



Vantage *point*

**MARKET OUTLOOK: BULLISH
STRATEGY: BUY INDEX STOCKS AND COMPANIES
WITH STRONG CATALYSTS**

Last week proved to be a turning point for 2015's worst performing assets - commodities, as well as commodity-producing and emerging market equities & currencies. Crude oil rose 10%, copper gained 7%, and the emerging markets ETF (EEM) was up more than 9% at the start of March. This came on the back of a weaker dollar and a more dovish Fed, which has been a boon to emerging market assets and commodities.

With the US dollar strength reversing or at the very least taking a pause, emerging market equities got a welcome respite and are up sharply from their January bottoms. This includes the PSEi, which is already up 13% from the low and is poised to retest next resistance of 7,000.

Last week, we also wrote about how the reversal in dollar strength will cause the peso to trade in a new range of 46.80-47.50. We saw this unfold last week, with the peso hitting 46.80 today. This reinforces our view that a bottom for the PSEi has been reached at 6,084.

Philippine Stock Exchange Index (PSEi) – 1 year chart



Source: Bloomberg

TRADING STRATEGY



Last week, the PSEi erased nearly all its YTD losses and even attempted to test the 7,000 level. Though a corrections or consolidation is likely since we are nearing resistance, a bottom clearly in place. We will continue using dips as opportunities to buy.

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