

### Global Markets in Tables and Graphs

Last year, we showed you how the Philippine financial markets performed since President Aquino took office (see *SONA in Tables and Graphs*, July 30, 2012). In a similar manner, we'd like to show you in tables and graphs how global markets have performed the past 12 months.

#### US (S&P 500 Index)



The US market is ahead of the curve because the Fed was the first to implement QE which was a game changer for the markets. And despite recent talks of tapering which caused the sharp pullback last May, the market has surged to new highs. The S&P 500 is up 24.2 percent since end-June 2012.

#### Europe (STOXX 50 Index)



One year ago, ECB President Mario Draghi uttered two short sentences that stabilized and turned European markets around. "Within our mandate, the ECB is ready to do **WHATEVER IT TAKES** to preserve the euro. And believe me,

*it will be enough,*” said Draghi on July 26, 2012 in a speech to bankers in London. Today, Spanish and Italian bond yields have declined considerably. Meanwhile, the Euro Stoxx 50 Index has rallied 13.1 percent the past 12 months.

### Japan (Nikkei Index)



In Japan, Abenomics and its 3 arrows (massive fiscal stimulus, more aggressive QE, and structural reforms to improve competitiveness) was introduced by Prime Minister Shinzo Abe to lift Japan out of the deflationary sand trap. The market responded overwhelmingly with the Nikkei rocketing 56.9 percent since end-June 2012, making it the best performing market in the world the past 12 months.

### China (Shanghai Stock Exchange Index)



Among the global growth engines, China poses the most risk due to its deteriorating economic numbers. Adding to the volatility is the recent liquidity crunch which sent interbank rates surging. As a result, the Shanghai Composite index is down 9.6 percent since end-June 2012. China is now in the process of restructuring, shifting away from an export-led growth to more of a domestic-led economy. And despite its slowest economic advance since 2009, the market is pinning its hopes on a successful soft-landing.

## Philippines (PSE Index)



In a previous article, we said that the PSE index has reached an intermediate low of 5,678 last June 25 after the sharp pullback in May (see 5-6-7-8, July 1, 2013). The chart above confirms our call. Technically, the next resistance is at 6,800 to 6,900 and the market may consolidate and pullback from here. Longer term, however, the market is poised to retest its all-time high of 7,403.

## Global Market Performance

Asia Pacific			US & Europe		
Index		%Chg since June-2012	Index		%Chg since June-2012
Japan	Nikkei	56.9%	Switzerland	SMI Index	30.2%
Philippines	PSEI	28.9%	Germany	DAX	28.5%
Thailand	SET	26.0%	US	S&P 500	24.2%
Australia	All Ordinaries	23.1%	France	CAC 40	24.2%
Indonesia	JCI	19.8%	US	Nasdaq Comp	23.1%
Singapore	STI	13.7%	US	DJIA	20.8%
Taiwan	TWSE Index	13.4%	Greece	Athex	19.8%
Malaysia	KLCI	13.4%	UK	FTSE	17.7%
India	SENSEX	13.3%	Spain	IBEX 35	17.6%
Hong Kong	Hang Seng	13.0%	Italy	MIB Index	15.0%
South Korea	KOSPI	3.1%	Canada	TSX Comp	9.1%
China	CSI 300	-9.6%			

Source: Bloomberg, Wealth Sec. Research

Despite the recent pullback, most global market indices still show double-digit percentage advances the past 12 months. In fact, only China was the outlier showing a negative return. If China recovers and all the major engines of global growth (US, Europe, Japan, China) are up and running, emerging markets including the Philippines should likewise follow.

## Philequity's Annual Stockholders Meeting

We are inviting Philequity shareholders to attend our 2013 Annual Stockholders Meeting. This would be an opportunity for Philequity investors to personally hear the views of the fund managers, research analysts and directors of Philequity. We will explain why the stock market corrected due to the recent talks on QE tapering. We will also discuss our outlook on the global engines of growth (US, Europe, Japan and China), our outlook on the Phil. Peso and the Phil. stock market. You can even get stock picks from our fund managers.

The meeting will be held at The Rigodon Ballroom, Manila Peninsula on August 3, 2013 (Saturday), 9:00am – 10:30am.

*Please visit our online trading platform at [www.wealthsec.com](http://www.wealthsec.com) or call 634-5038 for detailed stock market research. You can also visit [www.philequity.net](http://www.philequity.net) to learn more about the Philequity Fund and view our archived articles. You can email us at [feedback@philequity.net](mailto:feedback@philequity.net) for feedback on the Philequity Corner articles.*