May 2019

The MARKET CALL

Capital Markets Research

FIRST METRO INVESTMENT CORPORATION
Metrobank Group

UA&P
UNIVERSITY OF ASIA AND THE PACIFIC

FMIC and UA&P Capital Markets Research

Executive Summary

The economy expanded only by 5.6% in Q1, due to the delayed approval of 2019 National Government (NG) budget resulting in slower infrastructure spending (-8.6%) and a larger current account deficit (which alone cut growth by almost 0.7% points). However, consumer spending gained a lot, with lower inflation and widespread election spending. Bangko Sentral ng Pilipinas' (BSP) policy rate cut by 25 bps and reserve requirement ratio cut by 200 bps (phased from end-May to end-July) should support a strong recovery starting Q2. The bond markets will likely fully benefit from the cuts more by July. The stock market, which managed to eke out a slight 0.4% rise, may have to wait until after the "ghost month" to break away from its trading range.

Macroeconomy

Bangko Sentral ng Pilipinas (BSP) cut policy rates by 25 bps to 4.5% on May 9, and after less than ten days announced a phased-in lower reserve requirements ratio (RRR) by 200 bps to 16% to stimulate the economy starting Q2 and offset the sub-par 5.6% Q1 GDP growth. Sustained fall in the inflation rate and 15-year low in M3 growth supported the moves. Lackluster performances in PH external and agriculture sectors, coupled with the lower infrastructure spending took a toll in the country's economic expansion --- slowing to a 4-year low. Strong consumer and robust private investment spending in Q1 provided some positive developments.

- Headline inflation further eased to reach 3.0% (y-o-y) in April, a 16-month low.
- M3 growth plunged to 4.2% in March, the slowest in around 14.5 years.
- Exports print showed some improvement but still in the red, posting a 0.9% y-o-y decline in March vis-à-vis 6.7% drop in the pre ceding month.

Outlook: The expected ramp-up in infrastructure and other NG expenditures should facilitate a rebound in Q2. Softer upticks in prices of key commodities, likewise, will provide extra boost. We think that the downtrend in headline inflation and cuts in the BSP policy rates and RRR will encourage higher investment and consumer spending starting Q2. Impact of El Niño on Q2-2019 will likely be less than in Q1. Besides, we are not seeing much growth in Agriculture.

Bonds Market

Despite volume cut into half in the secondary market after the 50-month high in March (reflecting market correction), investors remained bullish as turnover still more than doubled from April 2018. Demand in the primary market pushed short-term and long-term GS yields down. The free fall of inflation in April to midpoint of BSP target and expectations of further declines kept investors active even though the yield curve slightly steepened in the secondary market. The spread between ROPs and equivalent US treasuries narrowed after S&P upgraded the Philippines' credit rating to BBB+.

- Overall tender-offer ratio (TOR) plummeted to 1.85x from 2.06x in the previous month.
- Stronger demand happened for 91-day T-bills and 10-year T-bonds with yields falling by 22.4 bps and 24.2 bps, respectively.
- Volume for GS secondary market dropped to P275.2-B or 51.3% compared to the previous month.
- Spreads between ROPs and US treasuries narrowed across the yield curve.

Outlook: US GDP growth in Q1 rose by 3.2% SAAR, surpassing expectations, and robust job creation at 263,000 in April failed to boost US interest rates. Domestically, long-term bond yields should keep its downward trend due to the (1) weak GDP growth of 5.6% in Q1, (2) inflation rate falling below 3.0% by July, and (3) BSP policy rate cut of 25 bps on May 9, followed by 200 bps slash in reserve requirement ratio. Short-term GS yields should slide more deeply only towards the end of July when the full RRR cut takes effect.

Equities Market

PSEi's marginal gain in April arose due to lower inflation, the final approval of the 2019 National Government budget and more foreign net buying. However, the lackluster full year 2018 corporate earnings reported and the cut in Philippine GDP forecasts cooled enthusiasm for local equities.

- PSEi only grew by 0.4% in the previous month, a deceleration from +2.8% last March.
- All sectors moved to negative territory, except for the Property sector.
- ALI, SCC, and TEL topped the gainers list, while the worst losers included PGOLD, GLO, and AGI.
- Total turnover slumped by 12.4%, despite net foreign buying of P10.1-B, more than double the March inflow.

Outlook: Continued decline in inflation and a slowdown in GDP and money growth (M3) triggered the cut in BSP's policy rates and in reserve requirements by mid-May. The market showed foreign selling as the MSCI rebalancing cut the weight for Philippine equities. However, local and foreign investors seemed eager to take up the slack after the fall.

Economic Indicators (% change, latest month, unless otherwise stated)	Latest Period	Previous Period	Year-to-Date (2019)	2017 (year-end)	2018 (year-end)	2019 Forecast
GDP Growth (Q1 2019)	5.6%	6.4%	5.6%	6.7%	6.2%	6.8-7.2%
Inflation Rate (April)	3.0%	3.3%	3.6%	2.9%	5.2%	3.0-3.5%
Government Spending (April)	197.8%	-8.2%	0.5%	12.6%	22.5%	12.0%
Gross International Reserves ($B) (April)	83.9	84.6	83.2	81.6	79.2	84.0
PHP/USD rate (April)	52.11	52.41	52.29	50.40	52.68	54.00
10-year T-bond yield (end-April YTD bps change)	6.01%	6.13%	6.27%	4.93%	7.05%	6.32-6.82%
PSEi (end-April YTD % change)	7,953	7,920	0.4%	8,558	8,558	8,400-8,800

Sources: Philippine Statistics Authority (PSA), Bangko Sentral ng Pilipinas (BSP), Philippine Stock Exchange (PSE), Philippine Dealing System (PDS), and Authors' Calculations

INVESTMENT–LED GDP GROWTH DÉJÀ VU IN Q1

The Bangko Sentral ng Pilipinas' (BSP) announcement to slash the reserve requirement ratio (RRR) by 200 bps starting end-May a week after cutting policy rates by 25 bps to 4.5% in mid-May should spur further private investment spending. In addition, infrastructure construction should speed up after the April 15 approval of the 2019 National Government (NG) budget both boosting Q2 and offset the weak 5.6% GDP growth in Q1. After all, capital goods imports remains robust, while large Public-Private Partnership (PPP) projects have gained traction. Inflation dropped further to a 15-month low of 3.0% in April from 3.3% a month ago and 6.7% six months ago (October 2018), while exports only slipped slightly in February. The peso slightly appreciated as the US dollar lost some luster but the BSP moves will blunt this looking forward.

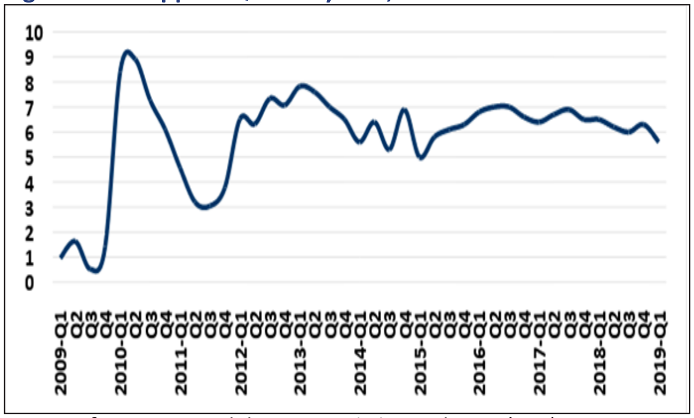
Outlook: We expect an acceleration of GDP growth starting Q2 as election spending makes itself felt, even as capital goods imports should increase even faster with the BSP's liquidity-creating moves and the NG's budget approval on April 15, 2019. In addition, slower inflation that we expect to go below 3.0% year-on-year (y-o-y) by July and to sub-2.0% by September should add more bucks to consumer pockets encouraging them to spend more. Besides, the BSP's 200 bps cut in RRR a week after the 25 bps slice in policy rates will likely offset the budget approval delay and the line item veto on some P95.0-B worth of infrastructure projects. Lower interest rates, together with the wide trade deficits spawned by Build-Build-Build's gaining traction, will renew the pressure on the peso also starting this quarter.

Q1 GDP Expansion of 5.6% Eases to a 4-year Low

The delay in budget approval, which dampened public infrastructure spending (down by 8.6%) and the 73.6% jump in the current account deficit, largely slowed the pace of PH Gross Domestic Product (GDP) expansion to 5.6% in the first quarter of 2019, a 16-quarter low. Lackluster performances in the external and agriculture sectors also blemished the country's shining record, which had convinced S&P to upgrade Philippine dollar debt papers to BBB+.

Meanwhile, domestic demand (i.e., consumer + government + investment spending) remained relatively upbeat (+6.5% y-o-y uptick) mainly due to a higher consumer spending in Q1, which posted 6.3% y-o-y gains, better than the preceding quarter and the year-ago rate. The downtrend in inflation and likely pre-election spending triggered higher consumption. Prices of major commodities (rice, bread, fuel) have been on a decline since the start of the year, resulting in higher purchasing power.

Figure 1 - Philippine Quarterly GDP, Year-on-Year



Source of Basic Data: Philippine Statistics Authority (PSA)

Government spending and capital formation (investments), likewise, posted a 7.4% and 6.8% y-o-y growth (respectively); much above the overall GDP pace but slower than the two previous quarters. Lower spending on infrastructure and other capital outlays due to budget reenactment decelerated total NG spending to record a single-digit growth in Q1 vis-à-vis the above 10% growth recorded in all quarters last year. Investments in durable equipment (+5.7%) and construction (+5.0%) also showed slower growth, but nonetheless buoyed the growth in capital formation. Private construction, accounted for about 80% of total construction, increased by 8.6% y-o-y but the unusual 8.6% fall in public construction knocked off some 0.4% to 0.5% of GDP growth. Durable equipment sustained gains in Q1 with increases in pumps and compressors (+32.8%), other miscellaneous durable equipment (+12.6%), mining and construction machineries (+11.4%), and road vehicles (+4.8%).

On the supply or production side, the Services sector, once again, came to rescue as all other sectors slowed down. It expanded by 7.0%, faster than the 6.8% reported in Q4 of 2018. Propping up the sector, financial intermediation accelerated to 9.8%, from Q4-2018's 6.3% gains, while transportation, storage, and communication sped up to 8.1% from 3.7% also in Q4. Trade and repair of motor vehicles, motorcycles, personal and household goods contributed to the upsurge with its 7.4% gain from 6.7% in the previous quarter.

The imports of capital goods recorded another positive expansion at 6.5% (y-o-y) in February, albeit slower than what was recorded in January.

On the other hand, the Industry sector had a sub-par rise of 4.4% after its 6.6% jump in Q4-2018 as most industries slowed down significantly from a quarter ago. Construction pulled down the Industry as it slowed from 20.0% in the previous quarter to only 3.9% in Q1-2019. Manufacturing actually expanded faster to 4.6% from 3.2% in Q4-2018. Meanwhile, electricity, gas and water supply increased by 3.1%, but below the 6.7% pace in the past quarter and mining and quarrying output's 5.3% also slowed from 8.1% in the last quarter of 2018.

Agriculture sector posted the weakest gain of 0.8%, even slower than the 1.8% in Q4-2018. Contributions to the sector's growth came from forestry (+10.9%) and fishing (+1.5%). However, the decline in many agriculture crops' output, such as palay (-4.5%), coffee (-6.9%), and cassava (-5.6%), among others, dragged the sector down.

We think that economic activity will rebound strongly in Q2 anchored on lower inflation which should further drive consumption higher. Besides, the ramping up of public construction and the spillover effects of election-related spending should also further drive up GDP growth.

Manufacturing Output in March Falls Anew

The Volume of Production Index (VoPI) further decelerated to a 9.2% decline in March, the slowest since November 2017. Lower manufacturing activities in eight out of the 20 major industry groups pulled down the index. Food manufacturing, which is a major contributor in the overall index, largely contributed to the downtrend. It posted a 17.3% y-o-y decline, tracking lower agricultural product inputs. Furniture and fixtures and petroleum products also posted double-digit decrements, falling by 25.5% and 17.2%, respectively. Leather products, originally in the positive list, now join the losers.

