



# Vantage *point*

**MARKET OUTLOOK: CAUTIOUS**  
**STRATEGY: HOLD AND CLOSELY MONITOR MARKET**

Markets continued to be volatile last week, as concerns on China, global growth and a possible Fed rate hike continued to dominate headlines. This week, the spotlight will be on the Fed's rate decision and how it will affect US growth, the US dollar, other currencies and commodity prices. The Fed is set to announce its decision this Thursday (September 17), at the conclusion of its two-day meeting.

Last week, the peso continued to weaken, touching an intraday low of 47.059. This was due to the continued strength of the US dollar and sustained weakness in Asian currencies.

Also last week, foreign selling continued in the stock market, with net foreign selling amounting to P3.16b. This has pushed year-to-date net foreign selling to P13.91b, a stark reversal from the P49.18b net foreign buying that was seen at the earlier part of the year.



## TRADING STRATEGY

Source: Technistock



We continue to maintain a cautious stance as markets await the Fed rate decision on Thursday. Aside from the policy decision itself, it will be important to monitor how the decision will affect markets for equities, currencies, bonds and commodities.



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