



# Vantage *point*

**MARKET OUTLOOK: NEUTRAL**  
**STRATEGY: MAINTAIN DEFENSIVE STANCE**

We are off to a weak start in 2016. Although December was still an up month for the PSEi (+0.4%), the 1st trading day of the year is not so encouraging. Indices across Asia are down substantially, with China falling as much as 7% and eventually halting trading for the day. The PSEi went down 1.71% on the first trading day of the year while US equity markets were sold down on 2015's last trading day, causing both the Dow Jones index and S&P 500 to end 2015 in the red.

Weakness in Asian equities comes on the back of below forecast PMI data from China as well as continued weakness for the renminbi. Oil also spiked as Iran expressed its anger over Saudi Arabia's execution of a Shiite imam.

With many cross currents affecting the market in different ways, we expect volatility to remain high. In addition to global macro events, we continue to carefully monitor foreign flows as well as the Philippine political environment.



Source: Technistock

## TRADING STRATEGY



After rallying into the Christmas holidays, stock markets all over the world have since softened. We maintain our defensive stance.

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