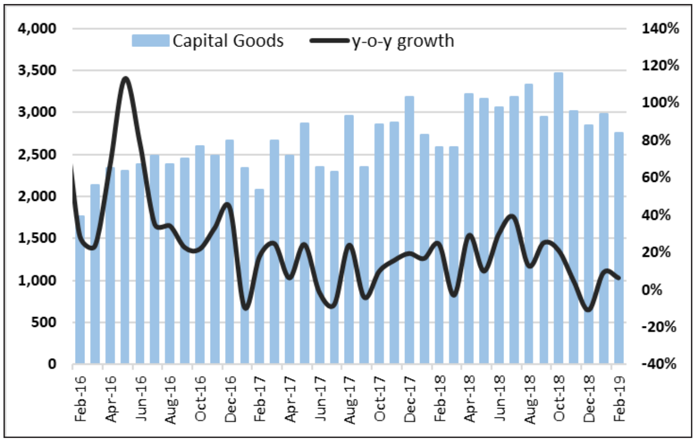
Meanwhile, printing led the expansion with a 39.0% jump, followed by footwear and wearing apparel (+29.3%). Machinery, except electrical product category, joined the outperformers showing a 2.5% increase.

We think that the delay in budget approval would have likely contributed to the lower VoPI in March. Nonetheless, we expect an improvement in the coming months as infrastructure and construction spending kicks-up. Election-related spending would also help buoy factory production.

Capital Goods Imports Still Record Positive Expansion

The imports of capital goods recorded another positive expansion at 6.5% (y-o-y) in February, albeit slower than what was recorded in January. Strong demand for telecommunication and electrical machinery buoyed total capital goods growth, boosted by double-digit gains in the imports of land transportation equipment and aircrafts, ships, and boats. Meanwhile, imports of power generating and specialized machines, office and EDP machines and photographic equipment and optical goods declined, offsetting the gains registered in other capital goods product category. Higher transport fares in NCR and price increase in apparel in most regions drove the transportation and clothing & footwear indices higher while the rest of the indices maintained the past month's rate.

Figure 2 - Imports of Capital Goods (in Million USD)



Source of Basic Data: Philippine Statistics Authority (PSA)

As in the past, raw materials & intermediate goods imports captured the largest share of total imports at 39.9%. Import receipts fell by 6.3% y-o-y due to lower import demand for unprocessed raw materials (i.e., inedible crude materials, tobacco). Semi-processed raw materials (feeding stuff for animals, animal and vegetable oil) and manufactured goods (paper, textile yarn, iron and steel) showed lackluster growth as well. Lower demand for passenger cars also resulted in a 1.4% y-o-y decline in consumer goods imports. Meanwhile, mineral fuels, lubricants and related materials managed to register gains despite the 7.4% fall in petroleum crude imports. The double-digit gains in coal and other fuel provided the positive impulse.

National Government (NG) spending in March softened by 8.2% (y-o-y) to reach P287.3-B, due to the delay in the approval of the 2019 General Appropriations Act.

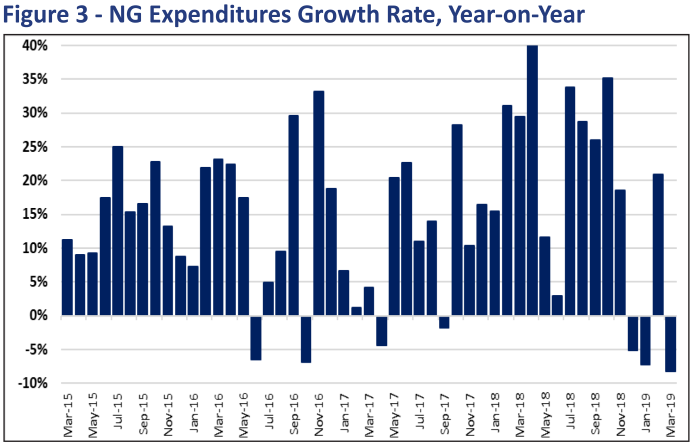
Tracking gains in capital goods and mineral fuels, total imports grew by 2.6% y-o-y to reach $7.9-B in February. It continues to outpace total exports, resulting in a $2.8-B trade deficit in February. This represents a huge improvement from the $3.8-B deficit in the preceding month, due to lower crude oil prices.

Budget Delay Weighs on NG Spending

National Government (NG) spending in March softened by 8.2% (y-o-y) to reach P287.3-B, due to the delay in the approval of the 2019 General Appropriations Act. This marked the 2nd decline in 2019 and resulted in a deficit of P58.4-B for the month. The cumulative deficit for Q1 hit P90.2-B, down by 40.7% from a year ago. It also represented only 14.3% of the planned FY deficit of P624.2-B.

Total NG disbursements in Q1 amounted to P778.0-B, up by only 0.8% y-o-y. When interest payments are excluded, total spending actually dropped by 0.7%. The delay in budget approval would have likely dampened spending on infrastructure projects and other new projects of the NG.

Figure 3 - NG Expenditures Growth Rate, Year-on-Year



Source of Basic Data: Bangko Sentral ng Pilipinas (BSP)

Meanwhile, total revenues accelerated to a 13.1% uptick for the month, relying on hefty gains in the Bureau of Internal Revenue (BIR) collections and Bureau of Customs (BOC) collections. BIR's total tax takes for the month stood at P150.0-B, posting a 12.7% y-o-y growth. BOC's intake also expanded by 8.8% amidst sustained import activities. Year-to-date (YTD) NG revenues rose by 11.0%, with a good contribution from BIR's YTD gain of 10.7%. The latter would imply still a fast GDP growth in Q1.

With the signing of the NG budget on April 15, we expect accelerated NG spending starting April (before May 13 elections) and this should strongly boost economic activity starting Q2.

Inflation Eases Further to 3.0% in April

Stable food prices and minimal increases in other commodities more than offset higher fuel prices as to bring headline inflation further down to 3.0% (year-on-year) in April from 3.3% in March. This also pulled down YTD headline and core inflation rates to 3.6% from 3.8% and 3.9%, respectively, in March. Apart from the food price index, six other commodity categories also exhibited lower y-o-y price gains.

Rice prices had gone back to their level a year ago with the year's first harvest and bigger rice imports feeding supply. This and lower corn prices blunted large increments in vegetable (+7.9%), sugar & confectionaries (+6.2%) and other food products (+5.3%).

The main source of higher non-food prices came from higher fuel costs absorbed by the Transport sector, which showed an acceleration from 3.3% in March to 3.8% in April. Brent crude oil prices actually fell slightly by 1.2% to $71.23/barrel (bbl) from $72.23/bbl in April 2018. West Texas Intermediate (WTI), the US benchmark had a slightly larger drop.

The only other price uptick came from Communications which edged up to 0.4% in April from 0.3% in the previous month. The other two commodity groups—Recreation & Culture and Education—kept the pace they had in March.

Seasonally adjusted annualized rates (SAAR) increased slightly to 2.4% from 1.2% in March due mainly to more elevated fuel prices and some food items.

Domestic liquidity (M3) growth sustained its slowdown to 4.2% (y-o-y) in March, a large drop from the 7.1% in February.

Inflation Year-on-Year Growth Rates	Apr 2019	Mar 2019	YTD
All items	3.0%	3.3%	3.6%
Food and Non-Alcoholic Beverages	3.0%	3.4%	4.2%
Alcoholic Beverages and Tobacco	9.9%	10.8%	12.2%
Clothing and Footwear	2.4%	2.5%	2.5%
Housing, Water, Elec, Gas, & Other Fuels	3.2%	3.4%	3.6%
Furnishing, Home Equip & Maintenance	3.2%	3.4%	3.6%
Health	3.7%	3.9%	4.0%
Transport	3.8%	3.3%	2.7%
Communication	0.4%	0.3%	0.4%
Recreation and Culture	3.1%	3.1%	3.1%
Education	-3.8%	-3.8%	-3.8%
Restaurants and Misc. Goods and Services	3.5%	3.7%	3.9%

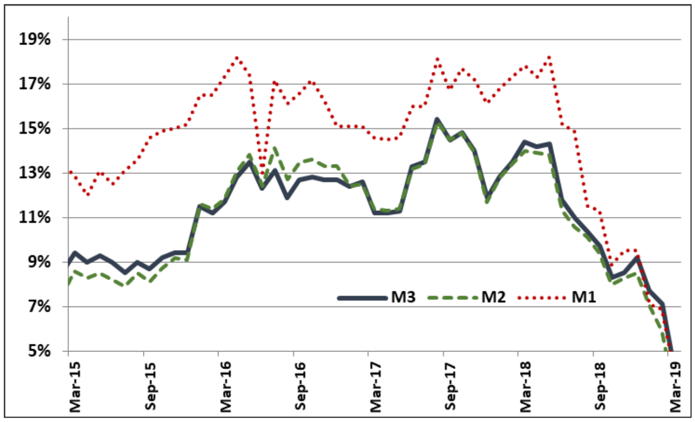
Source of Basic Data: Philippine Statistics Authority (PSA)

Note: Green font - means higher rate (bad) vs. previous month
Red font – means lower rate (good) vs. previous month

Domestic Liquidity Growth Slows to 4.2% in March

Domestic liquidity (M3) growth sustained its slowdown to 4.2% (y-o-y) in March, a large drop from the 7.1% in February. This marks the slowest uptick since December 2004 (at +3.8%). Broad money (M2) and narrow money (M1) growth likewise showed relative tightness, recording a quick-paced deceleration of 3.0% and 3.9%, respectively.

Figure 4 - M1, M2, M3 Growth Rates



Source of Basic Data: Bangko Sentral ng Pilipinas (BSP)

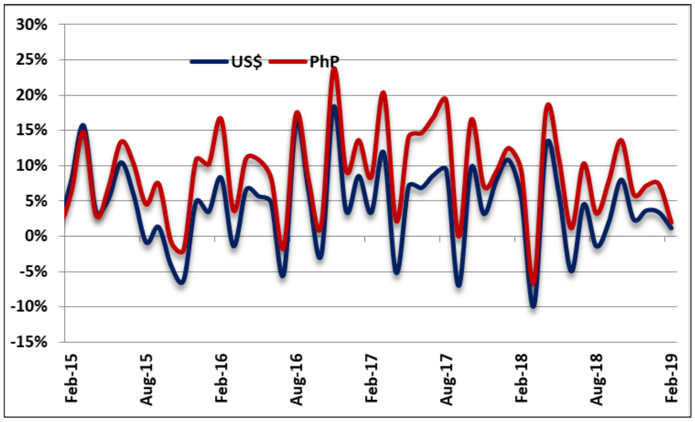
Outstanding commercial bank loans, which comprised 89.5% of banks' loan portfolio, also expanded at a slower pace to 11.4% y-o-y from 13.6% in February. Bulk of these loans went to financial and insurance activities, these loans went to financial and insurance activities, wholesale and retail trade, repair of motor vehicles and motorcycles, manufacturing, and construction, among others. Meanwhile, growth in net foreign assets (NFA) of monetary authorities improved, showing a faster 4.7% y-o-y expansion from 2.4% in the preceding month.

The quick-paced deceleration in monetary aggregates, softer inflation, and tepid GDP growth in Q1 vindicated our call that the Monetary Board (MB) would likely cut reserve requirements ratio (RRR) in Q2 and trim the policy rates, the latter albeit earlier than we expected.

OFW Remittances Slow Down in February

Filipinos working abroad (OFWs) continued to pour in money, amounting to $2.6-B in personal remittances in February, 1.2% higher (y-o-y) than in the same period last year but slower than the previous month's rate. Inflows coming from sea- and land-based workers with less than one-year contracts supported remittances flow (+8.5%) and offset the 0.4% decline in remittances sent by those with contracts locked-in for at least one year.

