



**BPI**

# **Opportunities Amidst Major Cyclical Shifts**

June 2019

# Highlights



Offshore trends and risks

Rates - Will Lows Be Revisited?

Growth & USDPHP Outlook

# Global Borrowing Costs Rose on US Central Bank Hikes



*Equity gains capped by higher expectations for further Fed rate hikes*

| U.S. Treasuries (Level & bps Change) |              |             |           |
|--------------------------------------|--------------|-------------|-----------|
|                                      | 31-Dec-18    | 30-Nov-18   | 1 Year    |
| 3m LIBOR                             | 2.808        | 7           | 111       |
| 3m                                   | 2.361        | 2           | 98        |
| 2-yr                                 | 2.490        | (30)        | 61        |
| 5-yr                                 | 2.512        | (30)        | 31        |
| 10-yr                                | 2.685        | (30)        | 28        |
| 30-yr                                | 3.015        | (28)        | 28        |
| <b>Average</b>                       | <b>2.613</b> | <b>(23)</b> | <b>49</b> |

| G3 EQUITIES (Level & % change) |           |              |              |
|--------------------------------|-----------|--------------|--------------|
|                                | 31-Dec-18 | 30-Nov-18    | 1 Year       |
| Dow Jones                      | 23,327    | (8.7)        | (5.6)        |
| Nasdaq                         | 6,635     | (9.5)        | (3.9)        |
| S&P 500                        | 2,507     | (9.2)        | (6.2)        |
| Euro Stoxx 50                  | 3,001     | (5.4)        | (14.3)       |
| Nikkei                         | 20,015    | (10.5)       | (12.1)       |
| <b>Average Change (%)</b>      |           | <b>(8.6)</b> | <b>(8.4)</b> |

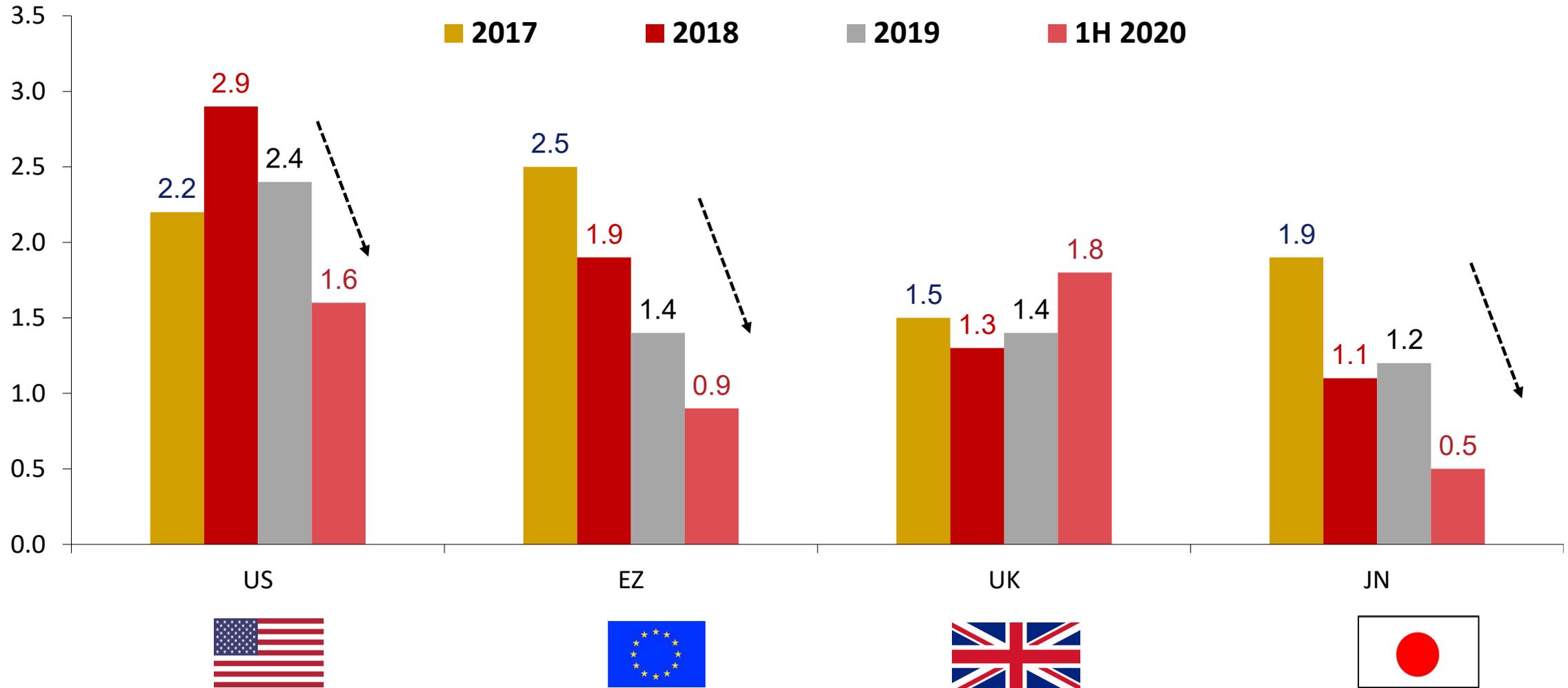
Source: Bloomberg

# Mature Economies: Synchronized Slowdown

Growing uncertainties and tightening liquidity conditions seen to dampen growth



## Real GDP Growth Forecasts of Major Economies (Y-o-Y, % change)



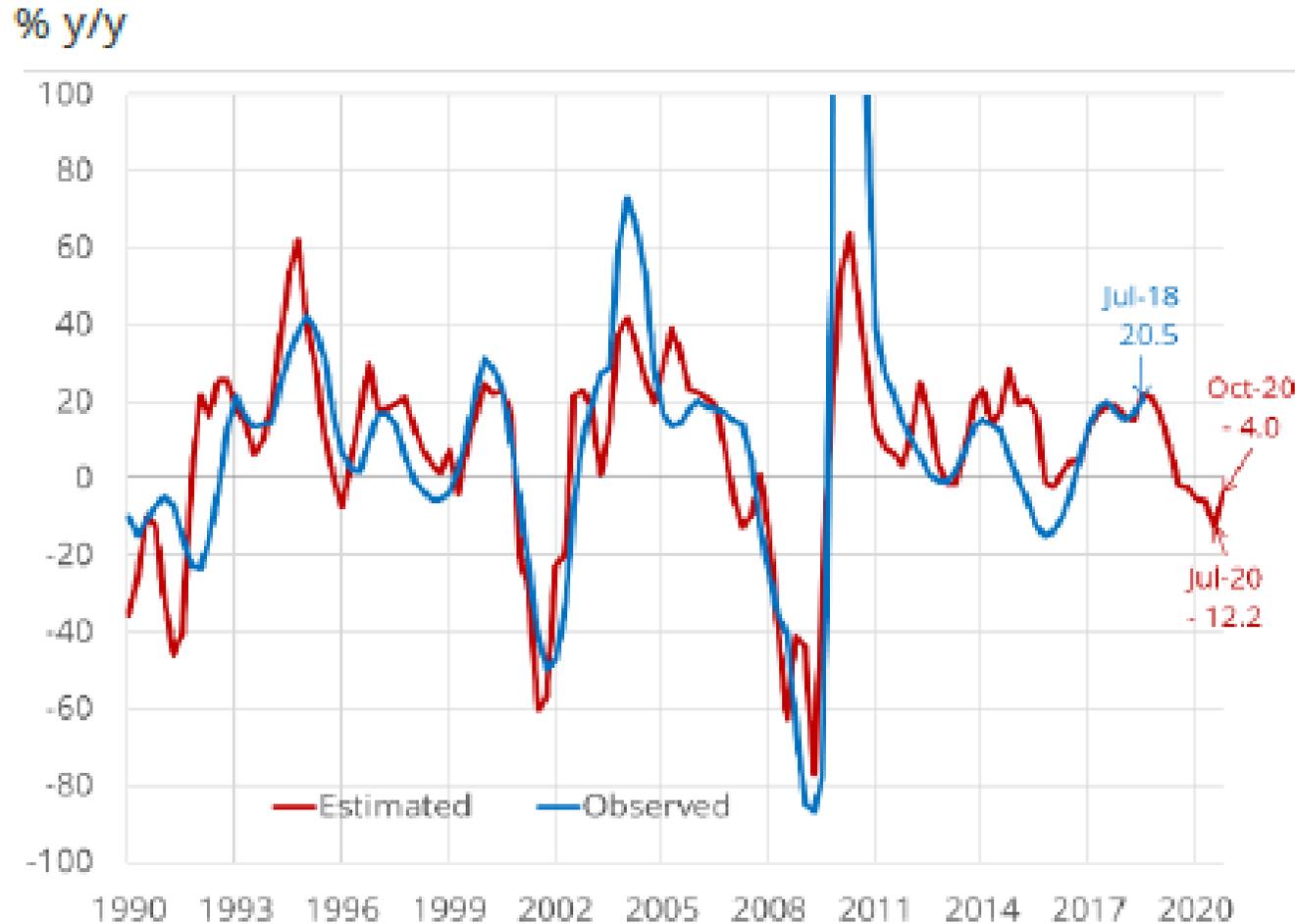
Source: TAC Economics

# Negative EPS Growth Possibly In 3Q2019



*Wage-price increase asymmetry deteriorate corporate profit margins*

## Estimated Earnings Per Share Growth (Y-o-Y)



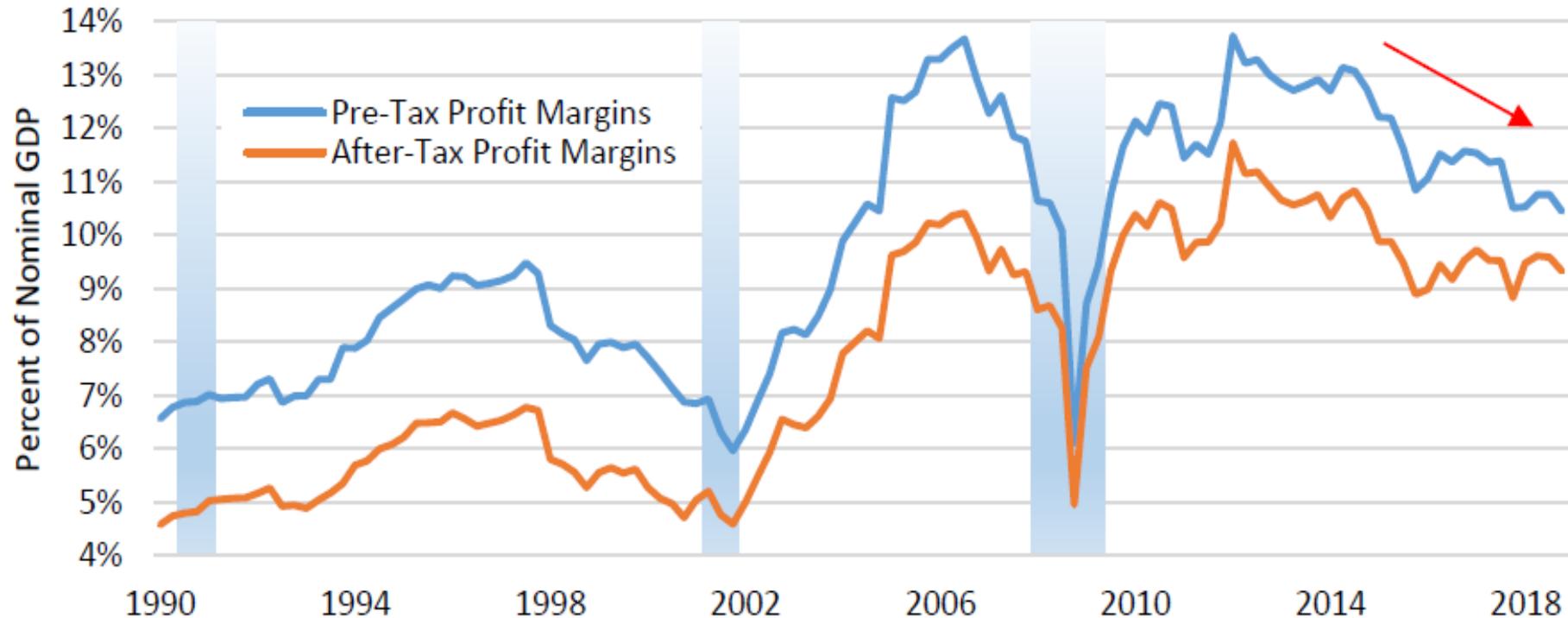
Source: TAC Economics

# Margins may see continued pressure



*Smaller margins key driver of profits decline*

### Corporate Profit Margins in Nominal GDP



Profits are without IVA and CCadj.  
Shaded areas represent recessions.

