



Vantage *point*

MARKET OUTLOOK: BULLISH
STRATEGY: SELECTIVE BUYING ON PROPERTY,
FINANCIAL SECTORS AND POTENTIAL M&A PLAYS

The PSEi hit a fresh intraday high last week at 8,605 before correcting sharply at the close. However, we note that foreign buying has picked up in the last 2 trading days after 2 weeks of continuous foreign selling.

The Philippine peso has also gotten a respite as it bounced from support and strengthened by 1.1% last week. This is positive for Philippine stocks.

Earnings seasons has now started and so far, it looks like a mixed bag with some companies reporting great earnings while some continue to trend downward. In a market like this, it is best to stick to your winners and reduce exposure to companies that are underperforming because of fundamental reasons. We note that while some stocks are making new highs (ex. AC, SM, SMPH and BDO), some are also making new lows (ex. CHP, CNPF and X).

Philippine Stock Exchange Index (PSEi) – 1 year chart



TRADING STRATEGY



The global bull market continues as stock markets inch up towards new highs. With our market now becoming more volatile, we have been using corrections as opportunities to buy.

