

Philippine Stock Market

At a Glance



Senate Economic
Planning Office

January 2007

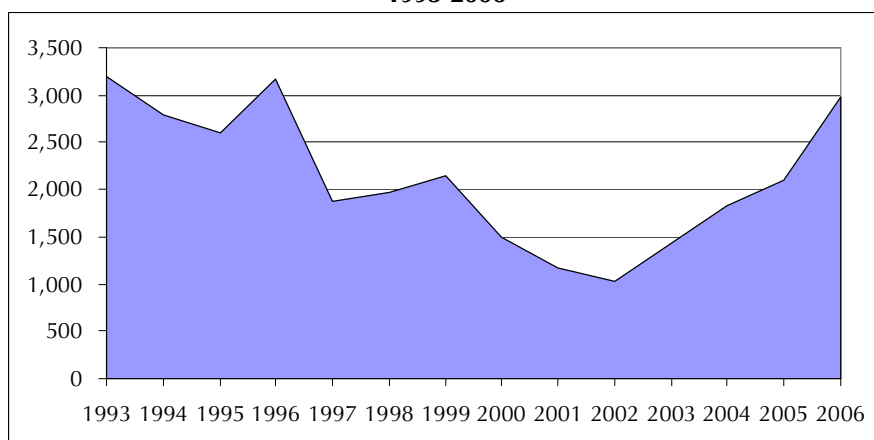
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The strong performance of the Philippine Stock Market last year has paved the way for economic policymakers to agree that the country's investment image has finally improved and that good things may be in store for the Philippine economy this year. In fact, stock investment houses see a continuation of this bullish trend and predict a record breaking year as more foreign funds are expected to flow into the market.

I. Philippine Stock Exchange Composite Index (PSEi)

- The PSEi, the indicator used to measure the performance of active and highly capitalized listed Philippine companies in the Philippine Stock Exchange, ended at 2,982.54 in 2006 or 42.29 percent higher than 2005 level.
- The 42.26 percent growth rate of the PSEi in 2006 was higher than the performances of other Asian countries such as: Hong Kong (34.2%), Singapore (27.2%), Malaysia (21.8), Taiwan (19.5%), South Korea (4.0%), Japan (1.9%) and Thailand (-4.7%).
- The PSEi's year end index in 2006 was about 200 points from the 1993 level which is the highest in Philippine stock market history.

Philippine Stock Exchange Composite Index
1993-2006



Source: Philippine Stock Exchange

II. PSEi Sectoral Performance

- In general, all sectoral indices out-performed its 2005 levels. Investors' interest was particularly exceptional in the holding firm sector as its yearend index registered a 73.13 percent growth rate from 2005.
- It should be noted that the mining sector achieved a turn around in 2006 with a 63.35 percent growth from the previous year level. The mining sector index had a negative performance from 2004 to 2005.

Philippine Stock Exchange Year-end Sectoral indices
2004-2005

Year	Financials	Industrial	Holding Firms	Property	Services	Mining and Oil
2004	538.41	2,815.11	-	683.55	-	3,170.13
2005	613.58	3,292.18	1,000.00	839.86	1,000.00	2,771.77
2006	822.85	3,940.47	1,731.27	1,261.67	1,491.03	4,527.68

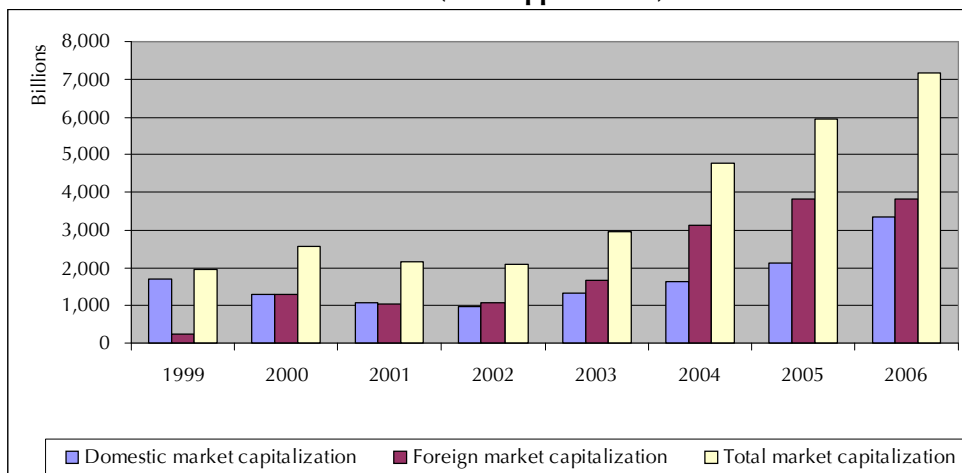
Source: Philippine Stock Exchange

III. Other Philippine Stock Market Indicators

Market Capitalization

- Total market capitalization, a measure of the size of listed companies in the stock market, has been rising since 2002. Both foreign¹ and domestic market capitalization levels increased in this period with the latter registering higher growth rates for the said period.

