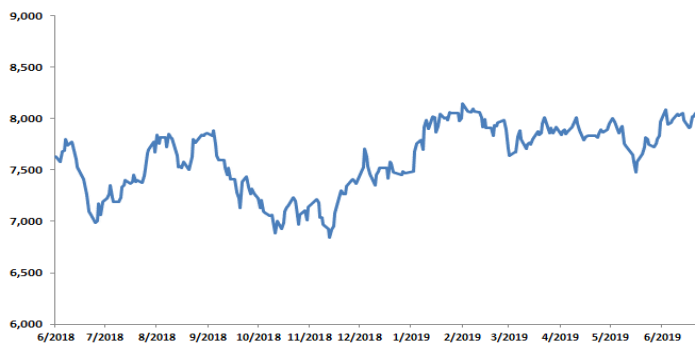


PSEi 2019 Performance



Weekly PSEi Performance

	As of Jun 21, 2019	W-o-W Change	YTD Change	Weight In the Index
PSEi	8,055.5	0.8%	7.9%	
FMETF	120.5	0.8%	8.1%	
All Shares	4,927.8	0.9%	9.1%	
Financials	1,756.9	0.8%	-1.3%	17.5
Industrial	11,850.0	1.0%	8.2%	11.9
Services	1,704.0	0.5%	18.1%	11.1
Property	4,324.6	-0.2%	19.2%	21.1
Holdings	7,693.3	2.0%	4.8%	37.7
Mining & Oil	7,304.1	2.1%	-10.9%	0.6

Market Statistics (in Php bn)

	Jun 21, 2019	YTD
Ave. Daily Value Turnover	7.3	7.7
Foreign Buying	22.2	511.4
Foreign Selling	23.3	483.3
Net Foreign Buying/(Selling)	(1.2)	28.1
% of Foreign to Total	63%	56%

Foreign Indices

	Value	W-o-W	YTD	P/E
Dow Jones	26,719.1	2.4%	14.5%	16.6
S&P 500	2,950.5	2.2%	17.7%	17.7
FTSE 100	7,407.5	0.8%	10.1%	13.0
DAX	12,339.9	2.0%	16.9%	13.5
Nikkei	21,258.6	0.7%	6.2%	15.2
Hang Seng	28,473.7	5.0%	10.2%	11.3
Shanghai	3,002.0	4.2%	20.4%	11.6

Sources: PSE data, Bloomberg

Equities Outlook

Outlook. We expect the market to remain steady around the 7,900-8,000 range in the absence of catalysts. All eyes are on the G-20 summit where the market expects no trade deal between US and China. Without any clear direction or indication of a deal between US and China, overhang is expected to remain which will keep the index from rallying upwards. Trade war and increasing geo-political tension between US and Iran have already been priced in and have been met by dovish central banks led by the Fed, providing support for equities market.

Market Review. The PSEi continued its winning streak for the fifth straight week despite net foreign selling. The index gained 65pts to close at 8,055, up 0.8% for the week as BSP stood pat on policy rates and signalled a more dovish tone moving forward as inflation estimates fell for the year.

GTCAP led the index members last week, up 9.8%, as the Chamber of Automotive Manufacturers of the Philippines Inc. (CAMPI) and the Truck Manufacturers Association (TMA) announced car sales grew 20% month-on-month in May. Despite car sales remaining lower year-on-year, the market saw this as a sign of recovery for the sector which was dragged last year by the TRAIN law and elevated inflation. Other gainer was MPI, up 4.1%, driven by the announcement of the sale of its hospital business for \$2-\$3bn, lifting the overhang from MPI's increasing interest expense from sharp rise in debts. JGS, TEL, and MBT completed the top 5 gainers from last week.

Regional Markets. International markets took cue from Fed Reserves dovish stance citing rising uncertainties on the economic outlook. The announcement was met with US government bond price rally on expectation that Fed will pull the trigger and ease monetary policy later this year. Yield on two-year Treasury fell 12bps to 1.74%, lowest since November 2017. Dow Jones and S&P500 were up 2.4% and 2.2% while Hang Seng and Shanghai recovered, posting 5% and 4.2% gains for the week.

