

## Global Markets Update



Last month, the S&P 500 index broke below a crucial support at 1,425. It tried to rally above that level the past two weeks but failed, as it declined sharply yesterday by 2.37%. It is now sitting at another important support level at around 1,395.



Looking at the bigger picture, the S&P 500 index is also testing the uptrend line that has been in force since October 2011. Failure to hold above this trend line can have drastic consequences.



# What the Chart Says

08 Nov 2012



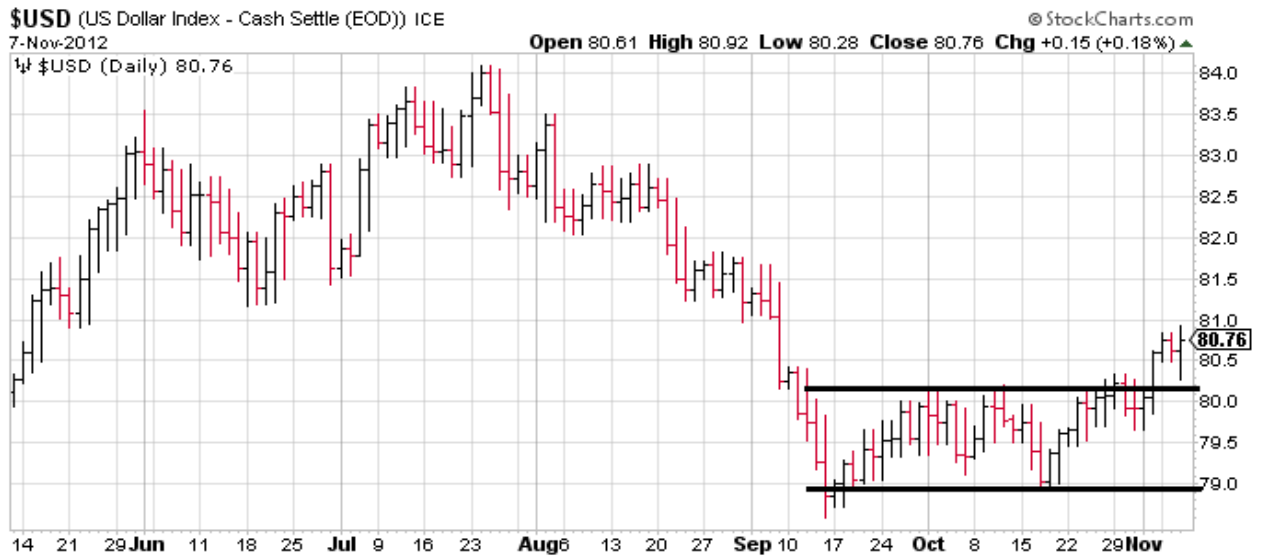
Investors went back to safe havens as the bond market showed strength, signaling RISK-OFF.



Crude oil concurred with stocks, reversing the previous day's strong upward move with a sharp decline.

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Meanwhile, the US dollar has regained strength which should absorb some of the pressure off the strong Philippine peso.



In past instances, Philippine stocks lagged the decline in global markets by several weeks. And given its strong macro and corporate fundamentals, Philippine stocks stabilized earlier than its global counterparts. While we may not be immune from the recent sell-off in global markets, we remain confident that the Philippine market will be among the first to rally higher once the smoke clears.

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### RATINGS DEFINITION



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