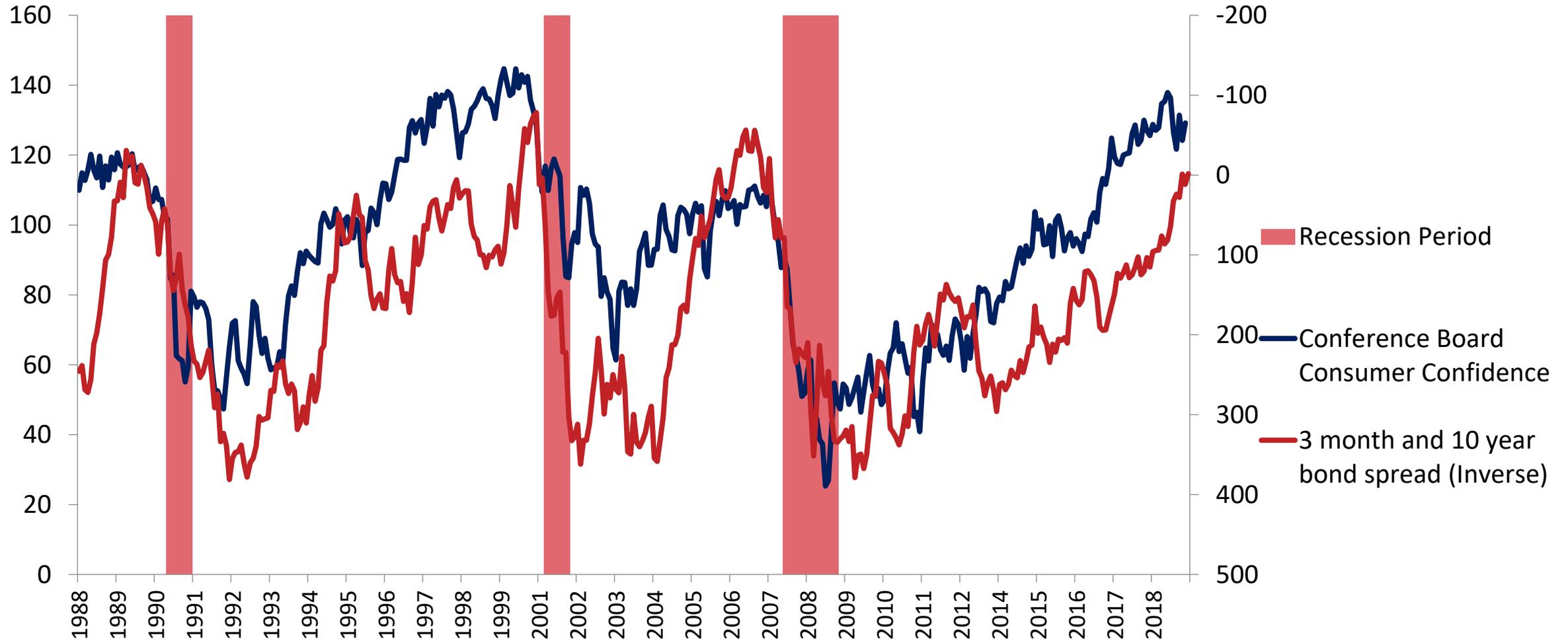
Sources: U.S. Federal Reserve, The GailFosler Group

# Inversion Of US Treasury Yield Curve



The spread between the 10 year and 3 month tenors is near negative

Consumer Confidence (Left Side) vs. 2Y and 10Y Bond Spread (Right Side, Inverse)



Source: Bloomberg

# Moderate Upward Spikes In The Horizon

*OPEC cuts and possible recovery of demand in 2020 may weigh on the prices*



## TAC Brent Oil Price Projections



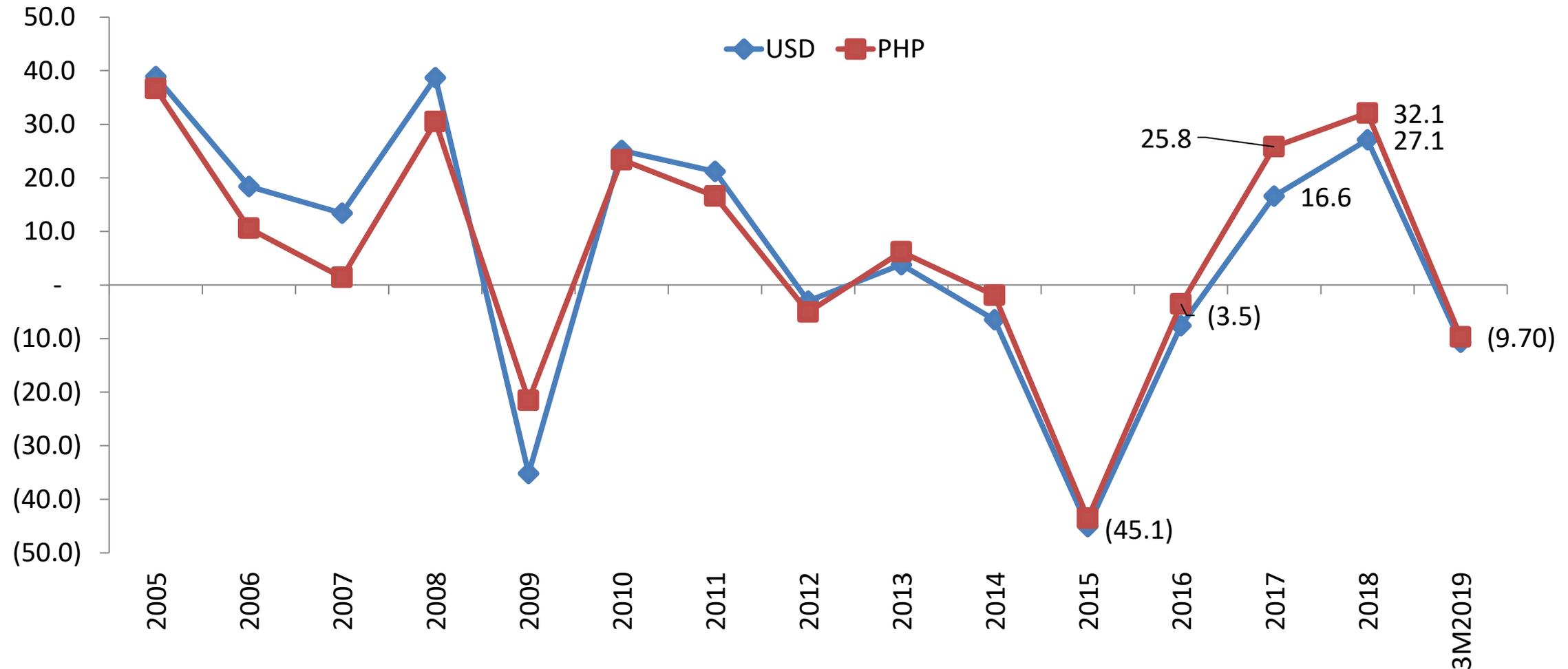
Source: TAC Economics

# Global Oil Prices > 50% Higher in 2018 vs 2016



*Even famous analysts did not see this much rise in the Oil Prices*

## WTI Oil Prices y-o-y change (in PHP and in USD)

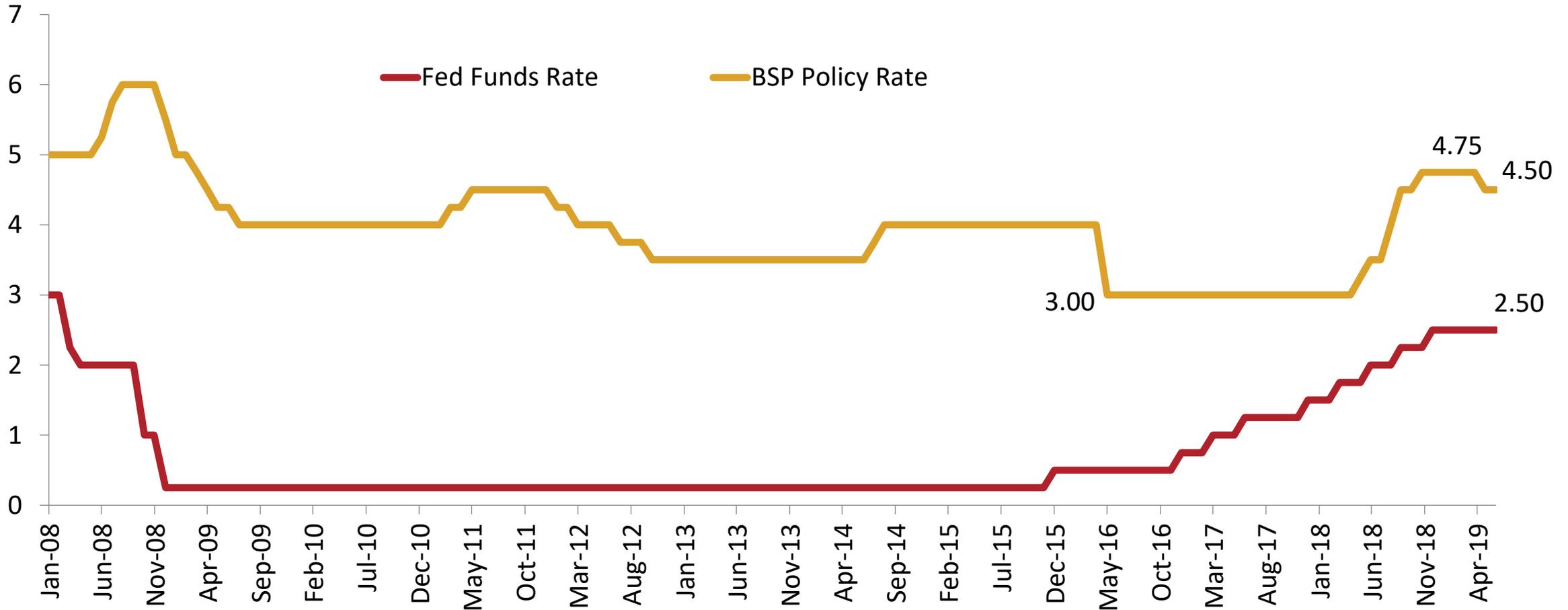


# U.S., PHL Policy Settings Close to Normal?



BSP's 2018 substantial rate hikes made to offset backdoor 2016 cut

## Fed Funds Rate and BSP Policy Rate (%)



Source: Bloomberg

# Dovish US Central Bank in 2019

*Equities recover worldwide on optimism on trade talks and fewer rate hikes*



| U.S. Treasuries (Level & bps Change) |              |            |             |             |
|--------------------------------------|--------------|------------|-------------|-------------|
|                                      | 18-Jun-19    | MTD        | YTD         | YoY         |
| 3m LIBOR                             | 2.419        | (8)        | (39)        | 9           |
| 3m                                   | 2.216        | (13)       | (15)        | 29          |
| 2-yr                                 | 1.866        | (6)        | (62)        | (69)        |
| 5-yr                                 | 1.833        | (8)        | (68)        | (96)        |
| 10-yr                                | 2.060        | (6)        | (63)        | (86)        |
| 30-yr                                | 2.549        | (2)        | (47)        | (50)        |
| <b>Average</b>                       | <b>2.105</b> | <b>(7)</b> | <b>(51)</b> | <b>(54)</b> |

| G3 EQUITIES (Level & % change) |           |            |             |            |
|--------------------------------|-----------|------------|-------------|------------|
|                                | 18-Jun-19 | MTD        | YTD         | YoY        |
| Dow Jones                      | 26,466    | 6.7        | 13.5        | 5.9        |
| Nasdaq                         | 7,954     | 6.7        | 19.9        | 2.7        |
| S&P 500                        | 2,918     | 6.0        | 16.4        | 5.2        |
| Euro Stoxx 50                  | 3,453     | 5.3        | 15.0        | (0.4)      |
| Nikkei                         | 20,973    | 1.8        | 4.8         | (7.5)      |
| <b>Average Change (%)</b>      |           | <b>5.3</b> | <b>13.9</b> | <b>1.2</b> |

Source: Bloomberg

# Asian Equities Hit by Higher Interest Rate Environment



Local stocks posted steep losses as oil prices reached another record high

| ASIAN EQUITIES (Level & % change) | 1 Year    |              |               |
|-----------------------------------|-----------|--------------|---------------|
|                                   | 31-Dec-18 | 30-Nov-18    |               |
| Hang Seng                         | 25,846    | (2.5)        | (13.6)        |
| STI                               | 3,069     | (1.6)        | (9.8)         |
| PSE                               | 7,466     | 1.3          | (12.8)        |
| KOSPI                             | 2,041     | (2.7)        | (17.3)        |
| JCI                               | 6,194     | 2.3          | (2.5)         |
| SET                               | 1,564     | (4.7)        | (10.8)        |
| KL                                | 1,691     | 0.6          | (5.9)         |
| SENSEX                            | 36,068    | (0.3)        | 5.9           |
| SHCOMP (China)                    | 2,494     | (3.6)        | (24.6)        |
| Ho Chi Minh                       | 893       | (3.7)        | (9.3)         |
| <b>Average Change (%)</b>         |           | <b>(1.5)</b> | <b>(10.1)</b> |

Source: Bloomberg

# Asian Equities Rebound in Early 2019



*PH outperforms the region on inflation , RRR cut, election spending hopes*

| ASIAN EQUITIES (Level & % change) |           |            |            |              |
|-----------------------------------|-----------|------------|------------|--------------|
|                                   | 18-Jun-19 | MTD        | YTD        | YoY          |
| Hang Seng                         | 27,499    | 2.2        | 6.4        | (9.3)        |
| STI                               | 3,239     | 3.9        | 5.5        | (2.6)        |
| PSE                               | 7,922     | (0.6)      | 6.1        | 6.9          |
| KOSPI                             | 2,099     | 2.8        | 2.8        | (11.7)       |
| JCI                               | 6,257     | 0.8        | 1.0        | 4.4          |
| SET                               | 1,684     | 3.9        | 7.7        | 0.2          |
| KL                                | 1,653     | 0.1        | (2.2)      | (5.2)        |
| SENSEX                            | 39,046    | (1.7)      | 8.3        | 9.8          |
| SHCOMP (China)                    | 2,890     | (0.3)      | 15.9       | (4.4)        |
| Ho Chi Minh                       | 944       | (1.7)      | 5.8        | (4.4)        |
| <b>Average Change (%)</b>         |           | <b>0.9</b> | <b>5.7</b> | <b>(1.6)</b> |