Figure 5 - OFW Remittances Growth, Year-on-Year



Source of Basic Data: Bangko Sentral ng Pilipinas (BSP)

Cash remittances (i.e., coursed through banks) also increased by 1.5% (or $2.3-B) amidst strong transfers from the US, which accounted for about 35.5% of total cash remittances. Saudi Arabia, UAE, Singapore, the United Kingdom, UAE, Japan, Qatar, Germany, and Hong Kong, which collectively comprised another 77%, also contributed to the unrelenting increase of remittances. Similar to previous months, peso depreciation (0.8% y-o-y) magnified the peso equivalent of personal remittances in February to post a 1.9% increase.

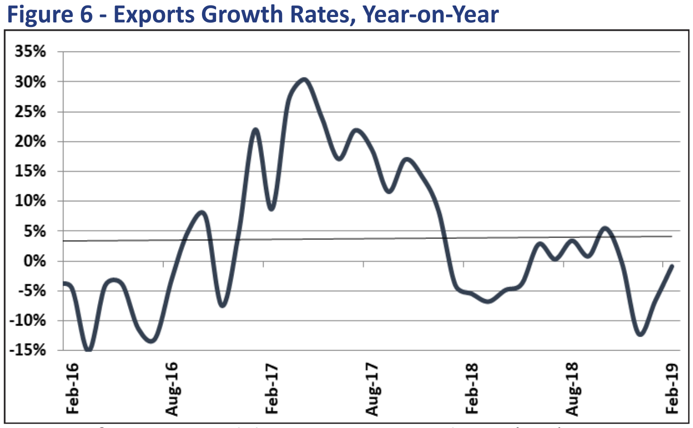
Despite positive economic developments in the US, the Philippine peso managed to resist the greenback amidst an observed increase in investors' appetite in the PH financial markets.

We expect sustained inflow of remittances given the strong demand for Filipino workers abroad, and their remittances should help fuel domestic demand.

Exports Print Improves But Still in the Red

Total exports performance in February still lodged in the negative territory, with receipts amounting to $5.3-B. Export growth slid by 0.9% y-o-y, although it improved from the 6.7% (revised) drop in January. Double-digit declines in top export commodities largely weighed in on export performance.

Figure 6 - Exports Growth Rates, Year-on-Year



Source of Basic Data: Philippine Statistics Authority (PSA)

Electronic products continued to rank as the top export, accounting for 54.4% of total exports and posting a 0.8% y-o-y increase. Semiconductors, which had the biggest share among electronic products (at 38.7% of total exports), slipped by 2.1% y-o-y to $2.0-B. Outbound sales of the remaining top five export products, likewise, fell; except for exports of cathodes and refined copper (5th place) which reported gains of 41.3% y-o-y. Shipments of other manufacture goods, machinery & transport equipment, and ignition wiring set and other wiring sets in 2nd to 4th places fell by 12.6%, 16.7% and 3.3%, respectively.

US regained the top export destination, accounting for about 17% of total sales. Shipments to the US increased by 13.6% y-o-y to $901.8-M as US economy continued to expand robustly. Exports to Japan (2nd) and China (3rd) also grew by 0.8% and 10.5%, respectively. Meanwhile, exports demand from Hong Kong and Singapore, registered declines.

Almost half of the total exports in February still headed towards East Asian (EA) nations, valued at $2.5-B. Higher demand in Japan and China resulted in the 2.5% gains in the export going to the EA region. Exports shipments to ASEAN, on the other hand, contracted by 14.6%, with receipts amounting to $768.5-M.

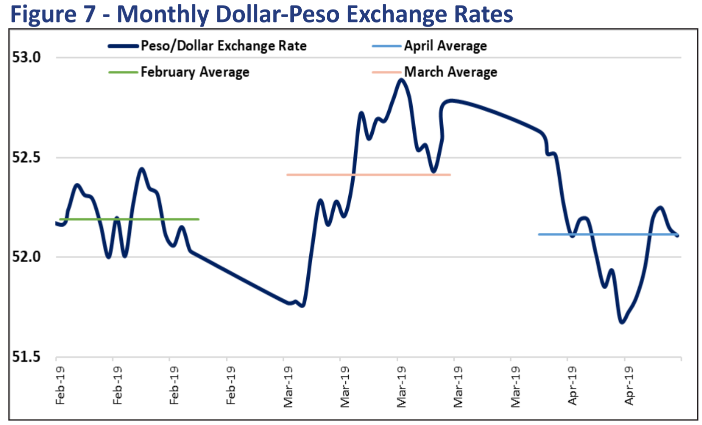
Despite the weak print in February, we are inclined to believe that export growth this year will lodge in the positive territory, albeit unremarkable, in anticipation of a weak rebound in Japan and China's economies, while the US economy's unflagging growth confounds skeptics.

Peso Regains Strength in April

Despite positive economic developments in the US, the Philippine peso managed to resist the greenback amidst an observed increase in investors' appetite in the PH financial markets. Lower international prices of crude oil and the approval of 2019 NG budget also triggered gains in PH currency. PH peso's mild appreciation could also possibly be traced to narrower trade deficit in February.

The peso averaged P52.11/$ from P52.41/$ a month ago, showing a 0.6% appreciation (m-o-m). The volatility measure narrowed to 0.27 from 0.36 in March, with the peso reaching a high of P52.63/$ and a low of P51.68/$.

Figure 7 - Monthly Dollar-Peso Exchange Rates



Source of Basic Data: Bangko Sentral ng Pilipinas (BSP)

The rupee (INR) and rupiah (IDR) also showed strength amidst huge foreign capital inflows into India and Indonesia's financial markets. The improvement in Indonesia's external sector boosted the rupiah. Yuan remained weak due to bearish manufacturing data in China, which also put

We think that inflation will go below 3% as early as July and to below 2%, due to base effects, by September, which boost consumer sentiment and pockets.

downward pressure on Korea's won (KRW). Moreover, Korea's manufacturing and equity performance came in weak. Huge capital outflows still dragged down the ringgit and baht. Political disturbance and weak tourism data in Thailand also dampened the baht.

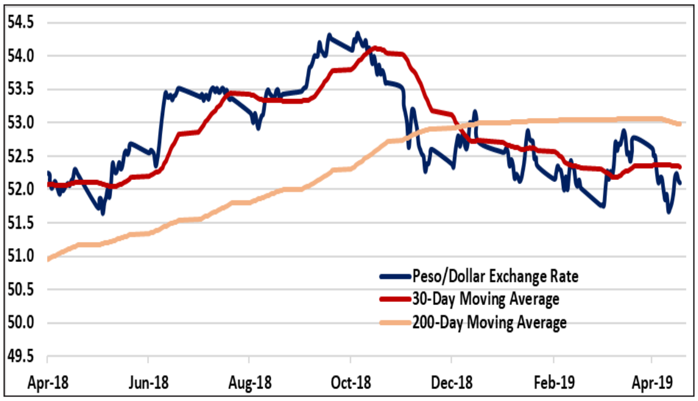
Exchange Rates vs USD for Selected Asian Countries

	Mar-19	Apr-19	YTD
AUD	1.0%	-0.44%	0.7%
CNY	-0.4%	0.03%	-2.6%
INR	-2.2%	-0.33%	-1.9%
IDR	1.1%	-0.35%	-2.5%
KRW	0.9%	0.80%	1.6%
MYR	0.0%	0.92%	-1.4%
PHP	0.4%	-0.57%	-1.2%
SGD	0.1%	0.01%	-1.1%
THB	1.3%	0.39%	-2.7%

Source of Basic Data: Bangko Sentral ng Pilipinas (BSP)

Note: Positive changes mean depreciation and negative changes mean appreciation against the greenback

Figure 8 - Dollar-Peso Exchange Rates & Moving Averages



Source of Basic Data: Bangko Sentral ng Pilipinas (BSP)

The month-end actual USD/PHP rate in April landed below the 200-day and slightly off the 30-day moving averages (MAs), suggesting slight peso strengthening in the coming months. However, as BSP cut RRR in Q2 and/or rebuild its GIR, we still think that the peso will mildly depreciate from P52.0 in the latter half of Q2.

Outlook:

While Q1-2019 GDP growth may be slightly off target, we expect a strong rebound starting Q2 before and immediately after the May elections and head back to its fast growth path in H2.

• Investment spending should continue to lead GDP growth, as durable equipment investments have kept a steady growth pace (even prior to the BSP moves), which we expect to accelerate starting Q2 not only with election spending, but also with a higher bounce in infrastructure and other government spending.

• Consumers will likely spend more before and after elections, due to the above as well, and continued fall in inflation.

• We think that inflation will go below 3% as early as July and to below 2%, due to base effects, by September, which boost consumer sentiment and pockets.

• Money growth should rally starting May after the BSP cut RRR and policy rates and adds to its GIR holdings to insulate the economy better from possible external shocks.

• Exports growth should move into the positive territory by Q2 amidst the US economy's upward march rolling on.

• The peso, which benefitted from narrower trade deficits in February to April, may move to a slight depreciation bias as trade deficits regain elevated levels and as the BSP allows more money growth.

LOCAL GS BOND MARKET CORRECTS IN APRIL

Outsized secondary market trading volumes and the resulting large fall in Treasury bond (T-bond) yields in March paved the way for a correction in April. Trading volume in the government securities (GS) secondary market halved in April while yields rose by 25 basis points (bps) for 5-year and 31.7 bps for 10-year to 5.886% and 5.922%, respectively. Nonetheless, market players remained bullish and tendered more competitively in the auction market and kept secondary trading at P275.2-B, which still surged by 119.8% from April 2018, and also the highest since August 2016 (excluding March 2019). With the credit rating upgrade at the end of April, ROP yields rose less than US Treasuries resulting in lower spreads between equivalent tenors.

Outlook: Despite strong job creation in the US for April (+263,000), wage growth remained muted at 0.2% leading to a fall in 10-year US Treasury bond yields in early May, even as inflation appeared unthreatening. The focus on local developments—weak GDP growth in Q1, continuing fall in inflation rate to 3.0% in April and M3 growth to a 15-year low of 4.2%, approval of 2019 National Government budget, and results of the May election—should favor a further downside to long-term bond yields. Estimated concurrent real yields also point in the same direction. All these have led the Monetary Board (MB) to cut policy rates by 25 bps to 4.5% last May 9th. As this did not address bank liquidity immediately, the MB shaved reserve requirement ratio (RRR) by 200 bps after a week. Lower RRR phased-in between end-May and end-July should exert downward pressure on short-term interest rates by July.

Date	T-Bond/ T-Bill	Offer (Php B)	Tendered (Php B)	Accepted (Php B)	Tendered ÷ Offered	Ave. Yield	Change bps
01-Apr	91-day	4.000	8.808	4.000	2.202	5.635	
	182-day	5.000	6.772	5.000	1.354	5.958	
	364-day	6.000	10.161	6.000	1.694	5.961	
15-Apr	91-day	4.000	9.587	4.000	2.397	5.614	
	182-day	5.000	7.819	3.264	1.564	5.987	
	364-day	6.000	7.378	0.000	1.230	0.000	
22-Apr	91-day	4.000	10.593	4.000	2.648	5.608	
	182-day	5.000	8.349	3.099	1.670	5.996	
	364-day	6.000	7.660	0.000	1.277	0.000	
29-Apr	91-day	**4.000**	9.850	4.000	2.463	5.563	-22.4
	182-day	5.000	10.947	5.000	2.189	5.978	5.1
	364-day	6.000	8.460	4.010	1.410	6.085	4.1
Subtotal		**60.000**	**106.384**	**42.373**	**1.773**		
10-Apr	10 year	20.000	46.468	20.000	5.954	5.954	-24.2
24-Apr	20 year	20.000	31.717	0.000	1.586	0.000	-
Subtotal		**40.000**	**78.185**	**20.000**	**1.955**		
All Auctions		**100.000**	**184.569**	**62.373**	**1.846**		

Source: Philippine Dealing Systems (PDS)

GS Primary Market: Ebullient Demand Despite the Holy Week Respite

Total auction for Government Securities (GS) primary market fell to P184.6-B in April with tender-offer ratio (TOR) of 1.85x, sliding from 2.06x last March. But totals can be misleading. Despite Bureau of the Treasury (BTr) effectively cutting back its offers for Treasury bills (T-bills) due to the Holy Week, demand for short-term debt papers increased as TOR jumped to 1.77x from 1.49x in March. Meanwhile, total tenders for Treasury bonds (T-bonds) offered plummeted to P78.2-B, with a TOR of 1.96x compared to the 3.21x TOR in the previous month. Investors had became wary that the deep fall in long-term bond yields had gone too fast.

