



Asia Securities Forum 2011

Philippines Country Report

September 14, 2011



Outline of the Presentation

Philippine Economic Environment

Stock Market Highlights

Prospects of the Securities Industry

Philippine Economic Environment

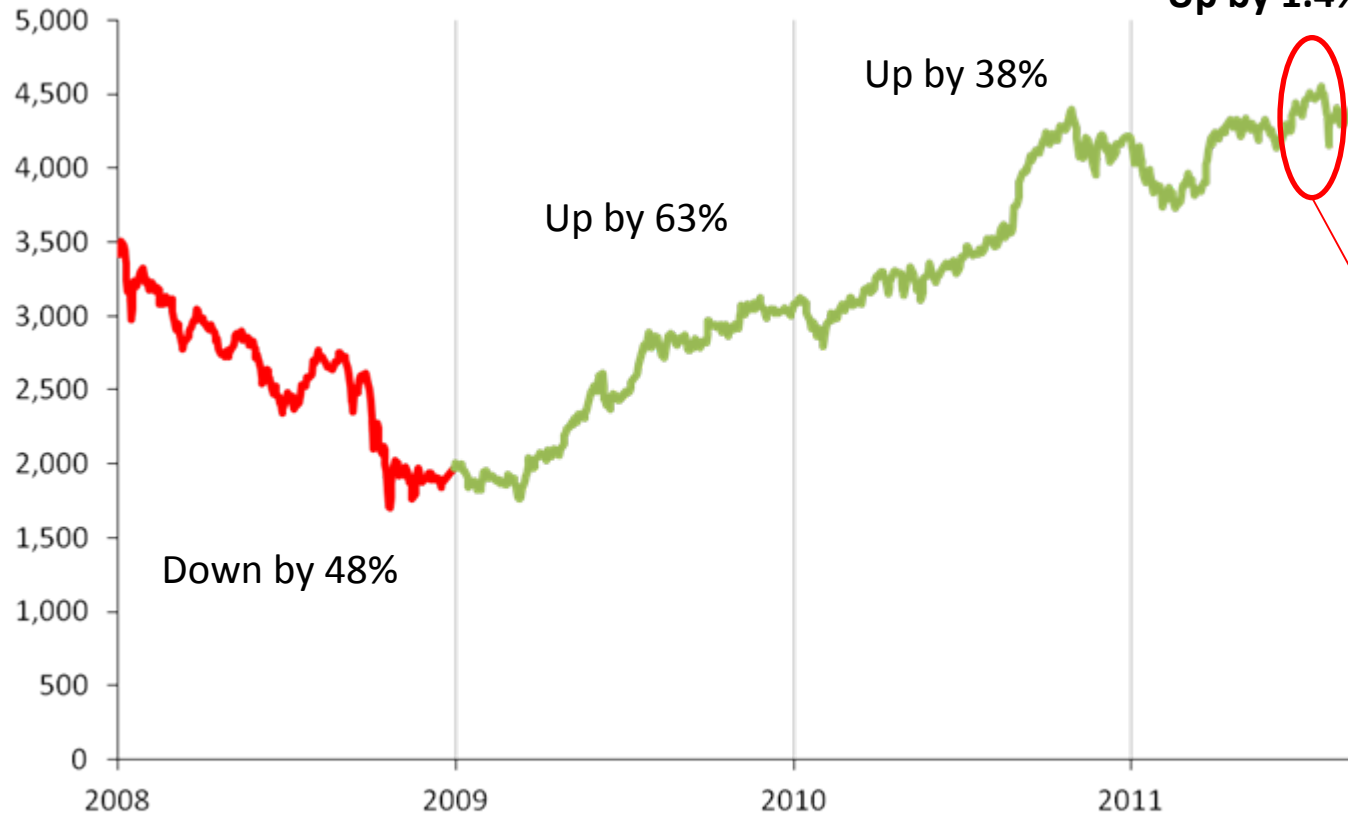
	2010	Latest 2011	2011 Target
GDP Growth (in %)	7.3	4.0(1H)	4.0% to 5.0%
Inflation Rate, Average (in %)	3.8	4.3 (8M)	3.0% to 5.0%
91-Day T-Bill Rate (in %)	3.7	2.40 (Jul)	
Exchange Rate (Php:US\$), Average	43.89	43.29(8M)	