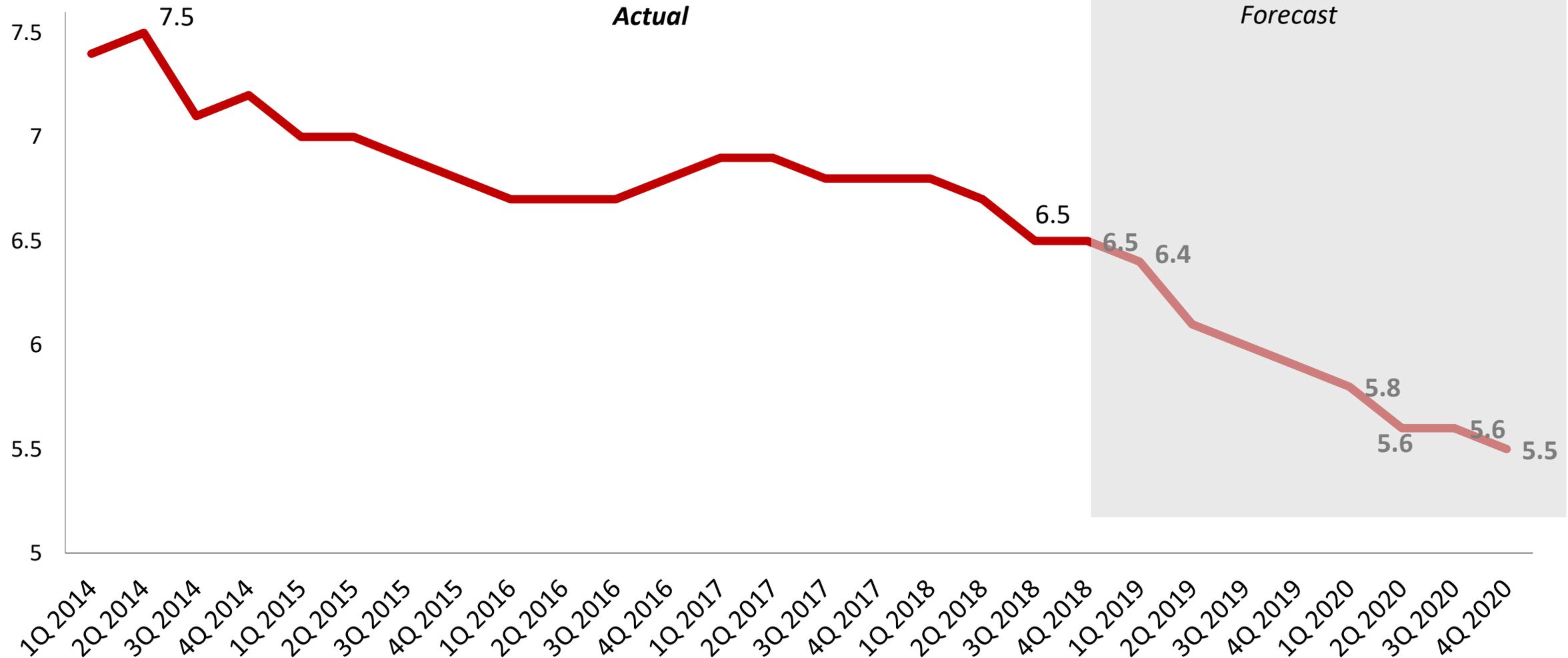
Source: Bloomberg

# Substantial but Manageable China Slowdown Expected

Deleveraging and trade are driving growth slowdown



## China GDP (Y-o-Y, % change)



Source: TAC Financial

# IMO 2020 and Global Supply Chains

- The International Maritime Organization (IMO) will implement in 2020 a new regulation that will prevent shipping vessels from using fuels with sulfur content above 0.5%
- Vessels will be fined and detained if they fail to comply
- The new rule may result to higher shipping costs, inflation or significant changes in global supply chains



# Highlights



Offshore trends and risks

Rates - Will Lows Be Revisited?

Growth and USDPHP prospects

# Inflation, Gov't Borrowings Led To Rate Rise



Additional upward pressure emanated from BTr 4Q borrowing program

| BVAL/PDST-R2 (Level & bps Change) |           |           |     |
|-----------------------------------|-----------|-----------|-----|
|                                   | 31-Dec-18 | 30-Nov-18 | YTD |
| 1m                                | 5.406     | 30        | 221 |
| 3m                                | 5.776     | 33        | 334 |
| 6m                                | 6.514     | 30        | 321 |
| 1-yr                              | 6.783     | 18        | 375 |
| 2-yr                              | 6.885     | 15        | 290 |
| 3-yr                              | 6.976     | 11        | 268 |
| 4-yr                              | 7.016     | 8         | 209 |
| 5-yr                              | 7.037     | 6         | 229 |
| 6-yr                              | 7.052     | 6         |     |

| BVAL/PDST-R2 (Level & bps Change) |              |           |            |
|-----------------------------------|--------------|-----------|------------|
|                                   | 31-Dec-18    | 30-Nov-18 | YTD        |
| 7-yr                              | 7.061        | 6         | 173        |
| 8-yr                              | 7.065        | 6         |            |
| 9-yr                              | 7.066        | 5         |            |
| 10-yr                             | 7.065        | 4         | 137        |
| 12-yr                             | 7.094        | 1         |            |
| 15-yr                             | 7.287        | 3         |            |
| 20-yr                             | 7.491        | (12)      | 179        |
| 25-yr                             | 7.528        | (18)      |            |
| 30-yr                             | 7.527        | (18)      |            |
| <b>Average</b>                    | <b>6.924</b> | <b>7</b>  | <b>249</b> |

Source: Bloomberg

# GS Yields Fell Sharply After Inflation Took a U-Turn



Lower inflation and RRR cut may offset upward pressure from gov't borrowing in 2019

| BVAL/PDST-R2 (Level & bps Change) |           |      |       |      | 7-yr           | 5.188        | (37)        | (187)        | (79)     |
|-----------------------------------|-----------|------|-------|------|----------------|--------------|-------------|--------------|----------|
|                                   | 18-Jun-19 | MTD  | YTD   | YoY  |                |              |             |              |          |
| 1m                                | 4.536     | (62) | (87)  | 135  | 8-yr           | 5.200        | (36)        | (187)        |          |
| 3m                                | 4.598     | (70) | (118) | 131  | 9-yr           | 5.203        | (35)        | (186)        |          |
| 6m                                | 4.892     | (68) | (162) | 65   | 10-yr          | 5.202        | (35)        | (186)        | (144)    |
| 1-yr                              | 5.176     | (49) | (161) | 86   | 12-yr          | 5.209        | (35)        | (189)        |          |
| 2-yr                              | 5.080     | (45) | (181) | 44   | 15-yr          | 5.267        | (43)        | (202)        |          |
| 3-yr                              | 5.092     | (44) | (188) | 19   | 20-yr          | 5.376        | (38)        | (212)        | (185)    |
| 4-yr                              | 5.110     | (42) | (191) | (1)  | 25-yr          | 5.559        | (40)        | (197)        |          |
| 5-yr                              | 5.135     | (41) | (190) | (65) | 30-yr          | 5.577        | (40)        | (195)        |          |
| 6-yr                              | 5.164     | (39) | (189) |      | <b>Average</b> | <b>5.142</b> | <b>(44)</b> | <b>(169)</b> | <b>0</b> |

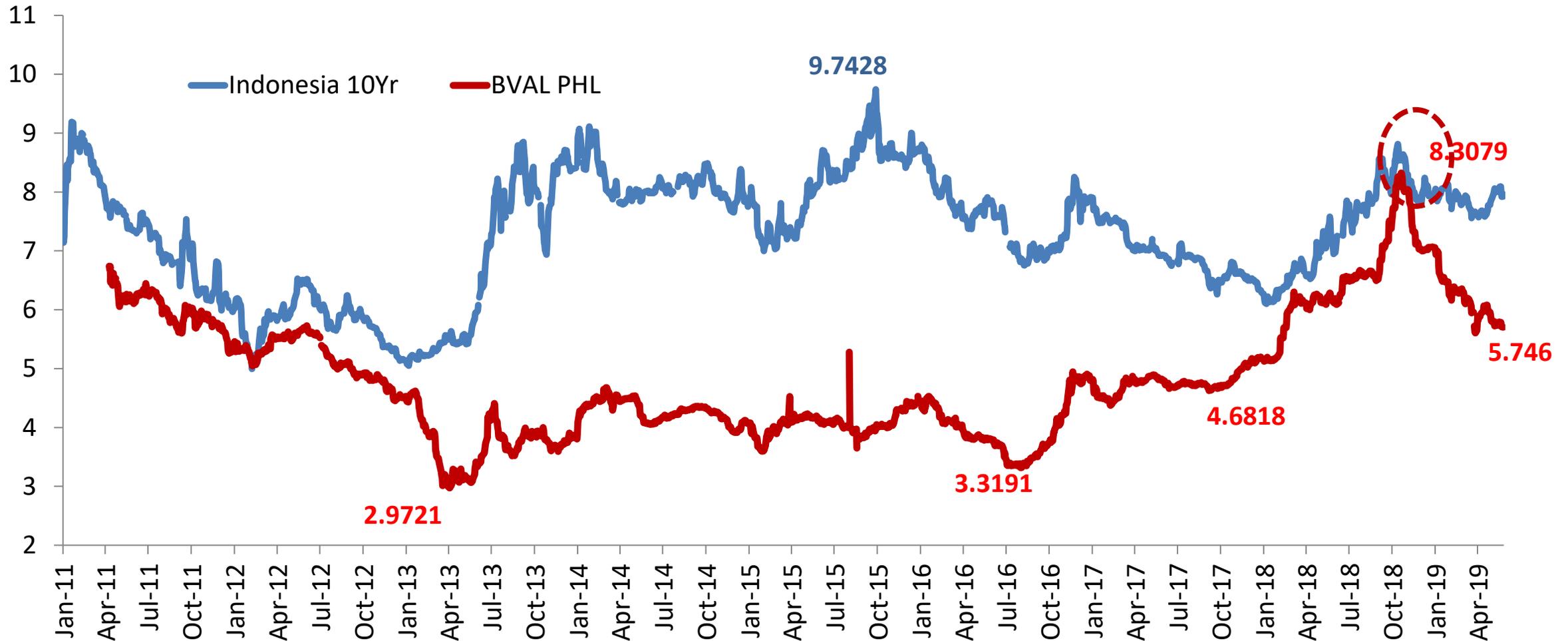
Source: Bloomberg

# PHL Yields Rose to Highest In a Decade in Oct 2018

Food supply normalization, transport fare rollback and oil price rout pushed local inflation lower



## Local currency denominated government bond yields (in %)



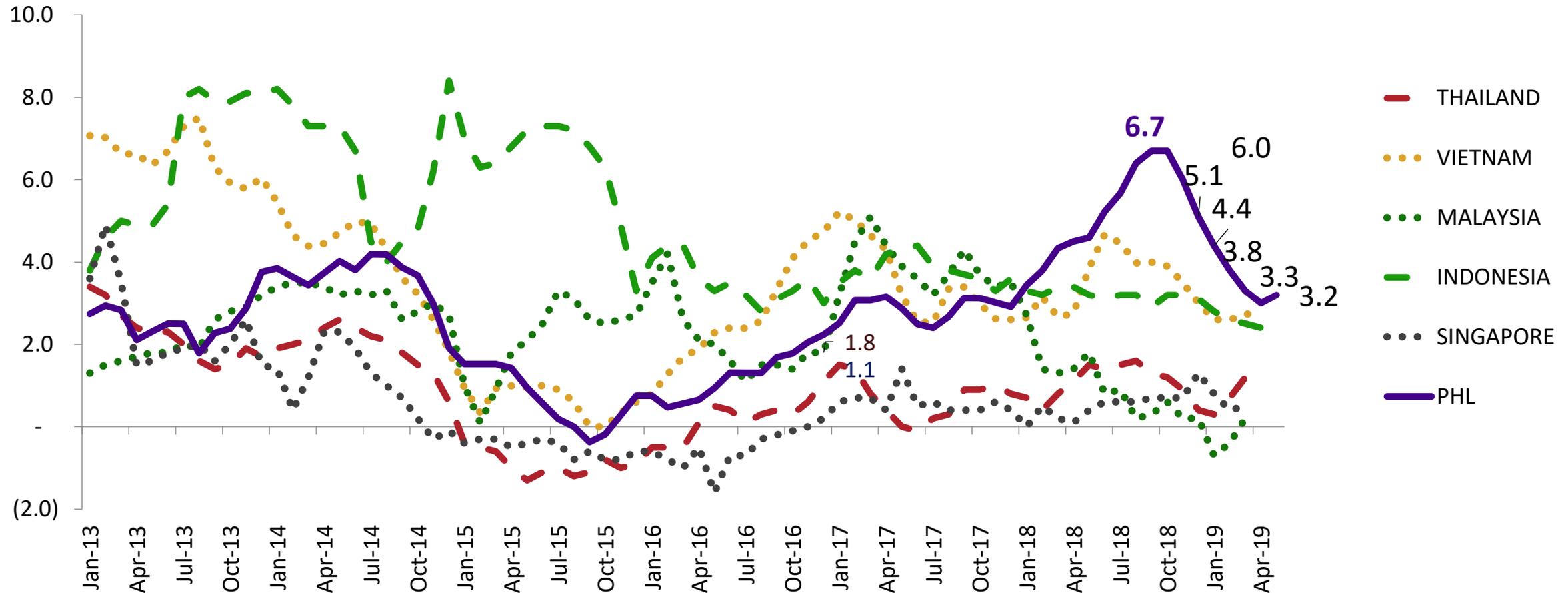
Source: PSA

# PHL Inflation Finally Re-joining ASEAN Norm?



PH inflation accelerated faster than ASEAN peers due to TRAIN effects and higher oil prices

