



# Vantage *point*

**MARKET OUTLOOK: BULLISH**  
**STRATEGY: MAINTAIN POSITIVE EQUITY**  
**OUTLOOK**

As early as 2 weeks ago, all eyes were already on the Doha meeting of oil-producing countries. Hopes were high that a production freeze would be agreed upon, providing crucial support to crude oil prices. Unfortunately, Iran's refusal to participate, along with conflicting interests of the different countries, caused the talks to end with no conclusion.

This lack of consensus on a production freeze will cause crude oil prices to correct. With equities still closely correlated to oil, we expect equities to experience pullbacks as well.

Volatility in oil prices, combined with pre-election uncertainty and a market trading at resistance, point towards a consolidation for the PSEi in the near term.

Philippine Stock Exchange Index (PSEi) – 1 year chart



Source: Bigcharts.com

## TRADING STRATEGY



With the failure of oil production talks in Doha, expect oil to fall, with equities following suit. We remain on hold as we are positive on the long term outlook for stocks, but we are cautiously watching the impact of recent developments.

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