



Vantage *point*

MARKET OUTLOOK: NEUTRAL
STRATEGY: HOLD AND CLOSELY MONITOR MARKET

The PSEi had a volatile week as it corrected on bad import data out of China. However, the recent currency strength of the Philippine peso, Indonesia rupiah and Malaysian ringgit continued, bringing equities higher.

In addition, China reported 3Q15 GDP today at 6.9%, above forecasts of 6.8%. This should help stabilize markets, which were jittery over China's growth slowdown. We will closely monitor China's economy for any signs of improvement or deterioration.

As we reiterated last week, it is likely that the bottom is behind us. Now that we are entering a seasonally strong period for the stock market, we expect equities to stabilize as the market awaits corporate earnings results.



TRADING STRATEGY

Source: Bloomberg



The market continues to consolidate as the peso strengthened. Note that despite the volatility, the PSEi is making higher lows. We are cautiously buying index stocks on dips.



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