## Inflation of Select ASEAN (in %)



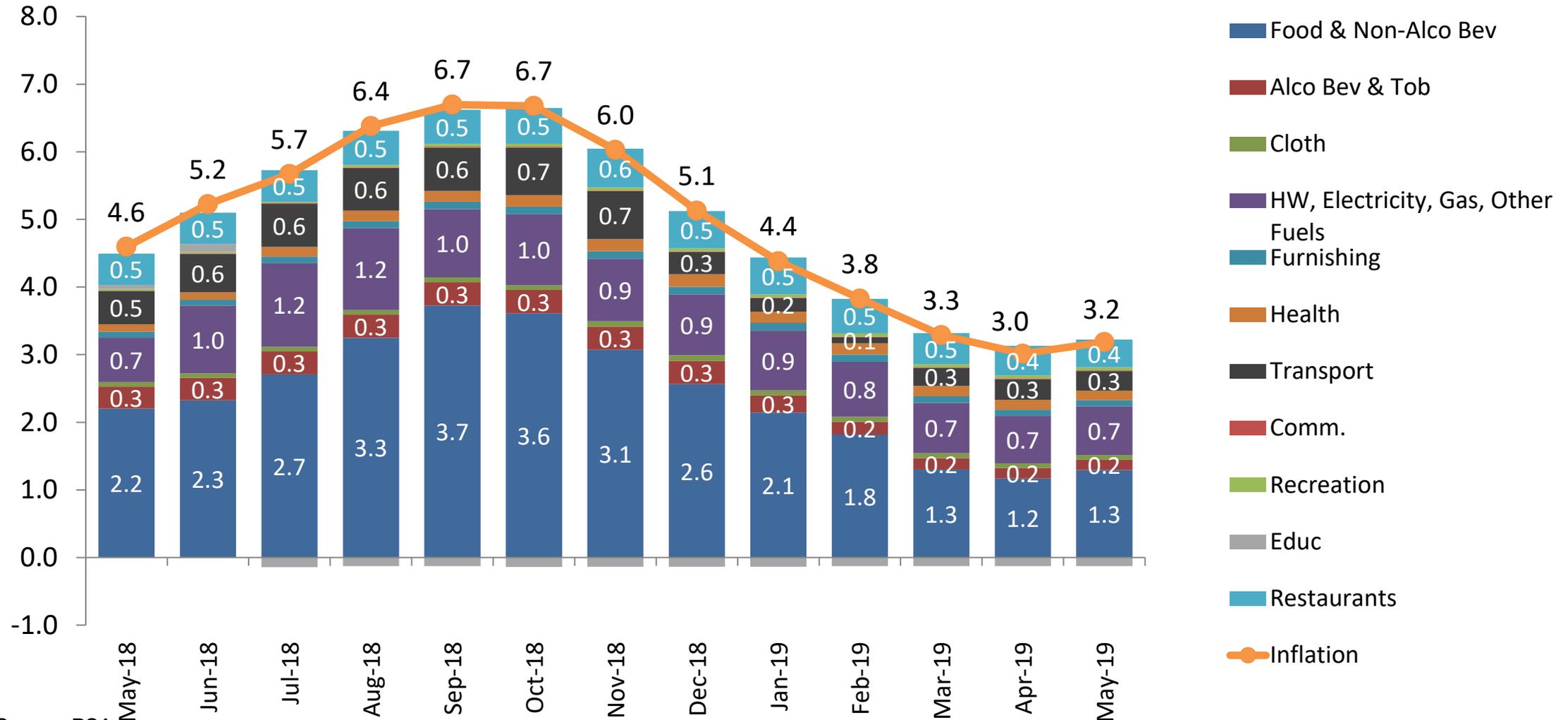
Source: PSA

# PHL Inflation Hits ~ 10-Year High; On Target in 2019?



Food supply normalization, transport fare rollback and oil price rout pushed local inflation lower

## Inflation with component breakdown (%), All Items



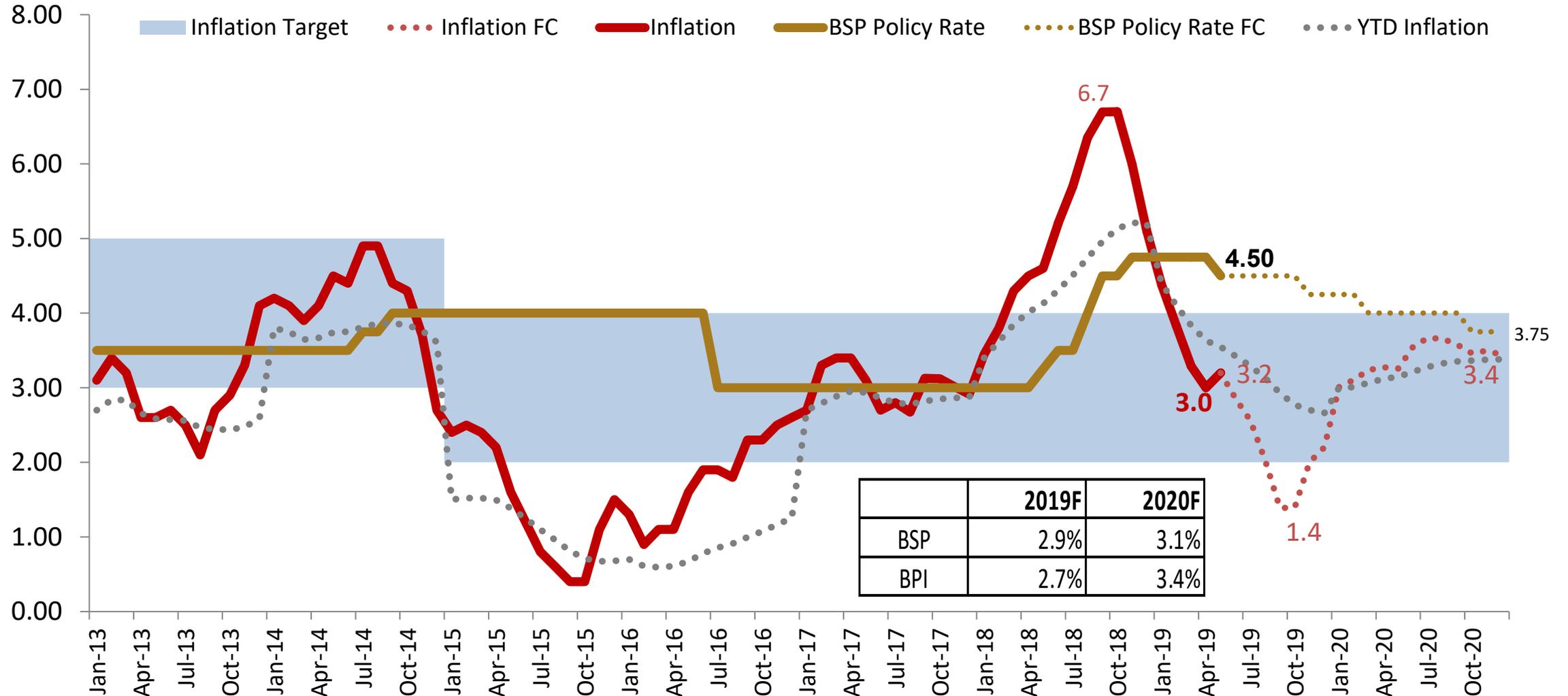
Source: PSA

# BSP Cut Rates Amidst Easing Inflation, Weak GDP



Gov. Diokno shows pro growth stripes, CPI is seen to average 2.9% in 2019, and 3% in 2020

## PHL Inflation (100=2012), INFL Target and BSP Policy rates

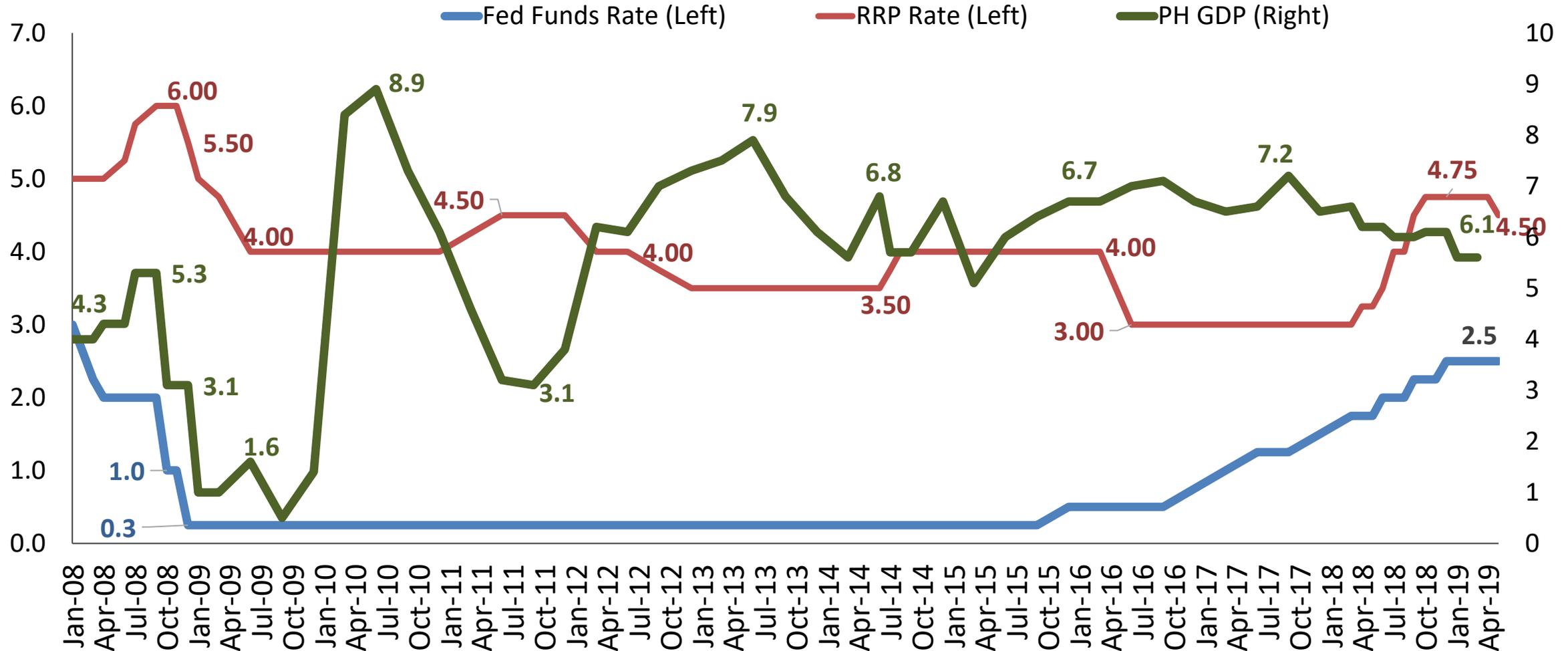


# Will the Bangko Sentral do an “About Face” soon?

2008 and 2019 are significantly different from each other, RRR cut easier to justify



Fed Funds Rate, RRP Rate PHL GDP Growth (%)



