

## FUND PERFORMANCE

ALFM MUTUAL FUNDS	PRICE	YTD
ALFM Money Market Fund, Inc.	130.04	0.18%
ALFM Peso Bond Fund, Inc.	371.11	0.01%
ALFM Dollar Bond Fund, Inc.	484.22	0.07%
ALFM Euro Bond Fund, Inc.	219.89	0.32%
ALFM Growth Fund, Inc.	204.10	-10.18%
Philippine Stock Index Fund Corp.	713.64	-10.98%
ALFM Global Multi-Asset Income Fund, Inc.	1.00	2.04%

PAMI MUTUAL FUNDS	PRICE	YTD
Philam Managed Income Fund, Inc.	1.3226	0.11%
Philam Bond Fund, Inc.	4.4795	-3.35%
Philam Dollar Bond Fund, Inc.	2.4882	-1.87%
Philam Fund, Inc.	15.7085	-7.25%
PAMI Horizon Fund, Inc.	3.5054	-7.46%
Philam Strategic Growth Fund, Inc.	438.97	-10.23%
PAMI Equity Index Fund, Inc.	41.6411	-11.11%
PAMI Global Bond Fund, Inc.*	1.0535	-3.59%
PAMI Asia Balanced Fund, Inc.*	1.145	-0.45%

OTHER BIMI MANAGED FUNDS	PRICE	YTD
Ekklesia Mutual Fund Inc.	2.2602	-1.56%
Solidaritas Fund, Inc.	1.9656	-6.14%
Affinity Global Multi-Asset Fund	0.9646	-4.01%

\*As of May 07, 2021

ECONOMIC INDICATORS	LEVEL
USD/PHP	47.865
EUR/PHP	58.213
PSEi	6,317.41
Dow Jones	34,742.82
S&P 500	4,188.43
FTSE	7,128.68
US 10Yr	1.602%
Brent	\$68.32
Dubai	\$66.203
Gold	\$1,836.07

## NOTES FROM THE FUND MANAGER

### Fixed Income

Most economic data in the US continue to point to strong recovery with US Manufacturing PMI printing at 60.5 and US Services PMI printing at 64.7 last week (reading above 50.0 suggests expansion.) However, jobs data in April showed only 266k increase in number of employed people (vs 1 mn expected) leading market players to weigh on the prospects of the Fed keeping rates at low levels for quite some time. The yield on 10 yr US Treasuries was relatively unchanged week-on-week, closing at 1.603% on May 10. US yields may drift higher this week as market players watch out for US inflation data out on May 12 with expectations at 3.6%, and incoming 10yr and 20yr supply on May 13.

In the local space, inflation in April was steady at 4.5% (vs 4.7% expected) as a sharp decline in food prices offset the expected spike in transport prices. With stable inflation and expectations of another economic contraction for 1Q 2021, we saw a decline in local government securities yields week-on-week with the 3yr bonds continuing to outperform and falling 15 bps to 2.44% while the 5yr bonds fell 6 bps to 3.22% and the 7yr bonds fell 7 bps to 3.61%. Yesterday's Philippine Treasury Bill auction was well received with yields declining 3-8 bps across tenors. The 91-day, 182-day and 364-day bills were awarded at average yields of 1.278%, 1.549%, and 1.829% respectively. The Bureau of the Treasury awarded an additional PHP 7 Bn of 364-day bills via tap facility. GDP print came out today, May 11, with the Philippine economy shrinking worse than expected in the first quarter of the year, falling 4.2% (vs -3.2% expected) as the country continues to grapple with the COVID-19 pandemic. It seems market players have already priced in the lower print last week as action remains quite muted. We expect to see continued demand for the short tenors driven by ample liquidity and stable inflation, while the market looks for direction in the Monetary Board meeting on May 12 where we expect the Bangko Sentral to keep the policy rate unchanged at 2.00% to support economic growth as the country remains in lockdown.

USD/PHP is down by another 18 cents week-on-week, closing at 47.868 on May 10, with the Peso maintaining its strength on weak demand for USD.

### Equities

The Philippine Stock Exchange (PSEi) closed at 6,326.83 ('21 est. PE of 17.2x) on May 11, down 0.51% week-on-week primarily due to the continued lack of positive catalysts, with weakness observed ahead of Tuesday's GDP print. During the trading week, ICT (+7.61%) was the best performer due to the company's higher than expected earnings, while PGOLD (-9.60%) was the worst performer due to speculations that it would be removed in the upcoming MSCI index re-balancing. Average daily turnover further dropped to Php4.34Bn, with index names ALI, ICT, and BDO being the most highly traded stocks for the week. Net foreign outflows for the past week amounted to USD 51.29 million. We continue to expect the market to trade range-bound in the short term, with selling pressures coming from the underwhelming GDP figure and as investors take positions after this week's MSCI re-balancing announcement.

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