



# Vantage *point*

## MARKET OUTLOOK: BULLISH

**STRATEGY:** OVERWEIGHT CONSUMER FOOD  
OVERWEIGHT POWER  
UNDERWEIGHT TELCO

Many foreign research firms are now reversing their bearish calls on the Philippines and upgrading their forecasts, harping on our country's solid macroeconomic fundamentals. Low inflation, coupled with high economic growth on the back of strong domestic spending, allows our market to trade at P/E multiples much higher than its peers.

Corporate earnings have also been robust, and recent earnings calls (ex. URC) suggest that earnings momentum will continue. With consumer spending benefitting from low oil prices, we expect the Philippines' secular bull market to continue charging on. Recognizing this, foreign funds continue to pile into Philippine stocks, with YTD net foreign inflows already at PhP 32.7 billion. Note that MSCI rebalancing starting this week may cause the surge of inflows to accelerate, bringing the market higher with it.



## TRADING STRATEGY

Source: Technistock



Despite volatility in global markets, the PSEi continues on its trek higher, touching a new all-time high today on high volume. We will continue using pullbacks as opportunities to buy.

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