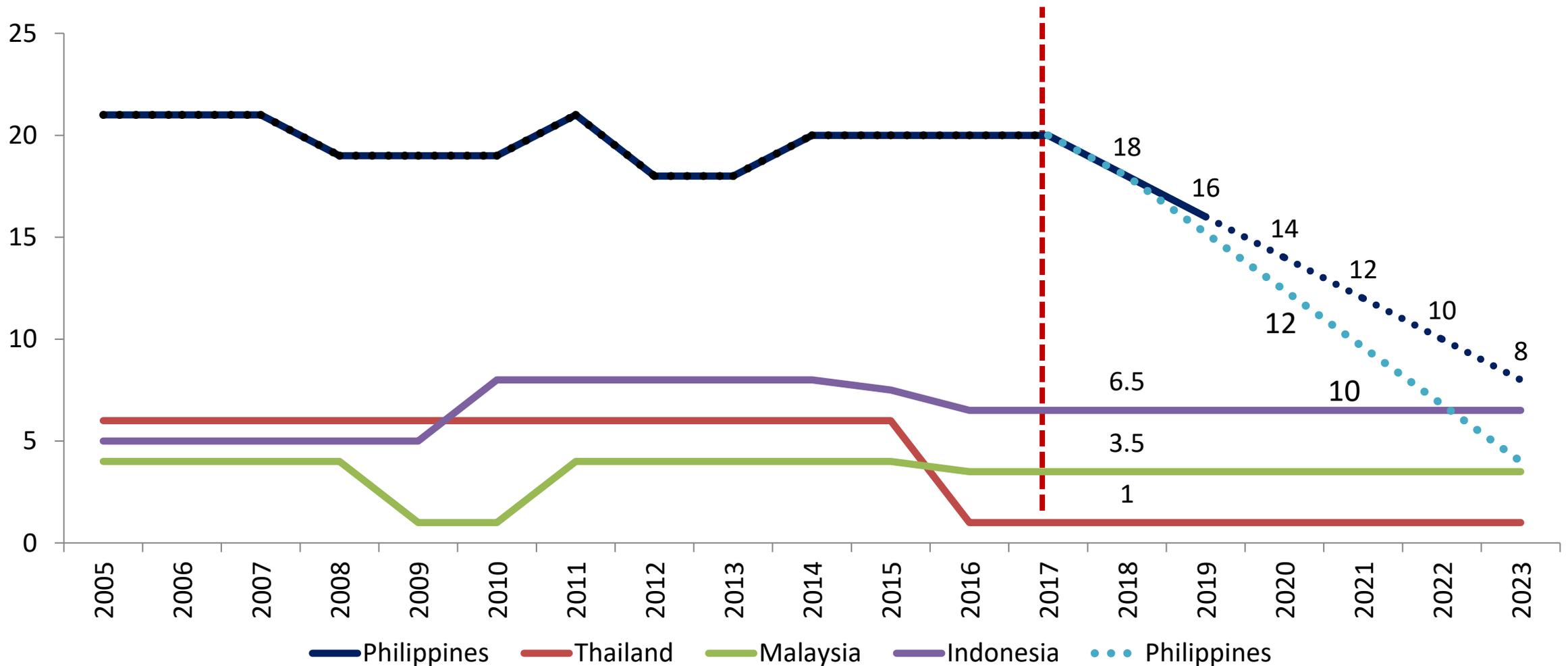
Source: Bloomberg

# PHL RRR sticks out like a sore thumb

Window for RRR reductions likely to re-open by mid-2019



## Reserve Requirement Ratio (% End Of Period)



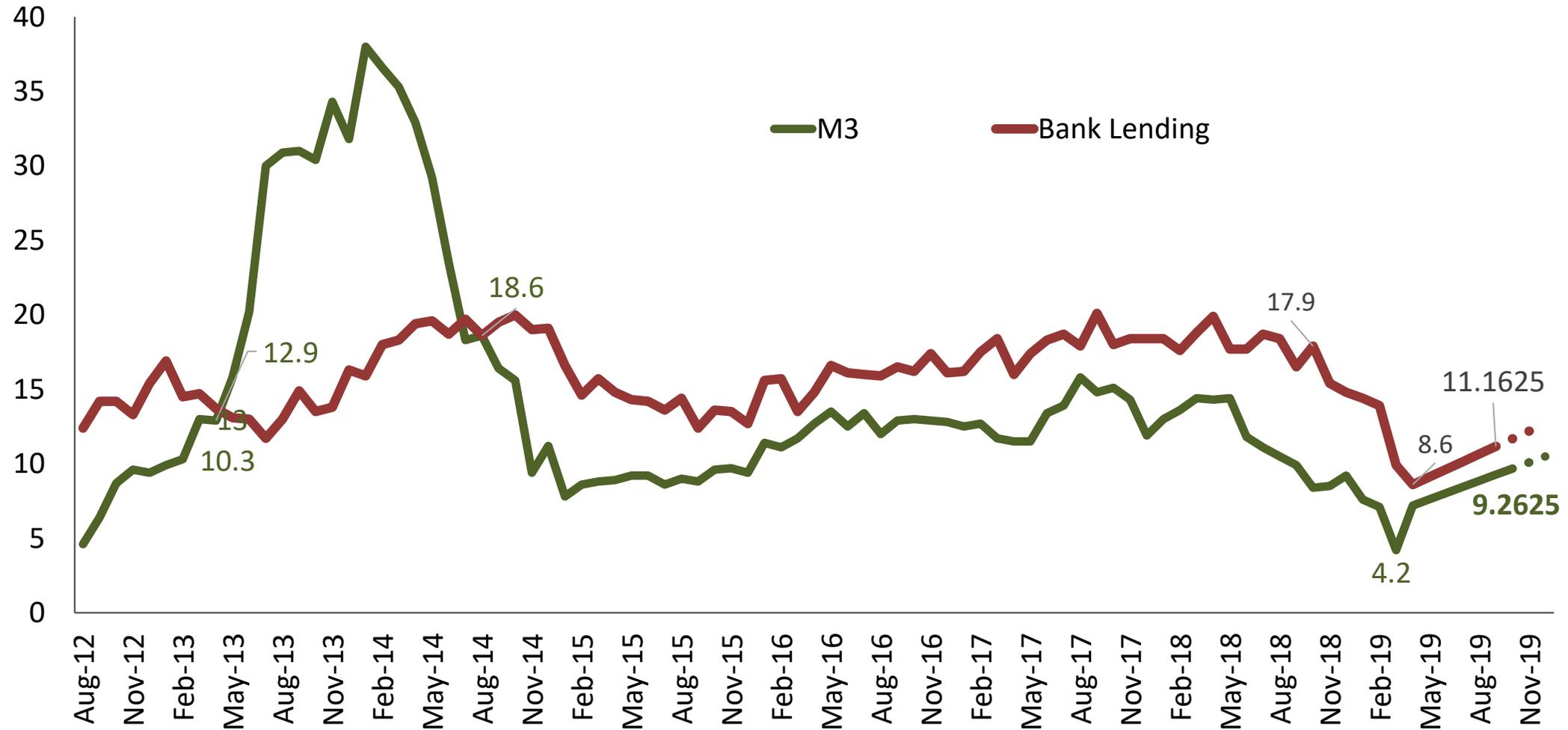
Source: CEIC

# M3 Growth At A 7-Year Low



Peso liquidity has been tight, as exhibited by flat yield curve

## Money Supply and Bank Lending Growth (%)



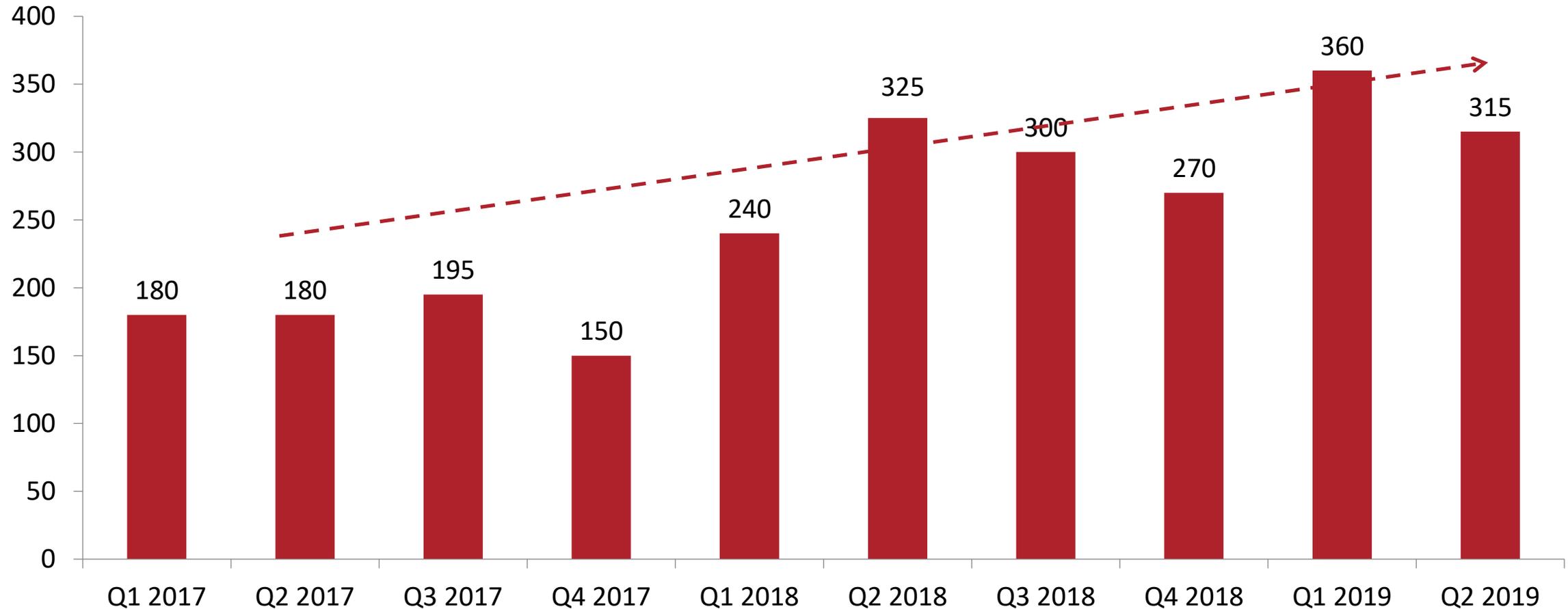
Source: Bloomberg

# BTr Cut 2Q Borrowings Amidst Budget Impasse

Borrowing program in 2Q 2019 lower by 3% y-o-y and 13% q-o-q



## BTr Local Borrowing Program (in billion PHP)



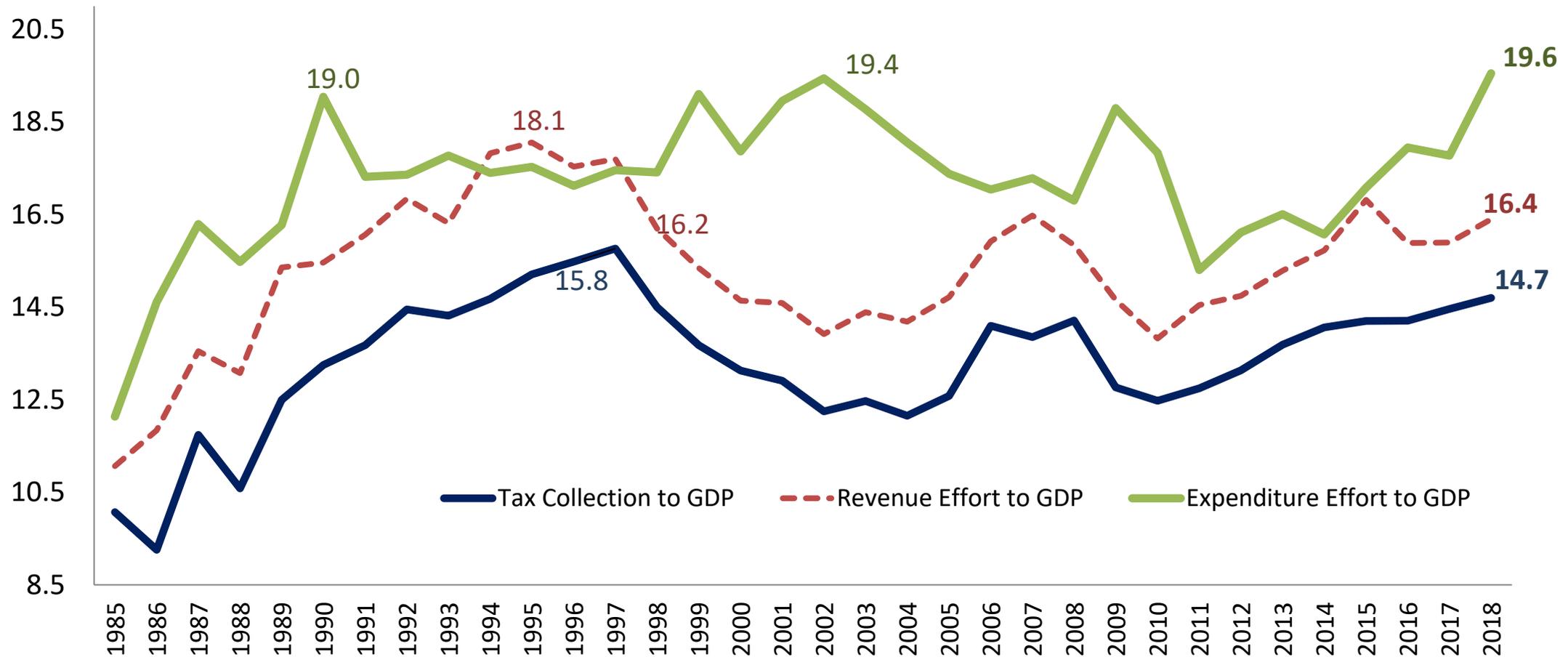
Source: PSA

# Tax Effort – Highest Since 1990s

Tax Collection improving; Expenditure Effort at record high



## Tax to GDP Ratio (in %), first 9 months



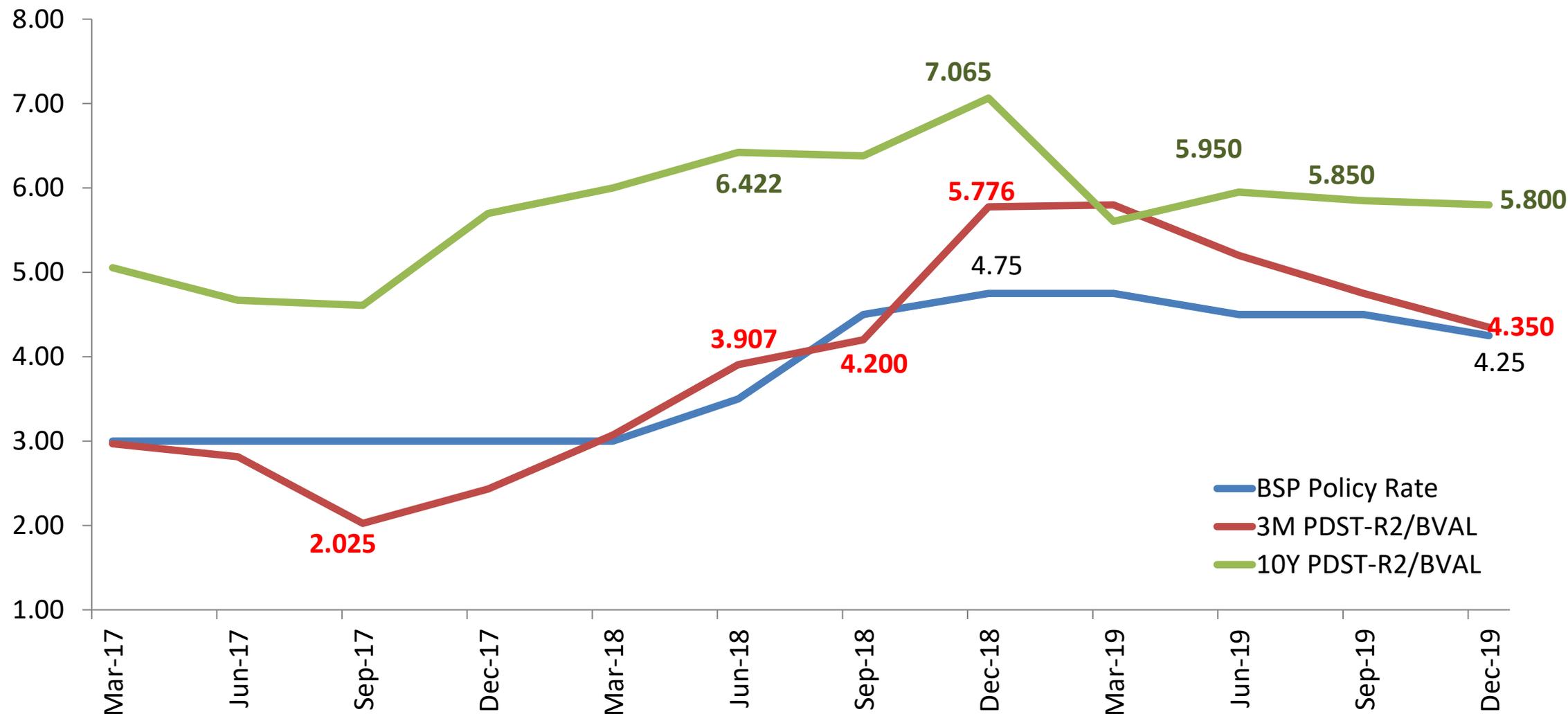
Source: PSA

# Interest Rates Outlook

Curve to steepen: RRR cuts can trigger downward bias at short end, long end range bound on supply risk



BSP Policy Rate, 3M PDST-R2/BVAL, and 10Y PDST-R2/BVAL (%)



