



# Vantage *point*

**MARKET OUTLOOK: NEUTRAL  
STRATEGY: MONITOR UPCOMING FED MEETING ON  
DECEMBER 16**

With 3Q15 GDP coming in below forecast (6.0% actual vs. 6.3% forecast) and 3Q15 earnings growth also being lackluster, the market is hard-pressed to find a reason to move higher.

That said, despite PhP 2 billion in net foreign selling last month, volatility brought about by MSCI rebalancing and sharp gyrations in developed markets, the PSEi has stabilized close to the 7,000-level. This goes to show that the market is still relatively stronger than its ASEAN peers.

All eyes are now on the Fed and we will be watching for 2 things going into the Fed's meeting next week: First, the wording of Fed Chairman Janet Yellen's statement and second, the reaction of the different asset classes to her pronouncement. These will give us an indication of the stock market's direction moving forward.

Until then though, we expect the PSEi to be tentative, especially with the fluidity of political environment in recent weeks.



Source: Technistock

## TRADING STRATEGY



Despite the absence of positive catalysts, the market continues to hold close to the 7,000-level. We expect the market to be tentative until the rate hike decision on December 16. We remain on hold till then.



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