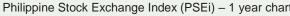
Issue Date: April 12, 2016 anta oint MARKET OUTLOOK: BULLISH STRATEGY: ON-HOLD BUT MAINTAIN POSITIVE EQUITY OUTLOOK

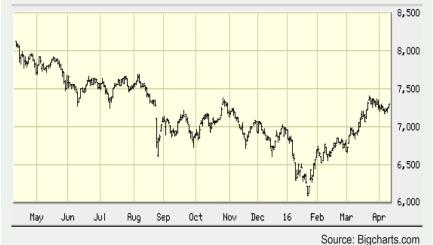
As a result of Yellen's dovish comments, the dollar continued to soften last week, with the Dollar index (DXY) now resting on a crucial support level. This pause in dollar strength is bullish for emerging market currencies and equities, including the PSEi and

Philippine peso. In fact, most Philippine Stock Exchange Index (PSEi) - 1 year chart emerging market equity indices are up substantially for the year. If the dollar breaks down, expect sentiment to become more bullish, bringing foreign flows into the PSEi.

contrast, European In equity indices are still down double digit percentages for the year. The Dow Jones index and S&P 500 ended last week practically flat for the year while the Nasdaq was down 3% YTD. We will closely monitor global markets to see if emerging markets can continue to outperform developed markets.

With elections just 4 weeks away, expect political noise we to intensify further.





TRADING STRATEGY



The PSEi remains in consolidation mode between 7,200 and 7,400. We expect the index to remain range bound over the next few weeks. We remain on hold.



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