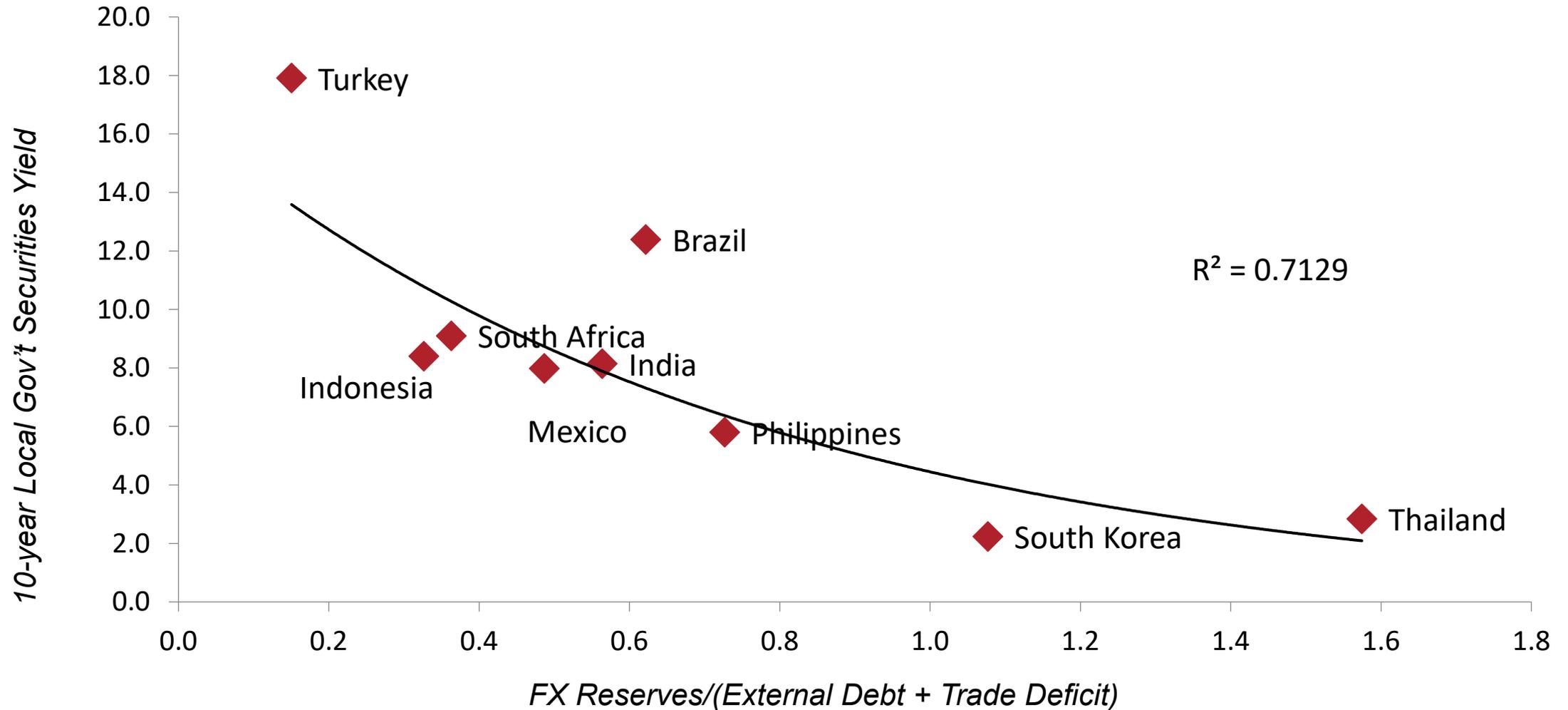
Source: Bloomberg

# Coverage May Have Influence on Affordability of Credit



Lower import cover has pressured PHL interest rates to rise

X-Y Graph of FX Leverage vs. 10-year Government Borrowing Costs in %



# Highlights



- Key risks: Potentially massive U.S. stock market decline; IMO 2020 may eclipse impact of US-China Trade tensions

Rates - Will Lows Be Revisited?

Growth and USDPHP prospects

# USD continues to dominate in early 2019

Investors take shelter with USD & JPY



| MAJOR CURRENCIES (Level & % change) |           |              |              |              |
|-------------------------------------|-----------|--------------|--------------|--------------|
|                                     | 18-Jun-19 | MTD          | YTD          | YoY          |
| JPY                                 | 108.45    | (0.1)        | 1.1          | 1.9          |
| EUR                                 | 1.1194    | 0.2          | (2.4)        | (3.7)        |
| GBP                                 | 1.2558    | (0.6)        | (1.5)        | (5.2)        |
| AUD                                 | 0.6877    | (0.9)        | (2.4)        | (7.4)        |
| CHF                                 | 1.0005    | 0.0          | (1.8)        | (0.5)        |
| <b>Average Change (%)</b>           |           | <b>(0.3)</b> | <b>(1.4)</b> | <b>(3.0)</b> |

Source: Bloomberg

# Dollar Stronger vs EM Currencies



*EM currencies shunned due to US-China trade spat*

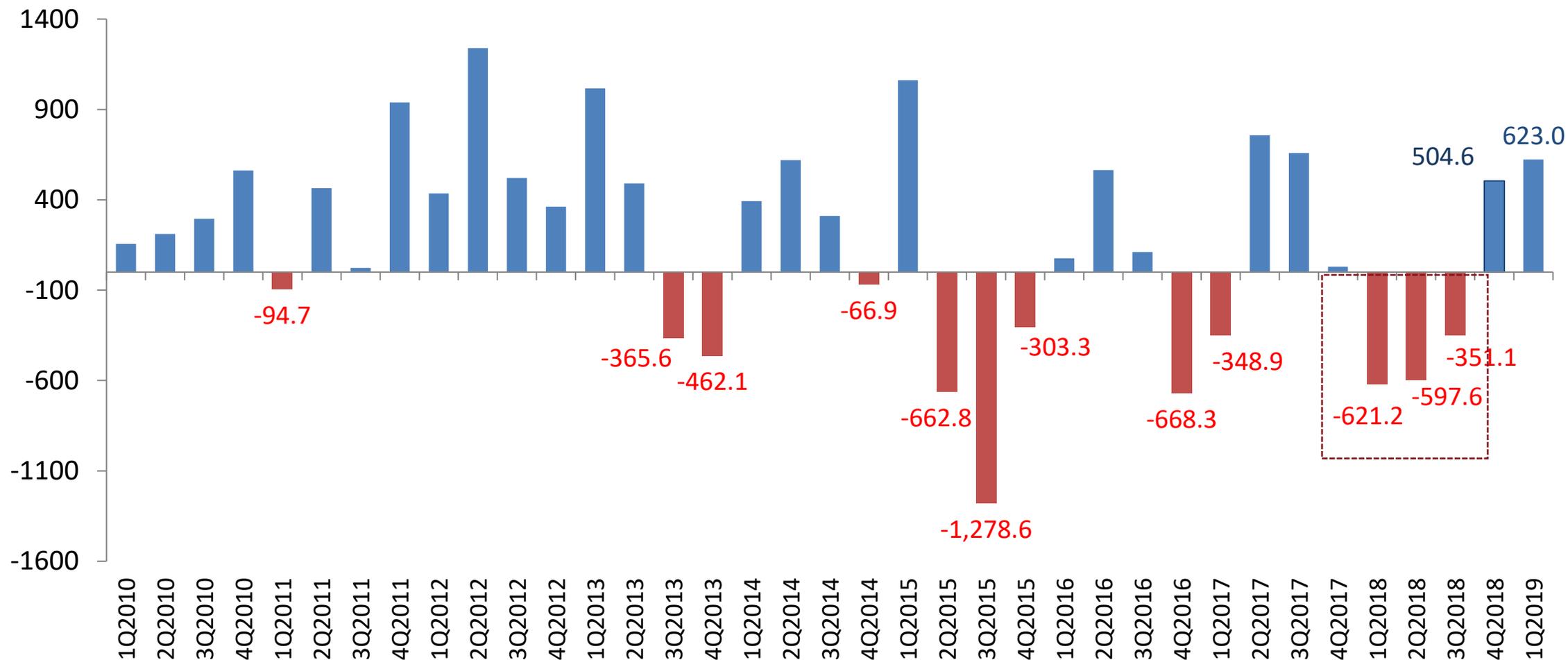
| <b>CURRENCIES (Level &amp; % change)</b> |                  |            |              |              |
|------------------------------------------|------------------|------------|--------------|--------------|
|                                          | <b>18-Jun-19</b> | <b>MTD</b> | <b>YTD</b>   | <b>YoY</b>   |
| PHP                                      | 51.990           | 0.3        | 1.1          | 2.9          |
| Baht                                     | 31.360           | 0.9        | 3.8          | 4.1          |
| Rupiah                                   | 14,328           | (0.4)      | 0.4          | (2.8)        |
| Won                                      | 1,185.8          | 0.4        | (5.9)        | (6.8)        |
| Sing \$                                  | 1.3670           | 0.6        | (0.3)        | (1.1)        |
| Dong                                     | 23,340           | 0.3        | (0.7)        | (2.2)        |
| Rupee                                    | 69.689           | 0.0        | 0.1          | (2.4)        |
| Yuan                                     | 6.9032           | 0.0        | (0.4)        | (6.7)        |
| Ringgit                                  | 4.1823           | 0.2        | (1.2)        | (4.4)        |
| Taiwan \$                                | 31.523           | 0.3        | (2.6)        | (4.9)        |
| Hong Kong \$                             | 7.8318           | 0.1        | 0.0          | 0.2          |
| <b>Average Change (%)</b>                |                  | <b>0.2</b> | <b>(0.5)</b> | <b>(2.2)</b> |

# Net Foreign Buying Back Since 4Q2018

Funds rebalancing to favor Developed Markets; PSE bad proxy for BBBuild



## Net Foreign Selling/Buying in PHL Equity market (quarterly in USD millions)



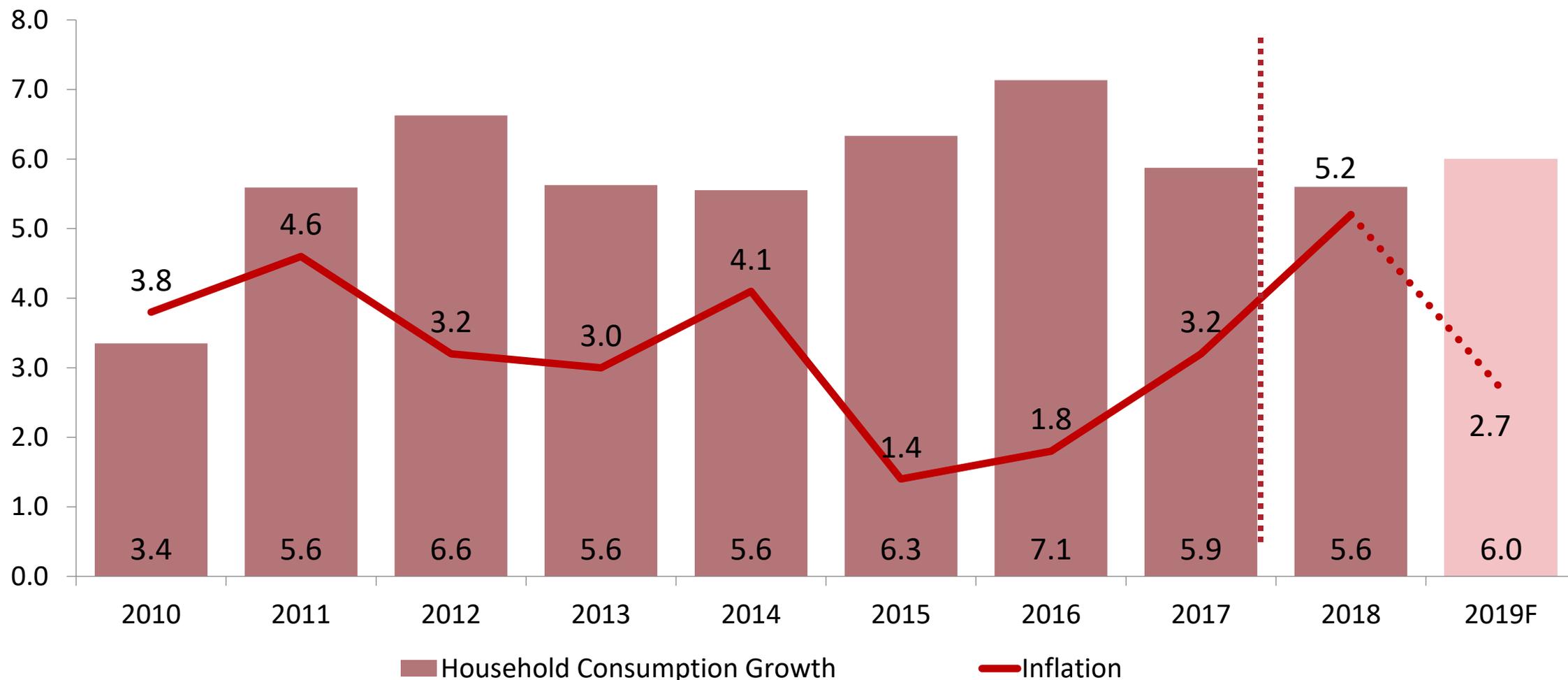
Source: BSP

# PHL Household Demand Slowed Down in 2018

2019 recovery expected as inflation drops and banking sector remains competitive



## Household Consumption Growth vs. Inflation



Source: Bloomberg

# 1Q 2019 GDP Growth Missed at 5.6%



*Consumption gained a stronger ground, but government spending slowed sharply on budget impasse*