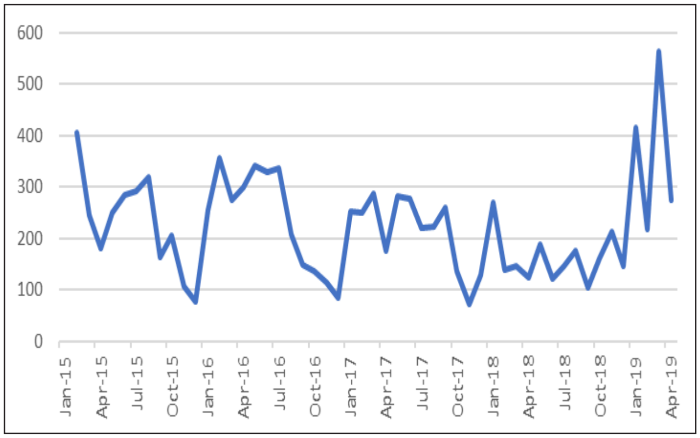
Demand for T-bills gained as TOR spiked up to 1.77x with a total tenders of P106.4-B against P119.3-B in March. Actually, if one deducts P20-B from the tenders since there was one less T-bill auctions in April, the total for April would be higher. TOR reached 2.43x for 91-day T-bills, but progressively went down with the longer maturities, with 182-day T-bill TOR at 1.60x and 1.40x for 364-day T-bills.

With the stronger demand, 91-day T-bill yields also fell by 22.4 bps to 5.563% from 5.787% in March. Conversely, 182-day and 364-day T-bill yields, however, saw slight upward movements. Appetite shrank for 182-day T-bill as its yields rose by 5.1 bps to 5.978% from 5.927% in March while 364-day T-bill yields edged up by 4.1 bps to 6.085% from 6.044% a month ago.

For the longer-dated bonds, BTr intended to issue 10-year and 20-year in April. Both tenors remained attractive to the investors as 10-year T-bond yields continued to drop cumulatively by 87.5 bps since January this year at 6.839%. Moreover, in April 10-year T-bond yield declined by 24.2 bps to 5.954% from 6.194% in the previous month. Meanwhile, the auction committee decided to reject all bids for the auction for 20-year T-bonds despite attracting tenders totaling P31.7-B.

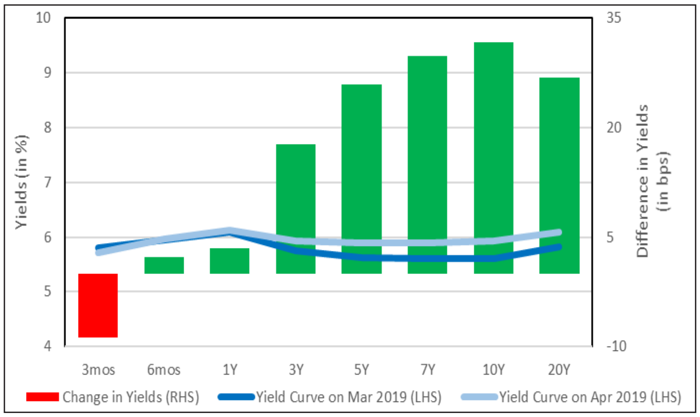
The upswing in corporate bond trading volume rolled on in April when it increased by 15.8% (m-o-m) with a total amount of P3.8-B compared to P3.3-B in March.

Figure 9 - Monthly Total Turnover Value (in Billion Pesos)



Source: Philippine Dealing Systems (PDS)

Figure 10 - GS Benchmark Bonds Yield Curves



Source: Philippine Dealing Systems (PDS)

GS Secondary Market: Volume Slashed in Half After the 50-month High in March

After the successful 50-month high last March amounting to P563.7-B, bond investors take a back seat again in April. Demand for secondary market dropped by 51.3% month-on-month (m-o-m) or a total of P275.2-B. In addition, the volume only lessened near-term bullishness as it represented a huge 119.8% jump from P125.2-B in April 2018. The decline in trading ensued from the overbought situation in April, which reduced demand as yields began to rise.

Benchmark yield curve became less flat as yields for long-term dated papers such as 3-year, 5-year, 7-year, 10-year and 20-year showed a lift roughly parallel to the March yield curve. In addition, 3-month yields slightly dropped. The yield curve flattened a bit as the spread between the 10-year tenor and 1-year benchmark yields narrowed to -21 bps from -49.2 bps a month ago. As the appetite of investors slowed down last month, yields moved up drastically for 7-year benchmark by 29.7 bps to 5.896% while 10-year bond yields surged by 31.7 bps to 5.922%. 5-year and 20-year benchmark yields also climbed, albeit less than the other two tenors, with increases of 25.9 bps and 26.8 bps to end up at 5.886% and 6.087%, respectively. Only the 3-month benchmark yield gave up 8.8 bps to reach 5.711%.

Corporate Bonds: Trading Volume Increases Anew

The upswing in corporate bond trading volume rolled on in April when it increased by 15.8% (m-o-m) with a total amount of P3.8-B compared to P3.3-B in March. More strikingly, volume surged by 54.1% year-on-year (y-o-y) from P2.5-B a year ago due to the corporate bond issuances totalling to P139.2-B from Q4-2018 to April 2019.

However, total volume for the top five corporate bond trading dove by 36.0% to total P932.0-M from P1.5-B in the previous month. The 70.2% plunge in trading of Ayala Land Inc. (ALI) debt papers, the erstwhile number 1 traded papers, largely caused the fall. At P237.9-M, ALI now ranks second in the rankings. Other corporate trading issuers include SM Prime Holdings (SMPH), JG Summit Holdings (JGS), Ayala Corporation (AC) and SM Investments Corporations (SMIC).

SMIC climbed up to the top spot with P297.9-M, soaring by 109.5% month-on-month (m-o-m), followed by ALI and AC. AC also jumped to third rank with P199.9-M due to huge gain of 75.3% m-o-m. On the other hand, SMPH and JGS debt papers fell by 6.4% and 81.3%, respectively, for the 4th and 5th slots.

Corporate Issuances and Disclosure

• Board of Directors of Robinsons Bank Corporation (RBank) approved the issuance of P10.0-B worth of 2-year corporate bonds. It plans to issue these in several tranches up to three years dated April 29, 2019. Since RBank is not a listed company, but is a subsidiary of JG Summit, Inc., no further details could be obtained.

• BDO Unibank Inc. (BDO) listed P7.3-B of Long-Term Negotiable Certificates of Time Deposit (LTNCTD) with the Philippine Dealing & Exchange Corporation (PDEx) on April

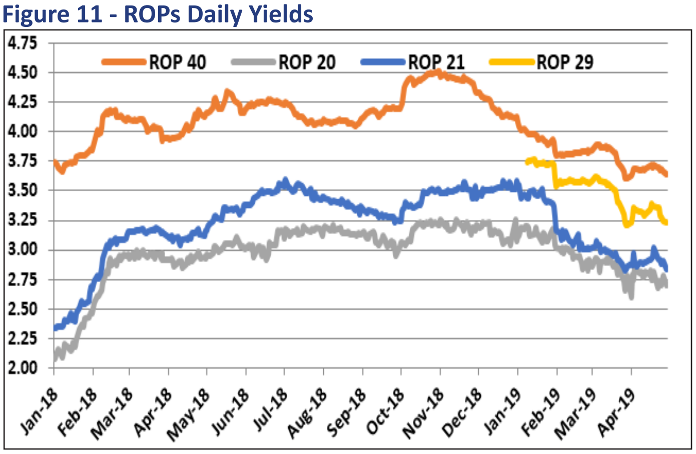
ROPs yield curve steepened slightly as longer-dated bond yields (for ROP-29 and ROP-40) mimicked the rise in long-term US Treasury bonds.

12, 2019 following its oversubscribed offer of P5.0-B to investors. The 5.5-year paper carried a coupon of 5.375%.

• Metropolitan Bank and Trust Company (MBT) also listed P17.5-B of senior bonds with PDEx on April 11, 2019 after completing its public offering for P10.0-B initially. The oversubscribed bond carried a coupon rate of 6.3% with a 3-year maturity.

• SMC Global Power Holdings Corporation listed P30.0-B of fixed rate retail bonds with the PDEx on April 25, 2019 on debt papers with varying tenors and coupons. 3-year bonds due 2022 carried a coupon of 6.835%, while the 5-year and 7-year bonds provided coupons of 7.1783% and 7.6%, respectively. The issues represent the first tranche of its shelf-registration with Securities and Exchange Commission (SEC) totaling P60.0-B.

Figure 11 - ROPs Daily Yields



Sources: Bloomberg & First Metro Investment Corporation (FMIC)

ROPs: Yield Curve Steepens as Long-end Yields Edged Up

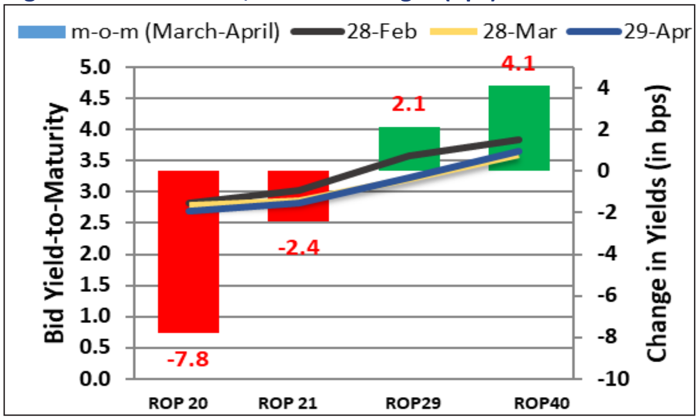
ROPs yield curve steepened slightly as longer-dated bond yields (for ROP-29 and ROP-40) mimicked the rise in long-term US Treasury bonds. On the other hand, US yield curve tilted more upward as increases in long-term US T-bond yields exceeded those experienced by equivalent ROPs.

ROP-20 shed 7.8 bps to end at 2.701% while ROP-21 had minor slide of 2.4 bps to 2.831%. At the longer end of the curve, ROP-29 yields moved up by 2.1 bps to 3.229% while ROP-40 increased by 4.1 bps to 3.647%.

US T-bond yields jumped for all tenors. 10-year US T-bond yields went up by 13 bps to 2.54% and 20-year US T-bond yields surged by 15 bps to 2.78%. In the short end of the curve, the gains proved muted as 1-year and 2-year T-bond yields rose by 2 bps and 3 bps to 2.42% and 2.3%, respectively.

With the faster rise in long-term US T-bond yields, the spreads between ROPs and equivalent US Treasuries narrowed across the entire yield curve. Notably, the spread between the 2-year and 10-year tenors slipped by 10.9 bps to end at 68.9 bps. (Please refer to table for other tenors).

