

After a couple of weeks of escalating rhetoric regarding trade, it looks like the US and China are finally sitting at the negotiation table. Combined with guarterend window-dressing, stocks managed to make back some of their losses last week.

Unfortunately for the PSEi, it staged only a feeble recovery and is down 6.8% YTD. Despite thinner volume in the shortened trading week, foreign selling still remains elevated.

In addition, yet another rights offering (BPI) is set to sap liquidity from the market to the tune of PhP 50 billion. large share issuances These happening in quick succession are contributing to the weakness in the broad market.

Moreover, the PSEi failed to end the quarter above the crucial 8000 level. According to technical analysis, a decisive move above this level is crucial so that it can maintain its status as a support line.



## TRADING STRATEGY



With US and China now talking about trade between their countries, fears of a full blown trade war have eased. However, we are still maintaining our cautious stance and a relatively high cash level because the situation is still very fluid.



t +632 689 8080 e ask@philequity.net w www.philequity.net

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