## % Growth of GDP components

|                        | Q1 2018 | Q1 2019    |
|------------------------|---------|------------|
| Real GDP               | 6.5     | <b>5.6</b> |
| Agriculture            | 1.1     | <b>0.8</b> |
| Industry               | 7.7     | <b>4.4</b> |
| Service                | 6.7     | <b>7.0</b> |
| Household Consumption  | 5.6     | <b>6.3</b> |
| Government Expenditure | 13.6    | <b>7.4</b> |
| Capital Formation      | 10.3    | <b>6.8</b> |
| Exports                | 10.3    | <b>5.8</b> |
| Imports                | 11.3    | <b>8.3</b> |

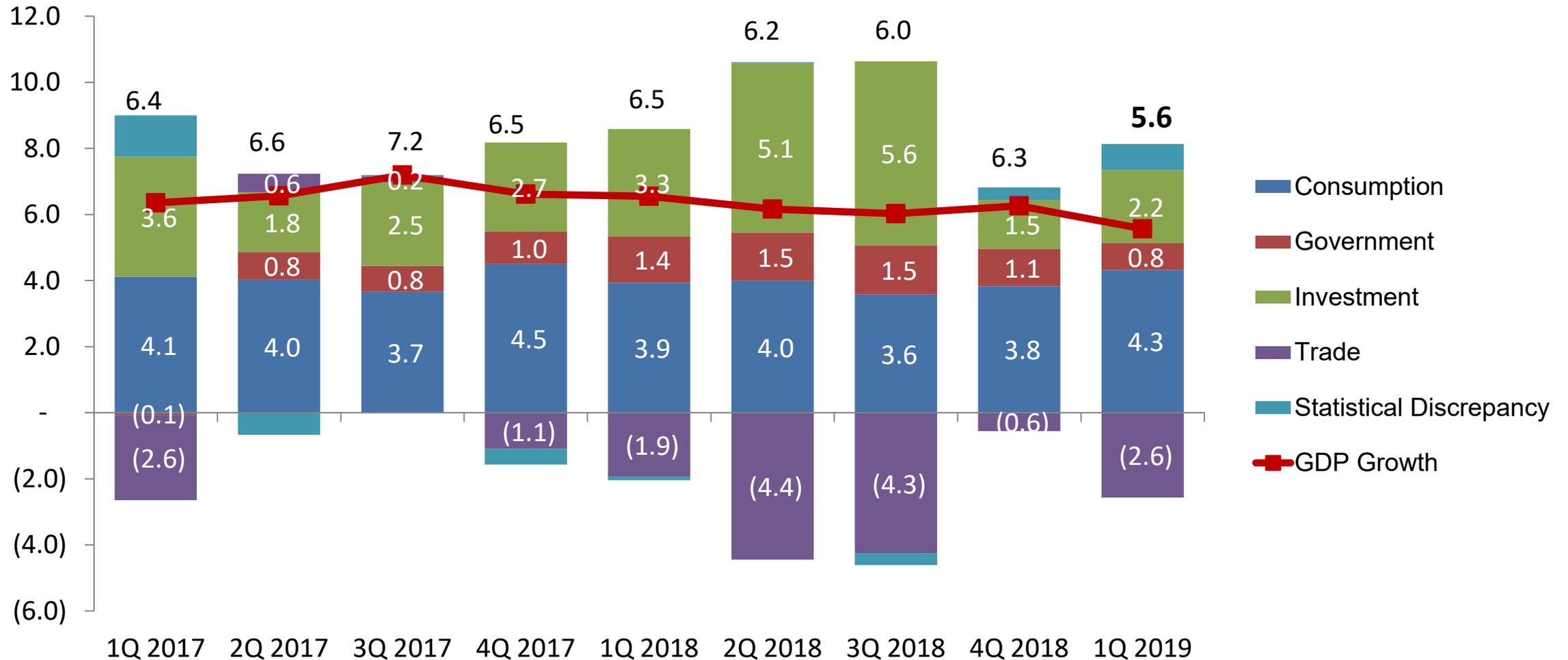
Source: PSA

# 1Q 2019 GDP Growth Missed at 5.6%



Consumption gained a stronger ground, but government spending slowed sharply on budget impasse

## PHL Real GDP Growth (%) with contribution breakdown per component



Source: PSA

# 1Q 2019 GDP Growth Missed at 5.6%



Consumption gained a stronger ground, but investments cooled amidst higher market rates

## Difference in Contribution to GDP

|             | Contribution to GDP |         |         | Incremental Change |       |
|-------------|---------------------|---------|---------|--------------------|-------|
|             | 1Q 2017             | 1Q 2018 | 1Q 2019 | 2018               | 2019  |
| GDP Growth  | 6.4                 | 6.5     | 5.6     | 0.2                | (1.0) |
| Consumption | 4.1                 | 3.9     | 4.3     | (0.2)              | 0.4   |
| Government  | (0.1)               | 1.4     | 0.8     | 1.5                | (0.6) |
| Investment  | 3.6                 | 3.3     | 2.2     | (0.4)              | (1.0) |
| Trade       | (2.6)               | (1.9)   | (2.6)   | 0.7                | (0.6) |
| Agriculture | 0.5                 | 0.1     | 0.1     | (0.3)              | (0.0) |
| Industry    | 2.1                 | 2.6     | 1.5     | 0.5                | (1.1) |
| Service     | 3.8                 | 3.8     | 4.0     | 0.0                | 0.2   |