Figure 12 - ROPs Yield, M-O-M Changes (bps)

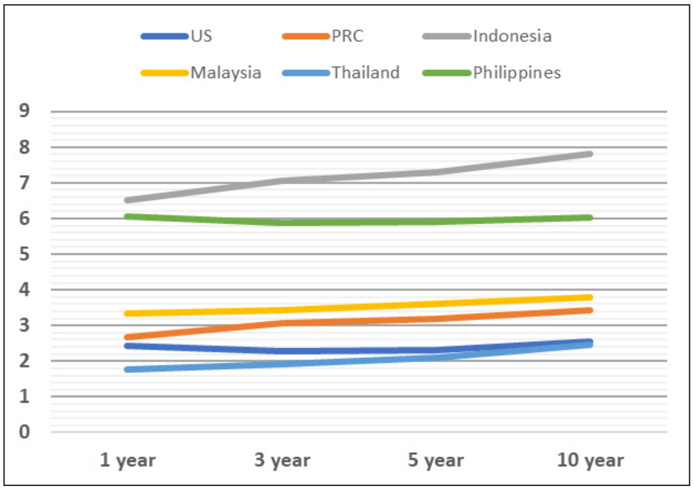


Sources: Bloomberg & First Metro Investment Corporation (FMIC)

Spreads between ROPs and US Treasuries

Date	1-year	2-year	10-year	20-year
29-Mar	37.90	58.50	79.80	97.60
30-Apr	28.10	53.10	68.90	86.70
Change	-9.80	-5.40	-10.90	-10.90

Figure 13 - Comparative yield curve between ASEAN per tenor

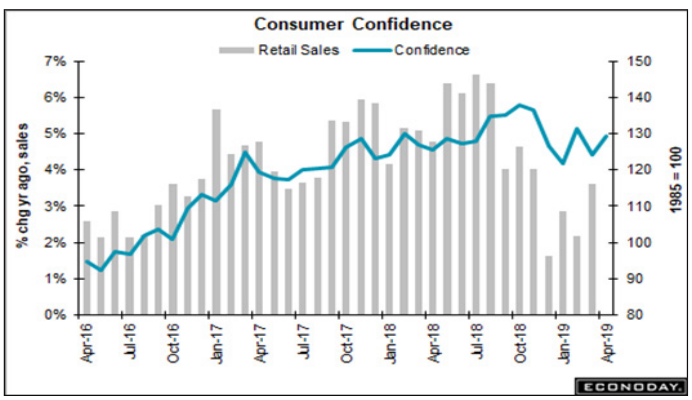


Sources: Bloomberg & First Metro Investment Corporation (FMIC)

The US economy sustained its vitality as GDP grew by 3.4% in Q1, a big jump from 2.2% in Q4-2018.

ASEAN + 5: Mixed Yield Curve Movements Seen in April

US: The US economy sustained its vitality as GDP grew by 3.4% in Q1, a big jump from 2.2% in Q4-2018. It created 263,000 new jobs in April, way above consensus and March's figure of 186,000. This has buoyed consumer sentiment beyond expectations to 129.2 up from 124.2. PMI for April confirmed the upswing as it rose to 52.6 from 52.4 a month ago. In short, the real economy still looks solid. Balance of trade deficit only marginally increased to $71.4-B from $70.0-B in March. S&P Corelogic Case-Schiller housing price index showed modest gain of 0.2% in March from 0.1% (m-o-m, seasonally adjusted), as it benefitted from lower mortgage rates. Bond yields have dropped even as 10-year yields closed at 2.50% only to trend lower in first two weeks of May. Yield curve turned slightly steeper with the spread between 10-year and 2-year bond yields up by 10 bps to 24 bps.



China: Gross Domestic Product rose by 6.4% in Q1-2019, as consumer spending sped up. Retail sales expanded by 8.7% while investments moved up by 6.3% year-to-date (YTD). Manufacturing output grew by 8.5% y-o-y, boosted by robust car, aluminum and steel output. Bloomberg economist also added that the economy will continue to stabilize in Q2, but expressed need for policy support. The unemployment rate staying at 5.0% for the third month confirmed this and suggests a slower increase in corporate profits. China's CPI inflation accelerated to 2.3% y-o-y in March from 1.5% in February due to the 4.1% climb in food prices. While China's growth got stronger than expected in Q1, the trade war between China and US will not cool down anytime soon. PMI slowing to 50.1 from 50.5 a month ago support this. People's Bank of China retained its policy rates but the yield curve steepened slightly as the 10-year to 2-year bond spread rose by 5 bps to 49 bps.

Thailand: Fiscal Policy Office (FPO) reduced its GDP forecasts to 3.8% from 4.0% in 2019 as Thai exports contracted 1.6%, led by a 9.2% drop in Thai shipments to China. However, shipments to the US surged 32.2%. CPI inflation rose by 1.23% (y-o-y) in April, practically the same as 1.24% in the previous month. The surge in fresh food and vegetables, rice and flour, meat and poultry and oil prices drove up inflation. Fresh vegetables jumped by 12.7% due to the low supply caused by hot and dry weather. Milled rice and flour, and meat products kept their 3.3% gain from last month. For the first four months, headline inflation averaged 0.86%. However, Bank of Thailand (BoT) said that they still expect prices to go up especially on vegetable supply because of the unfavorable weather. Nonetheless BoT forecasts inflation for 2019 at the low range of 0.7-1.7%.

On the other hand, consumer confidence index fell to 79.2 point (m-o-m) according to University of Thai Chamber of Commerce. The decline originates from political instability, higher oil prices, and the US-China trade war. The latter will likely affect Chinese tourist arrival in the country.

Meanwhile, baht weakened to its lowest in 2019 to 32.049 per dollar. Bank of Ayudhya Plc., however, expects the currency to recover by end of June. BoT kept policy rates at 1.75%, even as the yield curve flattened due to the expected growth slowdown. The spread between 10-year and 2-year bond yields plunged by 28 bps to 38 bps, the biggest drop in the region. Thai market players likely expect an economic slowdown deeper than that by policy makers, not only because of the US-China trade war, but also because of the political instability that the recent elections has failed to undo.

Indonesia: Headline inflation rate increased to a four-month high of 2.83% in April 2019 from 2.48% in the previous month and above market expectations of 2.69%. Upward pressure came mainly from food price upticks (2.29% vs 0.56% in March). Transportation, communication & financial services (3.22%) and health (3.13%) also contributed to higher inflation. YTD inflation hit 2.83%

Despite the primal strength of the US economy, US 10-year yields jumped back into a downward slope in early March after a momentary upward blip.

but still landed below the central bank's target of 3.5%. Meanwhile, Bank Indonesia (BI) decided to maintain the 7-day Reverse Repo Rate (BI7DRR) at 6.0% driven by the slowing US economy and domestic conditions. BI forecasts the current account deficit to slide to 2.5% of GDP from 3.0% in 2018, due to lower crude oil prices. Thus, with higher capital and financial account surplus, BI expects stable exchange rates during the year.

The Indonesian government has issued $2.0-B of dollar denominated bonds so far this year and expects to continue borrowing to fund its ambitious infrastructure program. Fitch has a credit rating of BBB to these bonds, while S&P pegged it at BBB-. Local bond yield curve slightly flattened by 4 bps (difference between 10-year and 2-year bond yields). In addition, Rating and Investment (R&I) has recently given the country an affirmation of the credit rating of BBB. This indicates a stable outlook for Indonesia, BI Governor Warjiyo states that "the assessment of R&I demonstrates a sound government and expected investor's confidence to Indonesia."

Malaysia: Nikkei Malaysia Purchasing Managers' Index increased to 49.4 in April from 47.2 in the previous month. This arose from the large sub-index gains in new export orders, mainly coming from Europe, US, Singapore and Japan and in output and employment.

CPI recorded a decline of 0.3% in Q1-2019 (y-o-y) driven by transport (-5.9%), clothing and footwear (-3.1%), and miscellaneous goods and services (-2.2%). Bank Negara Malaysia (BNM) kept its overnight policy rate (OPR) to 3% from 3.25% last May 7, 2019. The rate cut for the OPR is seen to boost local consumer spending. In addition, Ambank states that the economy will grow in the region of 4.2% to 4.5% in H1-2019 and further gain momentum in H2-2019 to 4.8-5.0%. DBS Research downgraded Malaysian government bonds to 'neutral' although local debt papers outstanding rank third in Asia. This means mounting risk for the Malaysian government securities. The country got a '2' in the World Government Bond Index (WGBI), with a potential downgrade to'1'. If Malaysia gets downgraded it becomes ineligible in the WGBI and significant capital flight out of the local bond market could ensue. The Malaysian yield curve remained steady with just a miniscule 1 bp increase in the spread between 10-year and 2-year bond yields.

Outlook

The bullish tune we have played for the bond markets should keep ringing in the ears of market players and investors. True, there is a liquidity crunch among banks, but the signs for a change are hopeful.

• Despite the primal strength of the US economy, US 10-year yields jumped back into a downward slope in early March after a momentary upward blip. US GDP growth of 3.2% SAAR in Q1, from 2.2% in the previous quarter, and additional jobs came in at 263,000 in April from an already elevated 186,000 a month ago, with wage growth only up by 0.2% m-o-m, showed its muscle.

• In addition, the IMF has further downgraded its 2019 forecasts for the world economy in its latest report for

Spreads between 10-year and 2-year T-Bonds

Country	2-year Yields	10-year Yields	Projected Inflation Rates	Real 10-year yield	10-Year and 2-Year Spread (bps)		Spread Change (bps)	Latest Policy Rate	Real Policy Rate
					Mar-19	Apr-19			
US	2.30	2.54	2.2	0.34	14	24	10	2.50	0.30
PRC	2.92	3.42	2.5	0.92	44	49	5	4.35	1.85
Indonesia	6.99	7.80	2.8	5.00	85	81	(4)	6.00	3.20
Malaysia	3.40	3.80	0.8	3.00	39	40	1	3.25	2.45
Thailand	2.10	2.48	0.9	1.58	65	38	(28)	1.75	0.85
Philippines	5.97	6.03	2.9	3.03	(21)	6	27	4.50	1.85

Sources: Asian Development Bank (ADB), The Economist & UA&P
**1-yr yields are used for PH because 2-yr papers are illiquid*

As we project headline inflation to go even below 2.0% (y-o-y) by Q4, with the above inflation factored in, we think that 10-year bond yields can go below 5% in H2.

April 2019. There is, thus, little upward pressure from US and advanced economies interest rates. Therefore, we focus on the domestic factors.

• With the Fed still likely on pause in 2019, we see very little upward pressure. The case for lower local long-term bond yields strengthened with: (a) weak GDP growth of 5.6% in Q1 vs consensus of 6.0%, (b) unabated fall in the inflation rate to below 3.0% by July, and (c) the BSP policy rate cut of 25 bps on May 9, followed a week later by lowering RRR by 200 bps, starting with 100 bps by end-May, and 50 bps each for end-June and end-July. Lower RRR should push short-term downwards.

• The movement of real bond yields (based on Fisher equation) would provide support to this. It says that the nominal interest rate is equal to the real interest rate plus the inflation rate. Absent other risk factors, the real yield is considered a constant. Thus, nominal bond yields would have 1-for-1 with changes in the inflation rate. From 2010-2018, the average real yield has been around 1.69%. Even if we rounded that off to 2.0%, and add the BSP forecast inflation of 2.9% for 2019, we arrive at 5.0% as very doable for the 10-year T-bond yields. As we project headline inflation to go even below 2.0% (y-o-y) by Q4, with the above inflation factored in, we think that 10-year bond yields can go below 5% in H2.

• Despite the S&P credit rating upgrade of sovereign Philippine government dollar-denomination bonds to BBB+ (same as Thailand), we see further drops in ROPs yields to slow down, as spreads between ROPs and equivalent US Treasuries have already narrowed near 6-year lows.

PSEi STILL IN TRADING RANGE

While stock markets in many advanced economies relished in their upward momentum, Asian markets showed mixed results and the PSEi managed to eke out a miniscule 0.4% gain in April. Lower inflation and the final approval of the 2019 National Government budget provided the boost in April. And while the local market got a boost from S&P's credit rating upgrade of Philippine government dollar-denominated debt papers to BBB+ (same as Thailand), to top 8,000, it provided transitory in the absence of more positive developments in the real sector.

Outlook: The further fall of inflation to 3.0% in April, the lowest in 17 months and a further deceleration of money growth (M3) to 4.2% in March have led the Monetary Board (MB) to cut policy rates by 25 bps to 4.5% last May 9th. Together with the 200 bps RRR cut, this would provide more firepower to the local stock market, which has seen local and foreign buying in a bargain-hunting mode in the wake of MSCI rebalancing in May. Better growth prospects starting Q2 could also add more confidence to investors.

