

MARKET RECAP

17 October 2018

PSEi	Value Turnover (US\$)	Net Foreign Flow (US\$)	PHI:US (PLDT ADR)	US\$ 1.00
7,099.68 (+1.61%)	106,210,040.40	(11,724,823.11)	25.66 (+1.91%) = 1,388.98	54.044

Market Recap

- Philippine equities got some much needed relief after upbeat US earnings reports drove a rebound on Wall Street and helped restore a little confidence in emerging market stocks and currencies.
- The benchmark Philippine Stock Exchange Index (PSEi) surged 112.66 points or 1.61% to 7,099.68. The broader All Shares gained 52.57 points or 1.23% to 4,342.28.
- US stocks had jumped more than 2% on Tuesday in reaction to upbeat earnings reports from major companies including UnitedHealth and Goldman Sachs.
- Analysts are looking at this reporting season in particular and the general data over the next couple of months for signs that the receding tailwinds of fiscal stimulus and the headwinds of tariffs are going to hit the US market simultaneously.
- On first viewing this doesn't appear to be happening.
- The US economic news was also robust, notably a sharp rise in job openings to a fresh all-time high.
- All this cheer favored beaten-down currencies in emerging markets while taking some steam out of the safe-haven yen.
- Trump has recently castigated the central bank for raising interest rates.
- While such name calling shouldn't mean anything in terms of what the Fed actually does, it is a factor which somewhat undermines sentiment towards the dollar.
- Oil prices firmed as expectations of higher US shale output vied with the risk that crude supply from the Middle East could be disrupted by looming US sanctions on Iran and growing tensions with top exporter Saudi Arabia.
- Saudi Arabia has been under pressure since prominent Saudi journalist Jamal Khashoggi disappeared after visiting the Saudi consulate in Istanbul.
- More than 527.594-mil shares, valued at P5.740-bil, changed hands. Advancers led decliners, 129 to 57, and 46 issues were unchanged.
- Gainers: URC (+7.64%), SECB (+4.11%), BDO (+3.66%), SCC (+3.64%), JGS (+3.19%)
- Laggards: LTG (-0.76%), AEV (-0.55%), PGOLD (-0.12%)

PH Global Competitiveness

- The Philippines landed in the 56th place under the World Economic Forum's (WEF) Global Competitiveness Index 4.0 for 2018 that covered 140 countries.
- This was the same ranking it had last year.
- In the latest index, the Philippines had a score of 62.1, the same score garnered by Kuwait (no. 54), Costa Rica (no. 55), and Greece (no. 57).
- However, in the Association of Southeast Asian Nations (ASEAN) region, the Philippines ranked as the fifth most competitive.
- Singapore is the most competitive in ASEAN, which placed second globally, followed by Malaysia at 25th, Thailand at 38th, and Indonesia at 45th.
- "With the recently passed Ease of Doing Business Act, we remain optimistic that the government will be able to sustain these gains and address the concerns of efficiency in doing business," Makati Business Club chairman Edgar Chua said.
- The index ranks economies based on the microeconomic and macroeconomic foundations of their national competitiveness or the set of institutions, policies and factors determining the country's level of productivity.
- As the WEF has transitioned to a new competitiveness index, this year's rankings are not comparable to previous reports.
- The new index integrates well-established aspects with new and emerging levers that drive productivity and growth. It emphasizes the role of human capital, innovation, resilience and agility not only as drivers but also as defining features of economic success in the fourth industrial revolution, according to the WEF.
- "The WEF Global Competitiveness Index has completely changed and no longer directly comparable to the previous year's score and rank. Considering the wholesale change and some tougher measures, holding steady in the rank is a good thing," National Competitiveness Council Co-Chairman Guillermo Luz said.
- "More importantly, moving up within the ASEAN to the fifth reflects an improvement," Luz added.

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PH Global Competitiveness (continued)

- The index ranks economies according to their microeconomic and macroeconomic foundations of national competitiveness or the set of institutions, policies and factors determining the country's level of productivity.
- The US placed first with a score of 85.6 in the 2018 Global Competitive Index, followed by Singapore with a score of 83.5.
- Germany came in third with a score of 82.8, Switzerland in fourth with 82.6, and Japan in fifth with 82.5.
- The 140 economies' competitiveness was measured through 98 indicators organized into 12 pillars.
- In a press statement, the WEF said the changing nature of economic competitiveness poses a new set of challenges for governments and businesses.
- All the competitive economies possess considerable room for improvement, it said.
- "The business community remains committed to work with the government to address these gaps, especially in our weakest links in ease of doing business, corruption incidence, and infrastructure, particularly in road connectivity," Chua said.

AC

- The Ayala family is expanding its health technology portfolio with its investment in AIDE, a home health application that provides health services in the comfort of patients' homes.
- Conglomerate Ayala Corp. said the investment was in line with subsidiary Ayala Healthcare Holdings Inc.'s strategy to invest in innovative health technology solutions and improve Filipinos' access to affordable and quality healthcare.
- Through the AIDE mobile app, patients can book doctors, nurses, and other medical professionals to render healthcare services in their homes. Services include medical consultations, nursing care, physical therapy, caregiving, lab extraction and interpretation, and even veterinary care.
- Earlier this year, AC Health established its health technology arm called Vigos, which develops its own products, such as an electronic medical records and clinic information system, which is being used across all FamilyDOC clinics.
- Vigos also launched Vigos CARE, an integrated corporate health solutions provider allowing companies and employees to maximize their health benefits.
- In February 2017, AC Health invested in an FDA-licensed online pharmacy, MedGrocer, which offers medicine delivery and corporate medicine benefits management.

ECONOMIC INDICATORS

GDP Growth Rate	6.0% (Q2 2018)	Unemployment Rate	5.4% (July 2018)	GIR	US\$75.161-B (September 2018)
Fiscal Surplus / (Deficit)	(P2.6-B) (August 2018)	Exports Growth Rate	3.1% (August 2018)	BOP	US\$1.272-B (August 2018)
Inflation	6.7% (2012 BY) (September 2018)	Imports Growth Rate	11.0% (August 2018)	O/N RP	5.00% (as of September 27, 2018)
91-day T-Bill Rate	4.404 (as of October 8, 2018)	Cash Remittances	US\$2.476-B (August 2018)	O/N RRP	4.50% (as of September 27, 2018)

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