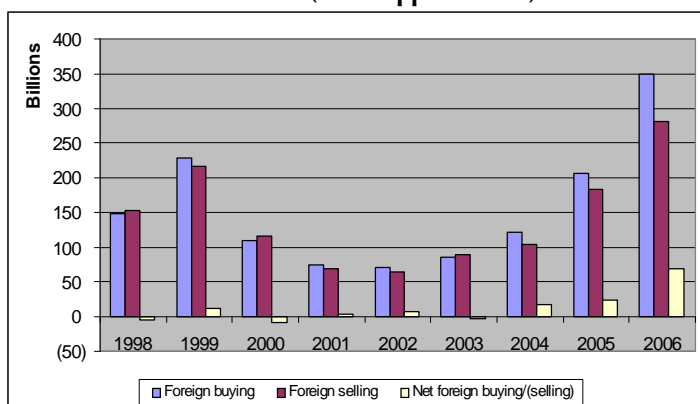
**Market Capitalization
2004-2006 (in Philippine Pesos)**



Source: Philippine Stock Exchange

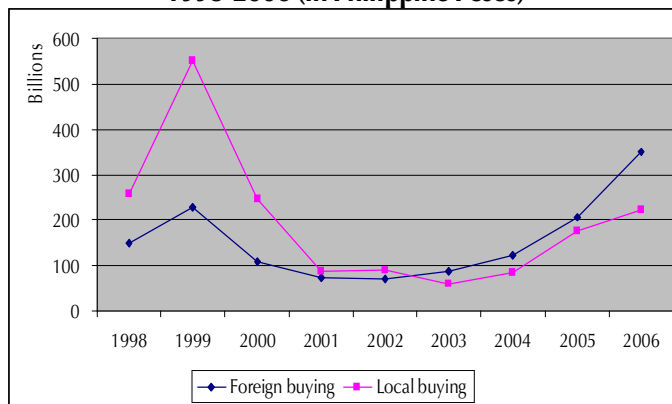
Foreign Buying and Selling

**Foreign Buying and Selling
1998-2006 (in Philippine Pesos)**



Source: Philippine Stock Exchange

**Local and Foreign Buying
1998-2006 (in Philippine Pesos)**



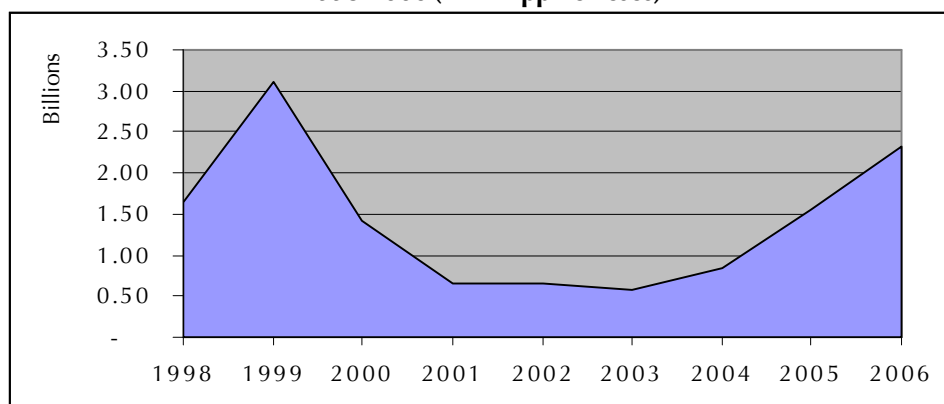
Source: Philippine Stock Exchange

- Foreign investor interest in the stock market has been bullish as evidenced by net foreign buying in the last three years. In fact, net foreign buying in 2006 has surged 191 percent from the previous year's level.
- Similarly, foreign buying in the market has outpaced the buying activity of local investors. Since 2003 foreign buying has averaged a growth of 50% compared to 36% for local buying.

**Daily Value Traded and Average Daily Value Traded
1998-2006 (in Philippine Pesos)**

Daily Value Traded

- In terms of daily value traded, the stock market has experienced robust activity as it averaged P1.5 billion since 2004.



Source: Philippine Stock Exchange

¹Foreign market capitalization in the Philippine Stock Market is represented by only two companies - Manulife Financial Corporation and Sun Life Financial Incorporated.