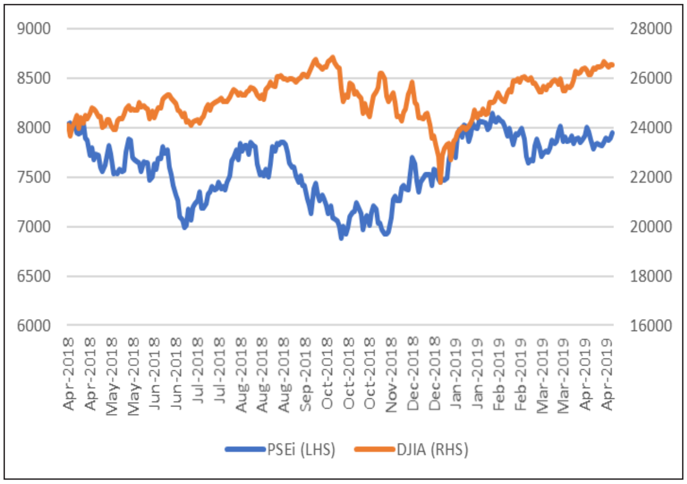
Global Equities Markets Performances

Region	Country	Index	April M-o-M change	2019 change
Americas	US	DJIA	2.5%	9.6%
Europe	Germany	DAX	7.3%	16.7%
	London	FTSE 101	1.9%	10.2%
East Asia	Hong Kong	HSI	2.2%	18.2%
	Shanghai	SSEC	-0.4%	24.9%
	Japan	NIKKEI	5.0%	13.8%
	South Korea	KOSPI	2.9%	9.6%
Asia-Pacific	Australia	S&P/ASX 200	2.3%	13.8%
Southeast Asia	Indonesia	JCI	-0.2%	4.4%
	Malaysia	KLSE	-0.1%	-1.5%
	Thailand	SET	2.1%	6.9%
	Philippines	PSEi	0.4%	6.2%
	Singapore	STRAITS	5.8%	11.9%

Sources: Bloomberg & Yahoo Finance

Most global equity markets modestly advanced (less than +2%, m-o-m) in April, except for DAX, STRAITS, and NIKKEI which swelled by 7.3%, 5.8%, and 5.0%, respectively. Most of Asia closed at low levels as the region digested news from Federal Reserve Chairman Jerome Powell that lower rates may not be in the cards as low inflation may be transitory and uncertainties on the Brexit deadline continue to fester. However, strong US employment and corporate earnings report, together with further progress on US-China trade talks and China reporting a 6.4% GDP growth, ahead of consensus estimates, helped lessen the blow on investors. Meanwhile, FTSE, surprisingly, still managed to land on the green despite terms of Brexit deadline still up in the air.

Figure 14 - PSEi and DJIA



Sources: Wall Street Journal, Bloomberg

PSEi remained uncorrelated to the DJIA (a non-significant correlation of -0.06 from +0.08 in March). PSEi traded sideways due to a confluence of both positive and negative factors. Lower-than-expected March inflation at 3.3% propped up investor sentiment in addition to President Duterte's signing of the much-awaited 2019 national budget. Meanwhile, investor uncertainties arose from lackluster full year (FY) 2018 corporate earnings reported, worse-than-consensus Overseas Filipino Workers (OFW) remittances, and the cut in GDP forecasts for the Philippine economy by World Bank, International Monetary Fund, etc. DJIA, on the other hand, trekked higher as consumer confidence rose with strong US employment and corporate earnings reports. However, gains stalled by the end of April as Fed's Powell dashed trader's hopes of a near-term interest rate cut.

Surprisingly, PSEi managed to sustain its growth, with a minimal uptick of 0.4%, despite almost all sectors moving to negative territory.

Monthly Sectoral Performance				
	29-Mar-19		30-Apr-19	
Sector	Index	% Change	Index	% Change
PSEi	7,920.93	2.8%	7,952.72	0.4%
Financial	1,762.71	3.2%	1,743.66	-1.1%
Industrial	11,720.35	3.3%	11,608.92	-1.0%
Holdings	7,736.37	0.1%	7,638.20	-1.3%
Property	4,115.57	3.4%	4,329.00	5.2%
Services	1,608.34	4.8%	1,586.18	-1.4%
Mining and Oil	7,930.78	-6.6%	7,720.61	-2.7%

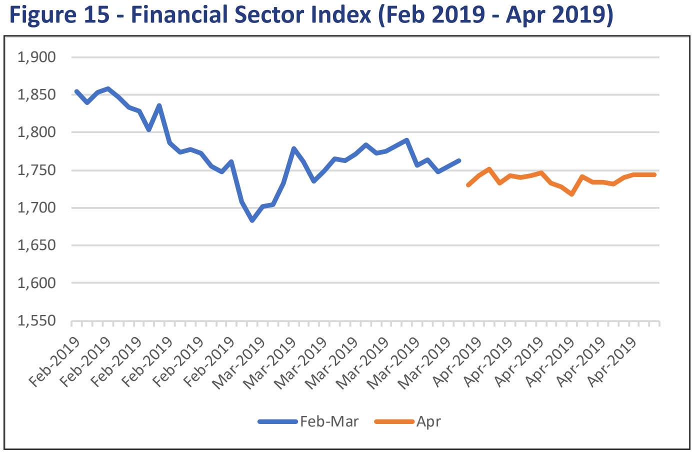
Source of Basic Data: PSE Quotation Reports

Surprisingly, PSEi managed to sustain its growth, with a minimal uptick of 0.4%, despite almost all sectors moving to negative territory except the Property sector which surged by 5.2%. Mining & Oil, Services, and Holding sectors experienced the biggest losses with drops of 2.7%, 1.4%, and 1.3%, respectively. However, the Financial and Industrial sectors came not far behind, also losing 1.1% and 1.0%, respectively.

Company	Symbol	29/03/19 Close	30/04/19 Close	% Change
Metrobank	MBT	79.90	74.25	-7.1%
BDO Unibank, Inc.	BDO	133.80	134.00	0.1%
Bank of the Philippine Islands	BPI	84.20	84.85	0.8%
Security Bank Corporation	SECB	173.00	180.00	4.0%

Source of Basic Data: PSE Quotation Reports

Figure 15 - Financial Sector Index (Feb 2019 - Apr 2019)



Source of Basic Data: PSE Quotation Reports

The Financial sector landed on the red as half of the stocks booked uninspiring increases and one of its stock decreasing significantly. The sector was unable to sustain its attempt to climb as financial stocks traded in lower levels last April.

Security Bank Corporation (SECB) rallied the most among constituent stocks, growing by 4.0% after announcing the bank's new set of board of directors and that after five years, SECB has finally become a full-fledged universal bank. The latter comes after it developed a strong retail banking business within those years, apart from its wholesale banking and financial markets.

Also on the green, Bank of the Philippine Islands (BPI) posted muted growth of 0.8% despite the bank recording a 7.6% increase year-on-year (y-o-y) to P6.7-B in net income for the first quarter of 2019.

BDO Unibank, Inc. (BDO) registered lackluster growth of 0.1% despite reporting a huge 66.8% surge in Q1 earnings to P9.8-B in net income. BDO relied on its continued expansion in core banking operations and strong results from bank fees and life insurance premiums. BDO, likewise, capped with another milestone of being the first local bank to go beyond the P3.0-T mark in total assets.

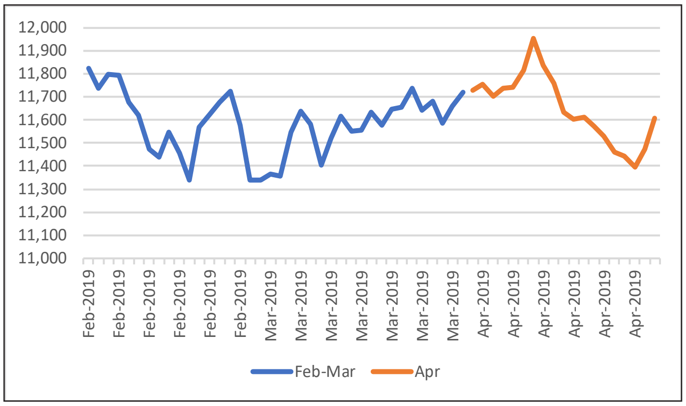
Metropolitan Bank and Trust Company (MBT) took the opposite route, with a slide of 7.1% despite its success in raising an additional P17.5-B worth of 3-year bonds from the completion of its public offer last March 2019, an upsize of initial P10.0-B target. Furthermore, the bank plans to jack up capital expenditures (capex) by P4.0-B, half of which to be allocated for information technology.

Company	Symbol	29/03/19 Close	30/04/19 Close	% Change
Meralco	MER	380.00	385.00	1.3%
Aboitiz Power	AP	35.40	37.70	6.5%
Jollibee Foods Corporation	JFC	317.00	304.60	-3.9%
First Gen Corporation	FGEN	21.80	22.10	1.4%
Universal Robina Corporation	URC	152.00	152.30	0.2%
Petron Corporation	PCOR	6.49	6.20	-4.5%

Source of Basic Data: PSE Quotation Reports

Despite gainers beating losers four to two, the Industrial sector lost 1.0% in value, albeit the least among constituent stocks.

Figure 16 - Industrial Sector Index (Feb 2019 - Apr 2019)



Source of Basic Data: PSE Quotation Reports

Despite gainers beating losers four to two, the Industrial sector lost 1.0% in value, albeit the least among constituent stocks. The sector peaked earlier in the month but immediately slipped almost throughout the whole of April, except in the last week when it started treading upwards again. Stoking the growth, Aboitiz Power Corporation's (AP) share price soared by 6.5%, while Petron Corporation (PCOR) dragged the sector down with its 4.5% fall.

AP led index gainers on news that the company's subsidiary, Therma Mobile, Inc., had signed a power supply agreement (PSA) with Manila Electric Company (MER) and a facility agreement with DBS Bank Ltd., Mizuho Bank Ltd., MUFG Bank Ltd., and Standard Chartered Bank to obtain a $300.0-M loan to finance its acquisition of 49.0% voting stake and 60.0% economic stake in AA Thermal, Inc. However, AP's consolidated net income for Q1-2019 slumped by 8.8% due to higher volume and cost of purchased power.

On the contrary, PCOR led index laggards due to continuous negative investor sentiment on account of the oil refinery's low FY 2018 earnings reported last March. Furthermore, Petron's refinery in Limay, Bataan will be on a 35-day shutdown due to the effects of the earthquake that happened in the previous month.

Also following a negative route, Jollibee Foods Corporation (JFC) registered losses of 3.9% after its forward guidance showed sales and profits for first half of the year to be lower than previous years.

Meanwhile, First Gen Corporation's (FGEN) share price boosted by 1.4% after Neltex Development Co., Inc. tapped on Energy Development Corporation (EDC) to provide renewable energy supply to power Neltex's production facility in Dasmariñas, Cavite. Additionally, the construction of a liquified natural gas terminal project in Batangas, in partnership with Tokyo Gas Co. Ltd finally broke ground after it received approval from the Department of Energy (DOE) in March.

Next in line, Meralco (MER) trended upward with a 1.3% uptick after disclosing early in April that its joint venture with Marubeni Corporation signed a joint venture agreement with the Bases Conversion and Development Authority for the financing, development, and operation of the electric power distribution system in New Clark City. MER closed the month with a high note as it impressed investors with a robust 13.8% jump in consolidated core net income to P5.6-B for Q1-2019.

Universal Robina Corporation (URC) only managed to climb by 0.2% despite positive news outweighing the bad. Positive news included: (1) net sales of P33.3-B, a 7.0% increase for Q1-2019, (2) strong cumulative net foreign buying, and (3) earnings upside prospects following the completion of the P1.0-B expansion of its flour milling plant in Davao. Headwinds came from the 15.0% plunge in earnings, which fell short of consensus estimates.

