

FUND PERFORMANCE

ALFM MUTUAL FUNDS	PRICE	YTD
ALFM Money Market Fund, Inc.	130.79	0.75%
ALFM Peso Bond Fund, Inc.	373.08	0.54%
ALFM Dollar Bond Fund, Inc.	488.00	0.85%
ALFM Euro Bond Fund, Inc.	220.26	0.49%
ALFM Growth Fund, Inc.	222.31	-2.16%
Philippine Stock Index Fund Corp.	786.60	-1.88%
ALFM Global Multi-Asset Income Fund, Inc.	0.98	0.00%
ALFM Global Multi-Asset Income Fund, Inc. (PHP)	47.83	0.15%

PAMI MUTUAL FUNDS	PRICE	YTD
Philam Managed Income Fund, Inc.	1.3174	-0.29%
Philam Bond Fund, Inc.	4.447	-4.05%
Philam Dollar Bond Fund, Inc.	2.4884	-1.86%
Philam Fund, Inc.	16.4798	-2.70%
PAMI Horizon Fund, Inc.	3.6794	-2.87%
Philam Strategic Growth Fund, Inc.	477.92	-2.26%
PAMI Equity Index Fund, Inc.	45.7658	-2.31%
PAMI Global Bond Fund, Inc.*	1.0299	-5.75%
PAMI Asia Balanced Fund, Inc.*	1.0619	-7.68%

OTHER BIMI MANAGED FUNDS	PRICE	YTD
Ekklesia Mutual Fund Inc.	2.2522	-1.91%
Solidaritas Fund, Inc.	2.0625	-1.51%
Affinity Global Multi-Asset Fund, Inc.	0.9908	-1.40%

*As of October 1, 2021

ECONOMIC INDICATORS	LEVEL
USD/PHP	50.700000
EUR/PHP	58.877910
PSEi	6,960.89
Dow Jones	34,002.92
S&P 500	4,300.46
FTSE	7,015.09
US 10Yr	1.4789%
Brent	\$81.26
Dubai	\$78.523
Gold	\$1769.57

NOTES FROM THE FUND MANAGER

Fixed Income

We saw better-than-expected economic data in the US last week- ISM manufacturing PMI printed at 61.1 (vs 59.6 expected) and the University of Michigan's consumer sentiment index rose to 72.8 (vs 71 expected). Core PCE (personal consumption expenditures) steadied at 3.60% year-on-year as expected. US Treasury yields remain elevated as the Federal Reserve moves closer to its tapering program and as the debate on the US debt ceiling continues to drag on. 10 yr US Treasury yields were relatively unchanged, closing at 1.480% on October 4. Markets await non-farm payroll report out on October 8.

In the local space, market players trimmed positions as US treasury yields remained elevated and as they anticipated a higher inflation print for September. Week-on-week, we saw local government securities yields continue to rise with 3 yr bond yields up 8 bps, 5 yr yields rose by 25 bps, and 7 and 10 yr bond yields rose 20 bps. The Bureau of the Treasury released its October borrowing schedule, continuing to offer Php 15 Bn of treasury bills at weekly auctions and offering PHP 35 Bn each of 5 yr, 6 yr, and 7 yr (2 auctions) bonds this month. The Philippine government was able to raise a total of USD 1.593 Bn in 5 and 10 year retail dollar bonds as public offer period ended last week. On Oct 5, September inflation printed at 4.8%, lower than 5.1% expected, as food and transport inflation slowed. The BTr partially awarded Php 15.57 Bn of the Php 35 Bn of the 7yr paper FXTn 7-65 reissue. Despite awarding the 7yr bonds at the higher end of market expectation at an average yield of 4.207%, we saw limited appetite from market participants as inflation remains above the Bangko Sentral's 2%-4% target.

USD/PHP fell about 30 cents week-on-week, closing at 50.70 on October 4 as the USD weakened on lingering political uncertainty around the US debt ceiling and the prospect of additional fiscal stimulus in the US. Also, Philippines Manufacturing PMI printed at 50.9 in September (from 46.4 in August), signaling an expansion in manufacturing sector and supporting the PHP.

Equities

The Philippine Stock Exchange (PSEi) closed at 6,885.36 ('21 est. PE of 19.8x) on October 5, up 1.39% week-on-week mainly due to local buying as a result of month-end and quarter-end re-balancing and as the September inflation print came out lower than consensus estimates. During the week, investor flows caused RRHI (+16.40%) to be the best performer, with AP (-12.36%) being the worst performer due to the continued rise in coal prices, which could translate to higher input costs for the company. Average daily turnover for the trading week rose to Php7.43Bn due to month-end trades, with MREIT being the most highly traded stock due to its listing on October 1, followed by names MONDE and CNVRG. Net foreign selling for the week amounted to USD0.6Mn. We continue to expect the market to trade at current levels, with the index likely to test the 7,000 level in the short-term.

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