Currencies. The peso ended the week stronger by 0.9% to close at Php51.56 as dollar weakened. Despite the Fed reiterating that there will be no policy cuts this year, the Fed futures is already pricing a policy rate cut as early as end of July. This prompted for the recent dollar weakness which bode well for the EM currencies like the peso. South Korean Won led the gainers with 1.8% w/w gains. Indonesian Rupiah and Taiwan Dollar were both up by 1.2% for the week.

Economic News

Foreign portfolio investment slipped to outflow in May, bringing year-to-date foreign investment to US\$685mn. PSE listed securities saw US\$508mn of funds exit the Philippines, brought mainly by MSCI rebalancing. Debt instruments also saw foreign selloff, with government securities registering US\$241mn in net outflows.

Iran shot down US drone aircraft last week which further escalates tension in the Middle East. Recently, US officials blamed Iran for conducting attacks against oil tankers in the Gulf of Oman, which Tehran denied. Brent reacted by climbing 5% last week while WTI gained 9.4%, last week.

Corporate News

MPI confirmed it was planning to sell stakes in Metro Pacific Hospital Holdings, Inc. (MPHHI). Management is looking at US\$2-3bn valuation for the company. Based on the disclosure, the company plans pursue a dual track process where the company either look for potential investors like buyout firms/regional health-care companies or an IPO. The disclosure further clarified that proceeds from sale will not be used solely for MPI but also for MPHHI's expansion initiatives. MPI's hospital business currently runs a 14 hospitals and several primary care centers and specialized facilities.

AEV is expecting a better second half after the slump in 1Q19 brought by higher replacement power costs due to power outages and over-contracting from its Therma Visayas (TVI) plant. This coincided with rising WESM prices due to limited supply. Last week, Luzon electricity grid was on red alert (currently at yellow alert) and WESM prices have gone up. This has led to FGEN hitting 52-week high last week at Php25.45/sh as its Avion plant seen to widely benefiting from the jump in energy prices. Yellow alert is a condition in which the reserves are less than the capacity of the biggest plant online while the red alert is a system condition in which there is zero ancillary services or a generation deficiency exists.

Index Performer (Year-to-date)

Gainers				Losers			
Stock	Price	% Chg	P/E	Stock	Price	% Chg	P/E
ICT	144.3	44.3%	24.7	DMC	10.5	-17.5%	9.4
URC	176.0	38.6%	36.6	BPI	80.5	-14.4%	13.2
RLC	26.8	33.0%	15.8	LTG	15.1	-8.9%	8.7
MEG	6.1	27.8%	11.4	MBT	74.6	-7.8%	11.1
AGI	15.1	27.1%	8.4	SCC	21.8	-5.4%	7.9

Index Performer (Week-on-Week)

Gainers				Losers			
Stock	Price	% Chg	P/E	Stock	Price	% Chg	P/E
GTCAP	961.0	9.8%	12.7	SMC	176.0	-2.8%	16.8
MPI	4.8	4.1%	10.3	ICT	144.3	-2.5%	24.7
JGS	66.6	4.1%	17.4	AGI	15.1	-2.5%	8.4
TEL	1,280.0	4.1%	11.8	BPI	80.5	-1.8%	13.2
MBT	74.6	3.2%	11.1	SMPH	38.3	-1.8%	30.5

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

Top Foreign Buying		Top Foreign Selling	
BDO	319.9	SMPH	-570.9
GTCAP	247.7	AC	-541.4
ALI	202.0	MBT	-181.9
MEG	106.3	MER	-123.5
FGEN	96.1	JFC	-122.4

Commodities (in USD)

	Value	W-o-W	YTD
Gold (per troy ounce)	1,399.6	4.3%	9.1%
Nickel (per metric tons)	12,090.0	1.9%	13.1%
Copper (per lbs)	270.4	2.8%	2.2%
WTI (per barrel)	57.4	9.4%	26.5%
Sugar (per lbs)	12.5	-3.4%	-0.4%
Rice (per cwt)	11.3	-3.0%	11.9%

Market Calendar

Monday	Tuesday	Wednesday	Thursday	Friday
6/24/2019	6/25/2019	6/26/2019	6/27/2019	6/28/2019
		Budget Balance (May 2019)		Money Supply, M3 (May 2019) Bank Lending (May 2019)
7/1/2019	7/2/2019	7/3/2019	7/4/2019	7/5/2019
				Inflation (June 2019) FX Reserves (June 2019)