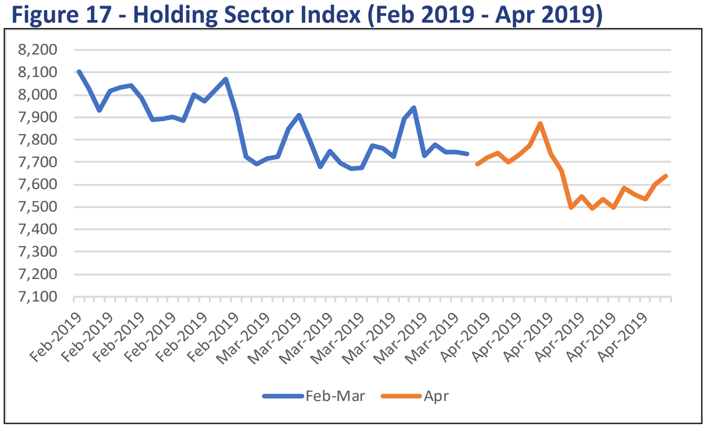
Jollibee Foods Corporation's (JFC) share price climbed by 3.0% due to news that the fast-food giant would open a branch in Guam this April as part of the company's accelerated expansion plans around the globe. However, JFC's upturn fizzled out as foreign investors took profit with net foreign selling of P357.2-M.

JGS stoked growth for the sector with the best 3.9% gain. Investors appeared ready to pick up the stock from its previous neglect due to the outperformance of its property subsidiary, Robinsons Land Corporation.

Company	Symbol	29/03/19 Close	30/04/19 Close	% Change
Ayala Corporation	AC	940.00	904.00	-3.8%
Metro Pacific Investments Corporation	MPI	4.85	4.57	-5.8%
SM Investments Corporation	SM	934.00	950.00	1.7%
DMCI Holdings, Inc.	DMC	12.00	11.16	-7.0%
Aboitiz Equity Ventures	AEV	58.95	55.60	-5.7%
GT Capital Holdings, Inc.	GTCAP	931.50	865.00	-7.1%
San Miguel Corporation	SMC	174.00	180.50	3.7%
Alliance Global Group, Inc.	AGI	16.16	14.96	-7.4%
LT Group Inc.	LTG	16.10	16.04	-0.4%
JG Summit Holdings, Inc	JGS	63.50	66.00	3.9%

Source of Basic Data: PSE Quotation Reports

Figure 17 - Holding Sector Index (Feb 2019 - Apr 2019)



Source of Basic Data: PSE Quotation Reports

The Holdings sector decelerated from +0.1% last March to -1.3% in April. The sector ascended earlier in the month but immediately took a nosedive, trading at its lowest levels in the past three months, although it got a slight boost in the last week of April. The stocks that suffered the biggest losses included Alliance Global Group, Inc. (AGI), GT Capital (GTCAP), and DMCI Holdings, Inc. (DMC), with similar drops of 7.4%, 7.1%, and 7.0%, respectively. While, JG Summit Holdings, Inc. (JGS) and San Miguel Corporation (SMC) rose by a high 3.9% and 3.7%, respectively.

AGI pulled the sector down after the firm had reported a flat P26.8-B in net profit for FY 2018, and below consensus estimates, due to lower net income contribution from Megaworld. AGI, however, plans to beef up capex to P85.0-B this year to expand its property, liquor, gaming, and restaurant business units.

Despite a 14.0% increase (y-o-y) in automotive industry sales in March, GTCAP continued to slide due to the lower FY 2018 earnings reported in March. However, GTCAP released plans to swell capex to P51.7-B to finance expansion of its automotive and property business units.

Meanwhile, DMC landed on the red in spite of the joint venture approved by the Securities and Exchange Commission (SEC) between Robinsons Land Corporation (RLC) and DMCI Project Developers, Inc. (DMCI Homes) to develop a residential condominium in Las Piñas City.

JGS stoked growth for the sector with the best 3.9% gain. Investors appeared ready to pick up the stock from its previous neglect due to the outperformance of its property subsidiary, Robinsons Land Corporation (see next section), and higher sales volume in its Vietnam operations and the recovery of URC.

Not far behind, SMC also pulled the sector up as the conglomerate readies to commence construction of flagship projects in Bulacan, which are the Bulacan International Airport and Bulacan Bulk Water Supply.

SM Investments Corporation (SMIC) managed to also land on the green, albeit with a minor gain of 1.7%, after the firm announced its plans to bring its total portfolio of Alfamart branches within the next two years to at least 1,000 stores.

Following the negative route, Metro Pacific Investments Corporation (MPI) lost 5.8% in value despite its subsidiary, Metro Pacific Movers, Inc. starting construction of one of the largest storage and distribution hubs in the country, South Mega Distribution Center, which will increase movement of goods and inventory and generate thousands of local jobs.

Aboitiz Equity Venture (AEV) also declined by 5.7% since the firm failed to reach the cut loss level due to the absence of significant catalysts to help the firm recover from blows of its lower-than-expected FY 2018 earnings reported last March. However, AEV aims to boost its capex this year by 65% to P81.0-B to funds its power and infrastructure projects and is on track to complete several power projects by its Cebu-based units this year.

Once again, the Property sector proved to be the lone bright spot with a major upsurge of 5.2%.

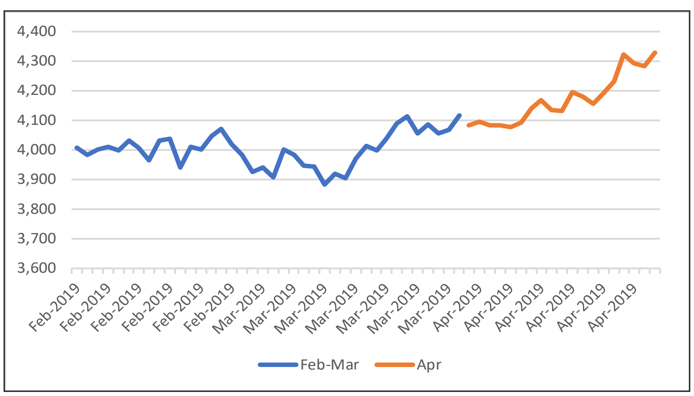
Ayala Corporation (AC) experienced a 3.8% loss despite its energy subsidiary, AC Energy, Inc., plans to start several wind projects in Vietnam early next year with its three existing regional partner--the Blue Circle Pte. Ltd. of Singapore, AMI Renewables Energy Joint Stock Co., and BIM Group of Vietnam--in time for the feed-in tariff deadline in November 2021. The conglomerate will likewise raise $150.0-M from its business units to start up a venture capital firm.

LT Group, Inc. faced a minor setback of 0.4%, also following the drop in share prices of its subsidiary, Philippine National Bank (PNB) due to PNB's plan to raise P12.0-B via a stock rights offering.

Company	Symbol	29/03/19 Close	30/04/19 Close	% Change
Ayala Land, Inc.	ALI	44.90	48.95	9.0%
SM Prime Holdings, Inc.	SMPH	39.90	41.45	3.9%
Robinsons Land Corporation	RLC	24.50	24.50	0.0%
Megaworld Corporation	MEG	5.80	5.60	-3.4%

Source of Basic Data: PSE Quotation Reports

Figure 18 - Property Sector Index (Feb 2019 - Apr 2019)



Source of Basic Data: PSE Quotation Reports

Once again, the Property sector proved to be the lone bright spot with a major upsurge of 5.2%. Although the sector has shown an impressive performance throughout 2019, towards the latter part of April, Property sector finally hit its highest sub-index level for the year, peaking at 4,300. Ayala Land, Inc. (ALI) rallied the most among constituent stocks soaring by 9.0%, while Megaworld (MEG) slipped into the lone dark spot in the sector with a 3.4% loss invalue.

MEG failed to overcome the headwinds despite the property developer opening a new hotel in Manila's Chinatown last month and the probable delay in the passing of the Tax Reform for Attracting Better and Higher Quality Opportunities (TRABAHO) Bill. The bill proposes rationalization of fiscal incentives which the Business Process Outsourcing (BPO) sector currently enjoys. This delay would benefit MEG as BPO tenants occupy 80-90% of MEG's office portfolio. Aside from this, MEG's attributable profit for FY 2018 grew by 17% to P15.2-B thanks to its residential segment.

ALI grew the most among all stocks on news that the firm expects to raise $500-M in its upcoming Real Estate Investment Trust (REIT) listing, the first of its kind in the country.

SM Prime Holdings, Inc. (SMPH) also rose by 3.9% after the property giant announced it allotted P80.0-B capex to be used for in key cities in the Philippines and for bulking its land bank. Moreover, SMPH publicized its plans to expand its mall footprint in Yangzhou, China, a step toward the firm's goal of widening its footprint in the country and abroad.

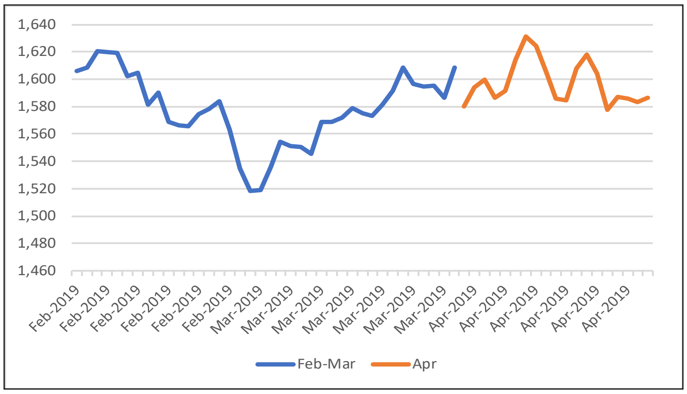
Meanwhile, Robinsons Land Corporation (RLC) remained unchanged even if the real estate developer recently opened a Dusit Thani in Mactan, Cebu, the firm's first ever luxury resort and its approved joint venture with DMCI Homes in developing a multi-tower residential condominium in Las Piñas City.

Company	Symbol	29/03/19 Close	30/04/19 Close	% Change
Philippine Long Distance Tel. Co.	TEL	1,150.00	1,230.00	7.0%
Globe Telecom	GLO	1,938.00	1,780.00	-8.2%
Robinsons Retail Holdings, Inc.	RRHI	79.00	78.00	-1.3%
Puregold Price Club Inc.	PGOLD	48.10	41.90	-12.9%
International Container Terminal Services Inc.	ICT	130.70	126.50	-3.2%

Source of Basic Data: PSE Quotation Reports

The Services sector faced a renewed weakness as the sector moved to negative territory, dropping by 1.4%, a reversal from the upsurge of 4.8% in March.

Figure 19 - Services Sector Index (Feb 2019 - Apr 2019)



Source of Basic Data: PSE Quotation Reports

The Services sector faced a renewed weakness as the sector moved to negative territory, dropping by 1.4%, a reversal from the upsurge of 4.8% in March. The sector fluctuated throughout the month, always falling after an uphill climb, then ending the month flatly. Puregold Price Club, Inc. (PGOLD) took the tail end as the only stock that suffered double-digit declines with its 12.9% plunge. On the other hand, Philippine Long Distance Telephone Company (TEL) claimed honors as the only stock that landed on the green, rising by 7.0%.

PGOLD's share price took a nosedive despite reporting a 12.5% increase in core net income to P6.5-B, which still came below consensus estimates due to reduced vendor support and higher operating expenses.

TEL topped the sector after it had announced its partnership with US-based global technology company, Cisco, to assist TEL in transforming its IP transport infrastructure for the firm's 5G rollout.

Moving to negative territory, Globe Telecom's (GLO) share price plummeted by 8.2% despite the telco's announcement that its first 5G fixed wireless home broadband service would occur by June 2019.

