi dropped to 7,873.2 level, down 0.6% week-on-week, bucking the global trend. The selloff was inspired by concerns of slowing GDP growth this year as both Asian Development Bank (ADB) and The World Bank revised growth outlook downward to 6.4%. ADB's initial forecast was 6.7% while World Bank's earlier estimate was 6.5%.

**Market Flows.** Foreigners continued to be net buyers last week with a total purchase of Php 2.9bn, bringing year-to-date buying to Php35.5bn. ALI took much of the inflow, cornering Php592mn of foreign buying. This was followed by ICT (Php514m) and SMPH (Php504.2mn). Top foreign selling was MPI (Php302.6mn), AC (Php263.5mn), and AEV (Php256.0mn).

**Regional Markets.** Global markets welcomed the strong US jobs market data last week which saw a sharp bounce of additional 196,000 jobs in March from February's 33,000. Unemployment remained at 3.8% in March while wage growth kept its momentum. US markets represented by Dow Jones and S&P 500 were up 1.9% and 2.1%, respectively, for the week. Hang Seng and Shanghai Composite Index, likewise saw 3% and 5% growth on optimism over the US-China trade talks and Beijing's own policy stimulus to ease the growth slowdown and decreasing exports.

**Currencies.** The peso was up 0.7% for the week as inflation print fell lower at 3.3% versus median estimate of 3.5%. The market expects inflation to continue its trend downward particularly in the second half.

### Economic News

Gross International Reserves rose for the fifth straight month, reaching US\$83.2bn as of end-March 2019. This is equivalent to 7.3 months' worth of imports of goods and payment of services and primary income. BSP cites inflows from government FX deposits and investment abroad which offset losses from gold holdings.

### Corporate News

WLCON ended the year with Php1.83bn net income, up 32.5% driven by strong topline growth of 18.6% to Php21bn. Gross profit margin improved to 31.4% from 29.7% last year due to the larger share of its in-house and exclusive brands while SSSG remained healthy at 7.4% in 4Q18.

VLL posted Php10.5bn net income, up 16% year-on-year on the back of strong residential and leasing business both growing 15% revenue growth contributing Php31.9bn and Php6.9bn respectively. Reservation sales grew 16% to Php75.1bn on the back of strong demand from OFW, boosted by weak peso last year. On the leasing side, VLL was able to deliver 1.4million sqm of gross floor area which the management guided with the acquisition of STR back in 2015.