

# INVESTMENTS WEEKLY

AS OF MARCH 8, 2021



## FUND PERFORMANCE

ALFM MUTUAL FUNDS	PRICE	YTD
ALFM Money Market Fund, Inc.	129.92	0.08%
ALFM Peso Bond Fund, Inc.	370.65	-0.11%
ALFM Dollar Bond Fund, Inc.	481.54	-0.48%
ALFM Euro Bond Fund, Inc.	219.23	0.02%
ALFM Growth Fund, Inc.	215.64	-5.10%
Philippine Stock Index Fund Corp.	759.62	-5.24%
ALFM Global Multi-Asset Income Fund, Inc.	0.98	0.00%

PAMI MUTUAL FUNDS	PRICE	YTD
Philam Managed Income Fund, Inc.	1.3208	-0.03%
Philam Bond Fund, Inc.	4.4923	-3.07%
Philam Dollar Bond Fund, Inc.	2.441	-3.73%
Philam Fund, Inc.	16.2992	-3.76%
PAMI Horizon Fund, Inc.	3.6322	-4.12%
Philam Strategic Growth Fund, Inc.	463.91	-5.13%
PAMI Equity Index Fund, Inc.	44.3611	-5.31%
PAMI Global Bond Fund, Inc.*	1.0556	-3.40%
PAMI Asia Balanced Fund, Inc.*	1.1414	-0.77%

ECCLESIASTICAL FUNDS	PRICE	YTD
Ekklesia Mutual Fund Inc.	2.2523	-1.90%
Solidaritas Fund, Inc.	2.0345	-2.85%

\*As of March 5, 2021

ECONOMIC INDICATORS	LEVEL
USD/PHP	48.561
EUR/PHP	57.71
PSEi	6,756.92
Dow Jones	31,802.44
S&P 500	3,821.35
FTSE	6,711.18
US 10Yr	1.5907%
Brent	\$68.12
Dubai	\$65.836
Gold	\$1,683.54

## NOTES FROM THE FUND MANAGER

### Fixed Income

US Treasury yields continued their climb up this week as the market continues to be optimistic on expectations of stronger economic growth and wary of higher inflation when the pandemic ends. Federal Reserve Chair Powell down played the aggressive rise in yields when he spoke with the Wall Street Journal last week and has disappointed market players by failing to provide specific details on what the Fed would do to rein in treasury yields. He maintains that the Fed will be patient, keeping financial conditions accommodative as appropriate since they are still a long way from their economic goals. President Biden's USD 1.9 Tn COVID relief bill is now back for approval with the US House of Representatives as it was passed by the Senate with some amendments over the weekend, likely to be signed into law by President Biden before jobless benefits expire on March 14. 10 yr US treasury yields jumped 18 bps higher week-on-week, closing at 1.59% on March 8.

February inflation printed in line with expectations at 4.7%, the highest since January 2019. The Bangko Sentral ng Pilipinas reiterates that the surge in CPI is only transitory as inflation is projected to slow down and move back within their target range in the second half of this year, thus the BSP has no plans of taking away liquidity measures (by raising rates, tapering open market operations) until the economy has recovered. We saw a steeper local government securities yield curve week-on-week with yields 5 bps to 10 bps lower for the 5 year to 7 year securities and higher by 5 bps to 15 bps for securities 10 years and longer. Yesterday's Philippine Treasury bill auction remains about 2x oversubscribed and yields rising about 9-17 bps across the 91 day, 182 day, and 364 day tenors. Market participants remain wary of the higher rates globally and cautious of catalysts that may move local rates higher. The Bureau of the Treasury has sold Php 463.3 Bn of the new 3 yr retail treasury bond R3-11 with 2.375% coupon, and we look to see how the market will digest this new issuance this week and anticipate where the BTr will award Php 30 Bn of 7 yr bonds at auction today.

USDPHP closed at 48.57 on March 8, falling 0.05% week-on-week, but may likely trade higher on continued USD appetite.

### Equities

The Philippine Stock Exchange (PSEi) closed at 6,766.83 ('21 est. PE of 18.5x) on March 9, down 2.21% week-on-week primarily as the daily new COVID-19 cases in the country surged to above 3,000 starting Friday. During the trading week, ICT (+6.24%) was the best performer due to its stronger than expected earnings results, with ALI (-6.33%) being the worst performer along with other property names as cinemas were once again closed and as further re-opening may be stalled. Average daily turnover for the trading week fell to Php8.27Bn, with significant retail volume observed as third-liners DITO and PHA were the most highly traded stocks, followed by BDO outside the crosses for JFC and TEL. Net foreign outflows for the past week amounted to USD 259.91 million, including the TEL cross worth approximately USD 204 million. We expect the PSEi to continue to trade range-bound, though a continued spike in daily COVID-19 levels may cause the index to test the near-term support at 6,600.

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