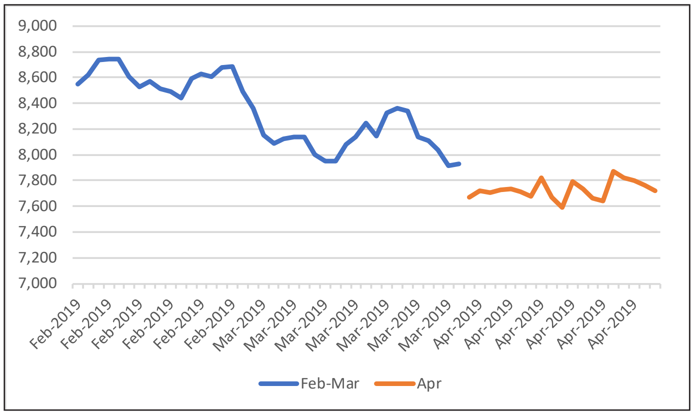
Surprisingly, International Container Terminal Services, Inc. (ICT) went down by 3.2% following news that that Sudanese government will suspend its port concession contract with ICT. This outweighed the positive news earlier in the month of the commenced operations of ICT's container terminal in Argentina, TecPlata and the four newly bought hybrid rubber-tired gantry cranes from Japan for its flagship terminal, Manila International Container Terminal (MICT), which it expects to improve MICT's yard productivity.

Robinsons Retail Holdings, Inc. (RRHI) faced a minor setback of 1.3% still due to the low core net income reported for FY 2018 at P5.0-B.

Company	Symbol	29/03/19 Close	30/04/19 Close	% Change
Semirara Mining and Power Corporation	SCC	21.95	23.85	8.7%

Source of Basic Data: PSE Quotation Reports

Figure 20 - Mining & Oil Sector Index (Feb 2019 - Apr 2019)



Source of Basic Data: PSE Quotation Reports

Mining & Oil déjà vu faced the biggest sectoral loss as its sub-index fell to its lowest level in the past three months. Semirara Mining and Power Corporation (SCC) grew by a high 8.7% due to the stock's continuous foreign buy-

After earlier continued foreign selling, foreign investors turned into net foreign buyers with a net inflow of P10.1-B, more than double the P4.7-B inflow in March, but still relatively modest.

Total Turnover

Monthly Turnover (in Million Pesos)				
	Total Turnover		Average Daily Turnover	
Sector	Value	% Change	Value	% Change
Financial	14,359.02	-15.9%	812.87	7.6%
Industrial	20,113.02	-22.6%	1,237.91	16.9%
Holdings	25,879.02	-35.9%	1,923.79	41.2%
Property	39,086.65	39.2%	1,336.65	-35.0%
Services	20,180.54	-20.2%	1,204.10	13.4%
Mining and Oil	2,100.32	0.6%	99.43	-10.1%
Total	**121,718.58**	-12.4%	**6,614.76**	3.3%
Foreign Buying	75,180.79	-8.5%	3,913.82	-1.1%
Foreign Selling	65,091.24	-16.0%	3,691.44	7.8%
Net Buying (Selling)	10,089.55	116.1%	222.37	-58.1%

Source of Basic Data: PSE Quotation Reports

PSE's total turnover remained lackluster as it continued to slump by 12.4% from the previous month, albeit decelerating from 49.7% last March. Holdings, Industrial, and Services sector experienced major setbacks of 35.9%, 22.6%, and 20.2%, respectively. Also on the red, Financial lost 15.9% in total turnover. Moving on an upward trend, however, Property and Mining & Oil gained 39.2% and 0.6%, respectively.

After earlier continued foreign selling, foreign investors turned into net foreign buyers with a net inflow of P10.1-B, more than double the P4.7-B inflow in March, but still relatively modest.

Recent Economic Indicators

NATIONAL INCOME ACCOUNTS, CONSTANT PRICES (In Million Pesos)

	2017		2018		4th Quarter 2018			1st Quarter 2019		
	Levels	Annual G.R.	Levels	Annual G.R.	Levels	Quarterly G.R.	Annual G.R.	Levels	Quarterly G.R.	Annual G.R.
Production										
Agri, Hunting, Forestry and Fishing	739,029	4.0%	744,814	0.8%	222,235	35.4%	1.7%	185,649	35.4%	0.8%
Industry Sector	2,947,103	7.2%	3,148,000	6.8%	866,361	17.0%	6.9%	769,667.9	17.0%	4.1%
Service Sector	4,979,575	6.8%	5,310,300	6.6%	1,397,922	6.3%	6.3%	1,301,690.6	6.3%	7.0%
Expenditure										
Household Final Consumption	5,973,816	5.9%	6,306,064	5.6%	1,791,824	21.0%	5.4%	1,568,670	21.0%	6.3%
Government Final Consumption	914,136	7.0%	1,031,487	12.8%	236,548	-5.4%	11.9%	252,373	-5.4%	7.4%
Capital Formation	2,504,502	9.4%	2,852,306	13.9%	744,773	4.7%	5.5%	743,785	4.7%	6.8%
Exports	4,930,584	19.5%	5,495,712	11.5%	1,247,357	-20.4%	13.2%	1,379,184	-20.4%	5.8%
Imports	5,657,331	18.1%	6,476,519	14.5%	1,550,159	-12.3%	11.8%	1,708,180	-12.3%	8.3%
GDP	8,665,708	6.7%	9,203,113	6.2%	2,486,518	12.0%	6.1%	2,257,007	12.0%	5.6%
NPI	1,729,139	5.9%	1,793,182	3.7%	441,817	-1.6%	0.9%	471,662	-1.6%	1.9%
GNI	10,394,846	6.6%	10,996,296	5.8%	2,928,335	9.7%	5.2%	2,728,669	9.7%	4.9%

Source: Philippine Statistics Authority (PSA)

NATIONAL GOVERNMENT CASH OPERATION (In Million Pesos)

	2017		2018		Feb-2019			Mar-2019		
	Levels	Growth Rate	Levels	Growth Rate	Levels	Monthly G.R.	Annual G.R	Levels	Monthly G.R.	Annual G.R
Revenues	2,473,132	12.6%	2,850,184	15.2%	202,085	-21.3%	13.2%	228,918	13.3%	13.1%
Tax	2,250,678	13.6%	2,565,812	14.0%	182,572	-22.3%	12.1%	198,307	8.6%	11.6%
BIR	1,772,321	13.1%	1,951,850	10.1%	135,720	-26.7%	16.4%	147,411	8.6%	12.7%
BoC	458,184	15.6%	593,111	29.4%	44,200	-8.6%	1.1%	49,294	11.5%	8.9%
Others	20,173	20%	20,851	3.4%	2,652	76.1%	5.0%	1,602	-39.6%	-1.8%
Non-Tax	222,415	3.2%	284,321	27.8%	19,509	-10.4%	24.6%	30,582	56.8%	24.1%
Expenditures	2,823,769	10.8%	3,408,443	20.7%	278,458	31.2%	21.0%	287,327	3.2%	-8.2%
Allotment to LGUs	530,150	17.9%	575,650	8.6%	97,328	124.8%	64.5%	52,173	-11.8%	12.8%
Interest Payments	310,541	2%	349,215	12.5%	25,302	-44.9%	-3.0%	36,552	44.5%	32.7%
Overall Surplus (or Deficit)	-350,637	-0.8%	-558,259	59.2%	-76,373	-271.5%	47.8%	-58,409	-23.5%	-47.2%

Source: Bureau of the Treasury (BTr)

POWER SALES AND PRODUCTION INDICATORS
Manila Electric Company Sales (In Gigawatt-hours)

	2018		Jan-2019			Feb-2019		
	Annual Levels	Growth Rate	Levels	Y-o-Y G.R.	YTD	Levels	Y-o-Y G.R.	YTD
TOTAL	43,810.80	5%	3,353.30	3.1%	3.1%	3,498.50	1.6%	2.4%
Residential	13,549.70	3.7%	1,094.40	3.1%	3.1%	984.20	-0.4%	1.4%
Commercial	17,211.30	4.8%	1,467.00	3.2%	3.2%	1,377.40	1.2%	2.2%
Industrial	12,610.30	5.9%	944.20	4.3%	4.3%	1,096.90	5.7 %	5.0%

Source: Meralco

BALANCE OF PAYMENTS (In Million U.S. Dollar)

	2017		2018		3rd Quarter 2018		4th Quarter 2018	
	Levels	Annual G. R.	Levels	Annual G. R.	Levels	Annual G. R.	Levels	Annual G. R.
I. CURRENT ACCOUNT								
Balance of Trade	-2,163	80.4%	-8,871	310.2%	-2,907	-364.2%	-2,400	-23.3%
Balance of Goods	40,505	13.9%	50,202	23.9%	13,546	43.5%	13,332	4.0%
Exports of Goods	51,865	21.4%	51,392	-0.9%	13,474	0.2%	12,579	-0.8%
Import of Goods	92,370	18.0%	101,594	10.0%	27,020	18.1%	25,911	1.6%
Balance of Services	-9,249	31.3%	-11,539	24.8%	-3,158	-5.5%	-2,513	18.4%
Exports of Services	35,884	15.0%	38,510	7.3%	9,890	-0.4%	9,747	5.5%
Import of Services	26,635	10.2%	26,971	1.3%	6,732	2.3%	7,233	1.7%
Current Transfers & Others		-						
II. CAPITAL AND FINANCIAL ACCOUNT								
Capital Account	62	-26.3%	15	-73.0%	-3	-113.8%	20	43.0%
Financial Account	175	-92.4%	-7,795	192.6%	-1,975	-247.9%	-3,768	14.9%
Direct Investments	-5,883	5803.4%	-5,834	-10.9%	-1,300	39.8%	-797	-67.6%
Portfolio Investments	1,480	-72.9%	1,548	-38.3%	-447	-173.9%	-1,275	32.5%
Financial Derivatives	-32	-673.4%	-53	5.5%	33	-26.5%	-34	-183.6%
Other Investments	4,610	-249.8%	-3,455	-342.9%	-262	-116.2%	-1,661	-1797.2%
III. NET UNCLASSIFIED ITEMS	274	-136.6%	-1,245	-12.4%	-945	112.3%	1,443	322.5%
OVERALL BOP POSITION	-1,038	-116.1%	-2,306	167.2%	-1,879	184.0%	2,830	461.0%
Use of Fund Credits		-						
Short-Term		-						
Memo Items								
Change in Commercial Banks	1,421	-222.0%	-461	-212.5%	395	-71.5%	-1,866	85.5%
Net Foreign Assets	1,381	-229.7%	1,423	216.5%	353	-74.1%	-22.1	-97.7%
Basic Balance	n.a	n.a	n.a	n.a	n.a	n.a	n.a	n.a

Source: Bangko Sentral ng Pilipinas (BSP)

MONEY SUPPLY (In Million Pesos)

	2018		Feb-19		Mar-2019	
	Average Levels	Annual G. R	Average Levels	Annual G.R.	Average Levels	Annual G.R.
RESERVE MONEY	3,035,680	8.5%	3,064,010	2.1%	3,227,042	6.0%
Sources:						
Net Foreign Asset of the BSP	4,514,943	1.5%	4,596,054	-1.5%	4,712,747	2.0%
Net Domestic Asset of the BSP	11,218,175	15.4%	11,802,741	11.7%	11,576,620	7.3%
MONEY SUPPLY MEASURES AND COMPONENTS						
Money Supply-1	3,708,624	13.9%	3,829,135	6.9%	3,808,220	3.9%
Money Supply-2	10,597,336	11.2%	10,907,469	5.9%	10,796,808	3.0%
Money Supply-3	11,063,517	11.5%	11,497,070	7.1%	11,379,651	4.2%
MONEY MULTIPLIER (M2/RM)	3.49		3.56		3.35	

Source: Bangko Sentral ng Pilipinas (BSP)

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CONTRIBUTORS

Rabboni Francis B. Arjonillo	President, FMIC
Dr. Victor A. Abola	Senior Economist, UA&P
Viory Yvonne T. Janeo	Research Associate, UA&P
Leslie Marie B. Funcion	Research Assistant, UA&P
Isabel Maria G. del Rosario	Research Assistant, UA&P

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