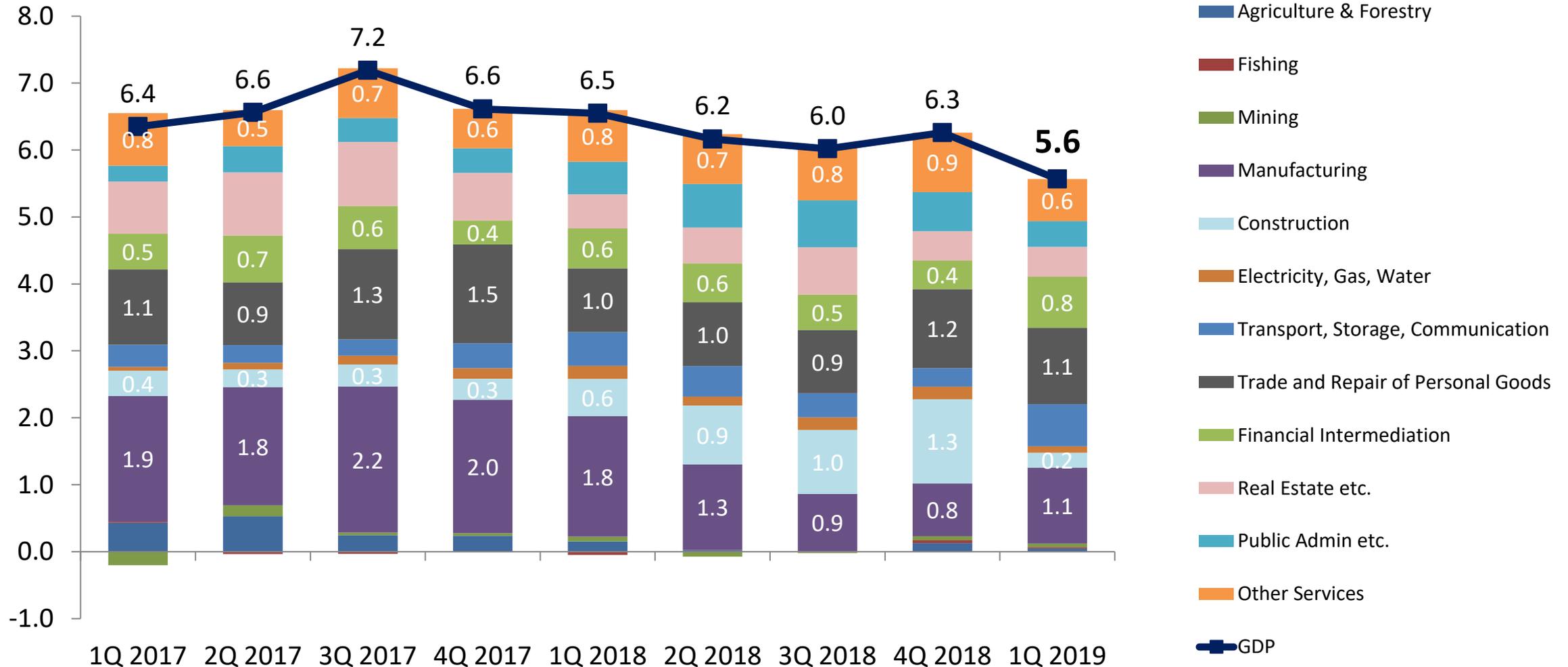
Source: PSA

# PHL 1Q GDP Performs Below Market Estimates

The economy continues to expand albeit at a slower pace as services cooled



## Real GDP Growth (%) with contribution breakdown per sector



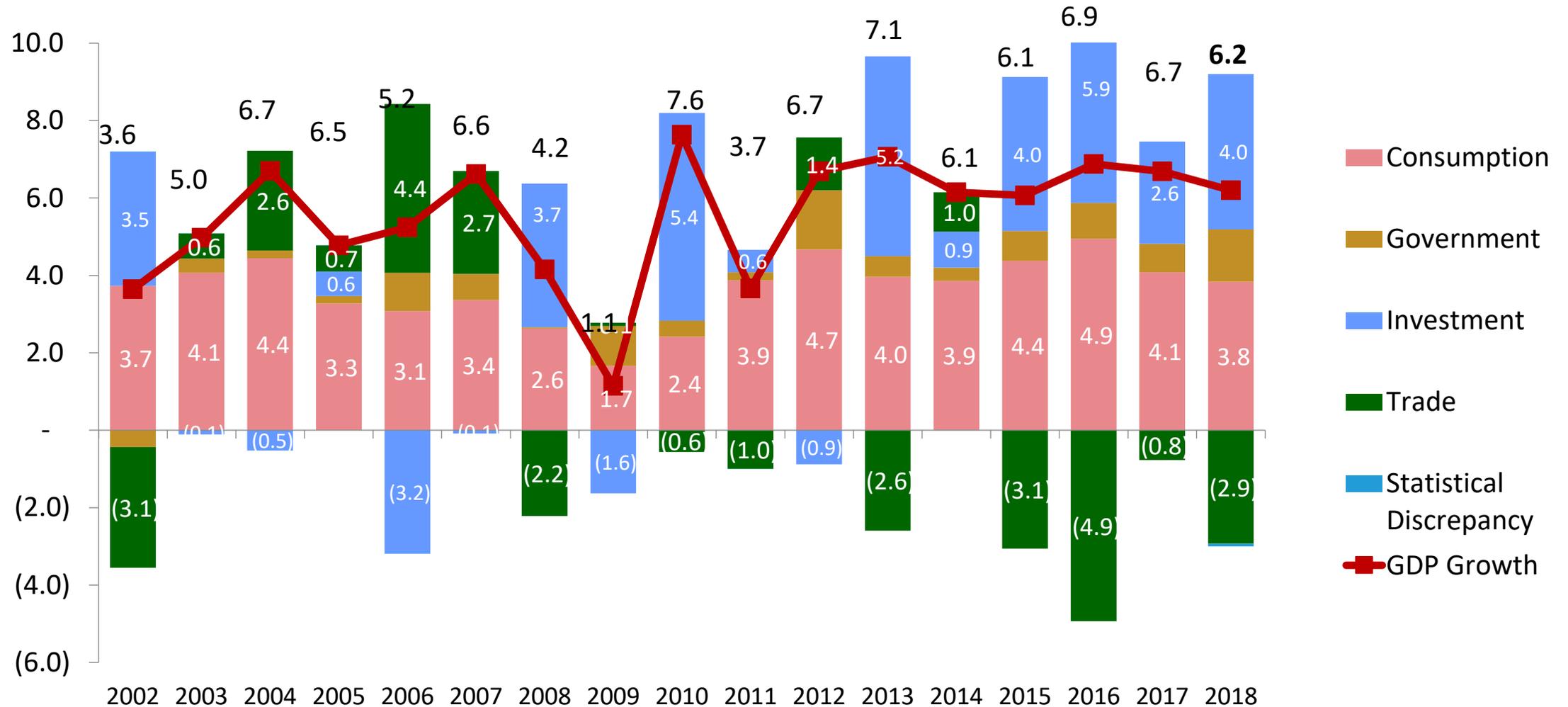
Source: PSA

# Capital Spending Contributing More to PHL Growth



No longer a one-trick pony but taking some liquidity risk in the process

## PHL Real GDP Growth (%) with contribution breakdown per expenditure component



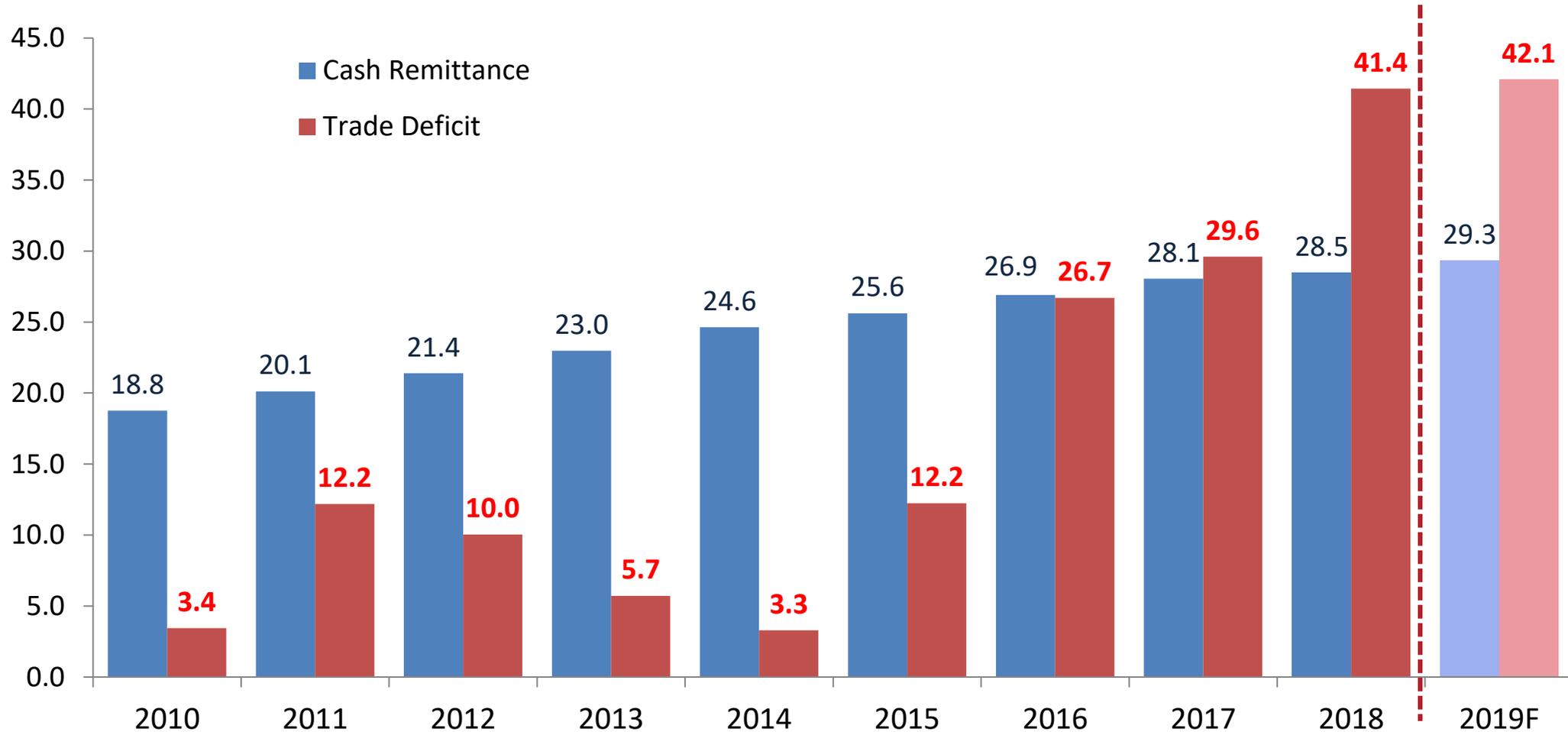
Source: PSA

# Trade Deficit May Exceed Remittances for 3<sup>rd</sup> Year

Trade deficit hit \$ 41.4Bn or 12.5% of GDP in 2018, the highest since 1996



## OFW Cash Remittances vs Trade Gap (USD Bn) & USD/Php



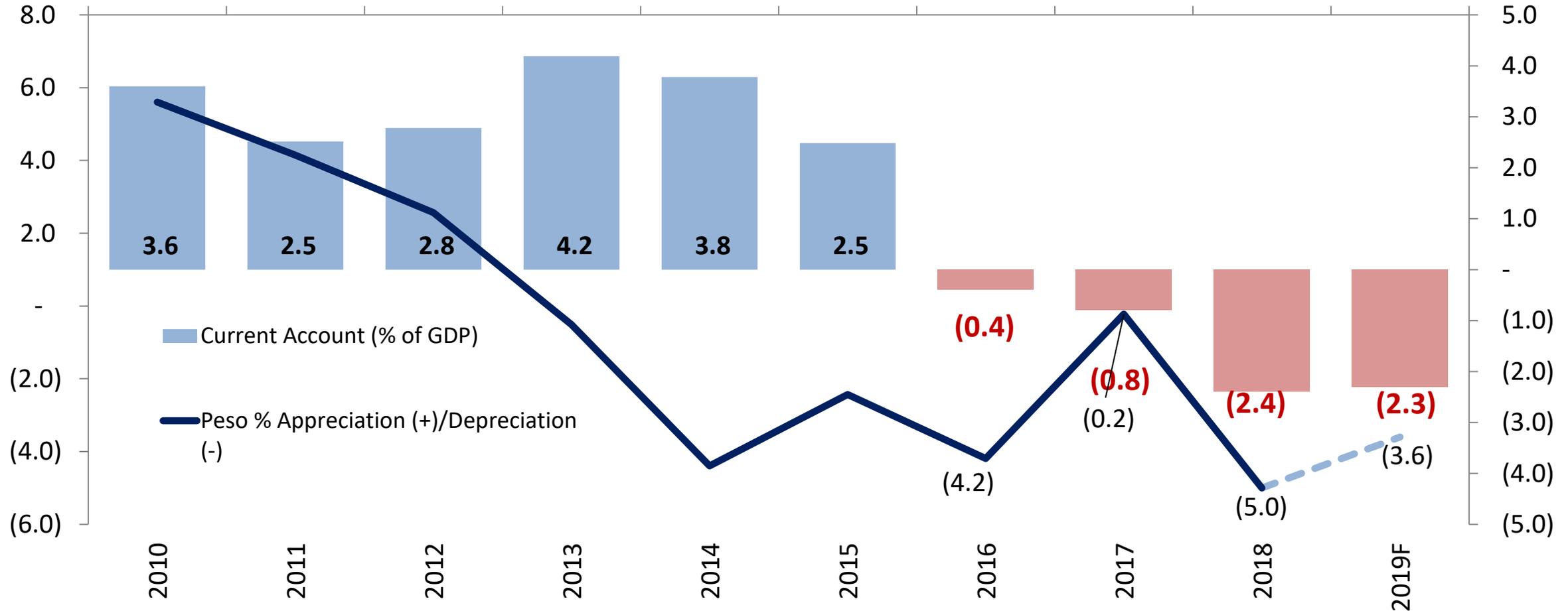
Source: PSA, BSP

# Widest Current Account Deficit Since 2000

2018 current account/GDP stood at 2.4% vs. 1.9% of GDP forecast



## Current Account (% of GDP) vs. Peso % Appreciation/Depreciation



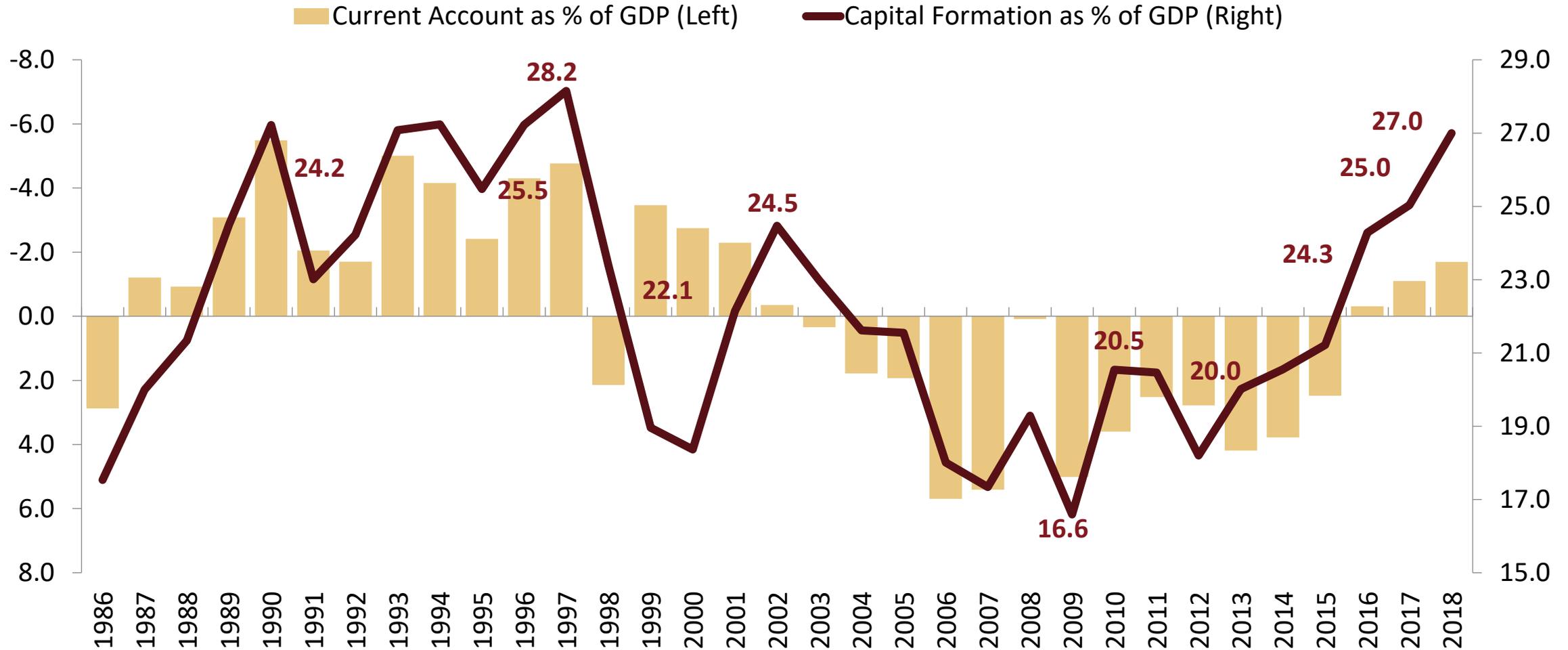
Source: IMF, BSP

# Re-leveraging may require more FX adjustment



Positive external position from '01-'15 was a “symptom” of capital underspending

## Current Account vs. Capital Formation to GDP Ratio (%)



Source: PSA, IMF

# Highlights



- Key risks: Potentially massive U.S. stock market decline; IMO 2020 may eclipse impact of US-China Trade tensions
- NG Deficit growth slower, inflation softening, short term interest rate decline still underway

Growth and USD/PHP prospects

# BPI's Official Economic Projections



## National Growth Indicators (Change in %)

|                         | 2018   | 2019F  | 2020F  |
|-------------------------|--------|--------|--------|
| Real GDP                | 6.2    | 6.3    | 6.8    |
| CPI Inflation           | 5.2    | 2.7    | 3.4    |
| USD/PHP (end of period) | 52.580 | 54.100 | 55.100 |
| USD/PHP (average)       | 52.660 | 53.400 | 54.750 |

# BPI's Official Economic Projections



| National Growth Indicators (Change in %) |      |       |       |
|------------------------------------------|------|-------|-------|
|                                          | 2018 | 2019F | 2020F |
| Real GDP                                 | 6.2  | 6.3   | 6.8   |
| Agriculture                              | 0.8  | 1.5   | 3.0   |
| Industry                                 | 6.8  | 6.2   | 8.1   |
| Services                                 | 6.6  | 7.0   | 6.6   |
| Household Expenditure                    | 5.6  | 6.3   | 5.8   |
| Capital Spending                         | 13.9 | 11.0  | 16.5  |
| Gov Consumption                          | 12.8 | 9.0   | 16.0  |
| Exports                                  | 11.5 | 6.5   | 12.6  |
| Imports                                  | 14.5 | 9.0   | 17.8  |

# BPI's Official Economic Projections



| <b>External Indicators</b>         | <b>2018</b> | <b>2019F</b> | <b>2020F</b> |
|------------------------------------|-------------|--------------|--------------|
| GIR (in \$ billions)               | 79.1        | 82.0         | 85.0         |
| Import Cover                       | 6.9         | 7.7          | 6.8          |
| GIR/External Debt                  | 0.85        | 0.80         | 0.75         |
| Merchandise Exports (y-o-y growth) | 8.7         | 4.7          | 14.6         |
| Merchandise Imports (y-o-y growth) | 18.0        | 12.5         | 17.8         |
| Current Account (% of GDP)         | (2.4)       | (2.0)        | (2.5)        |

| <b>Fiscal Indicators</b>      | <b>2018</b> | <b>2019F</b> | <b>2020F</b> |
|-------------------------------|-------------|--------------|--------------|
| Deficit/Surplus               | -558.2      | -594.9       | -678.4       |
| Deficit/Surplus % of GDP      | -3.2        | -3.0         | -3.1         |
| Debt/GDP (general government) | 41.9        | 43.0         | 45.0         |

# BPI's Official Economic Projections



## Monetary

|                                    | 2018 | 2019F | 2020F |
|------------------------------------|------|-------|-------|
| M3 (growth in %)                   | 9.2  | 10.2  | 12.3  |
| Outstanding KB Loans (growth in %) | 15.7 | 13.5  | 12.8  |

## Prices (average)

|                         | 2018  | 2019F | 2020F |
|-------------------------|-------|-------|-------|
| CPI Inflation           | 5.2   | 2.7   | 3.4   |
| USD/PHP (end-of-period) | 52.58 | 54.10 | 55.10 |
| USD/PHP (average)       | 52.66 | 53.40 | 54.75 |

## Policy Rates (%)

|                                     | 2018  | 2019F | 2020F |
|-------------------------------------|-------|-------|-------|
| BSP Overnight RRP Rate (end of prd) | 4.750 | 4.250 | 3.750 |

**End of  
Presentation**

# Disclaimer



The information contained herein is published by the Bank of the Philippine Islands (or the “Unibank”). It is based on information obtained from sources considered to be reliable, but the Unibank does not make any representation or warranty, express or implied, as to its accuracy, completeness, timeliness or correctness for any purpose. All the charts and graphs are taken from publicly available sources or derived from proprietary data. Expressed opinions may be subject to change without prior notice. Any recommendation contained herein does not pertain to any specific investment objectives, financial situation and the particular needs of any addressee. The information herein is published for the information of addressees only and is not to be taken in substitution for the exercise of judgment by addressees who should obtain separate legal or financial advice. The Unibank, or any of its related companies or any individuals connected with the group accepts no liability for any direct, special, indirect, consequential, incidental damages or any other loss or damages of any kind arising from any use of the information herein (including any error, omission or misstatement herein, negligent or otherwise) or further communication thereof, even if the Unibank or any other person has been advised of the possibility thereof. The information herein is not to be construed as a solicitation to buy or sell any securities, futures, options or other financial instruments or to provide any investment advice or services. The Unibank and its associates, their directors, officers and/or employees may have positions or other interests in, and may effect transactions in securities mentioned herein and may also perform or seek to perform broking, investment banking and other banking or financial services for these companies. The information herein is not intended for distribution to, or use by, any person or entity in any jurisdiction or country where such distribution or use would be contrary to law or regulation.



**BPI**

# **Opportunities Amidst Major Cyclical Shifts**

June 21, 2019