Source: National Statistical Coordination Board (www.nscb.gov.ph), National Statistics Office (www.census.gov.ph),
Bangko Sentral ng Pilipinas (www.bsp.gov.ph), Department of Budget and Management (www.dbm.gov.ph)

Stock Market Highlights

**as of September 14, 2011*

***Up by 1.4%**



End-2010 Level

4,201.14

Record High Level
(August 01, 2011)

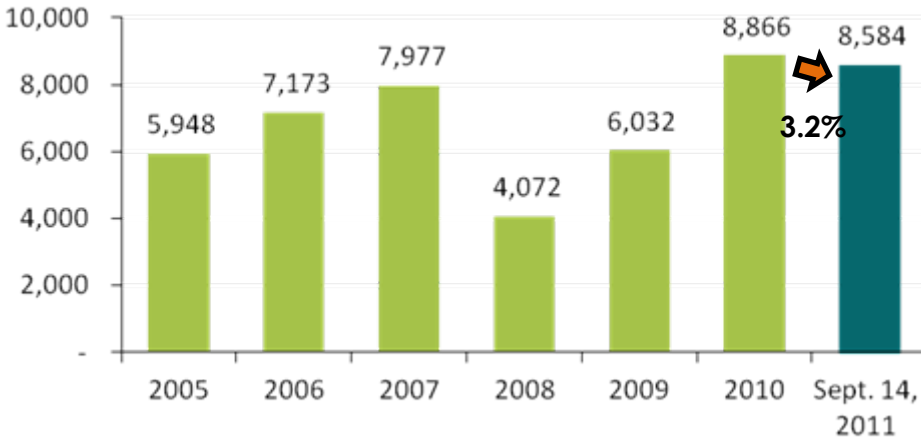
4,550.53

As of September 28
Level

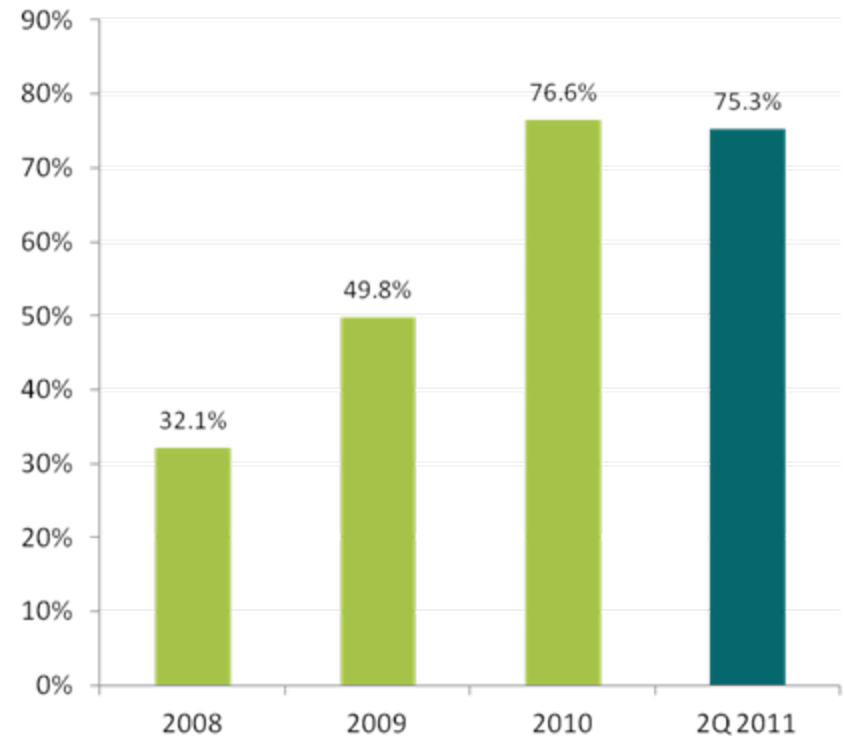
3,876.12

Stock Market Highlights

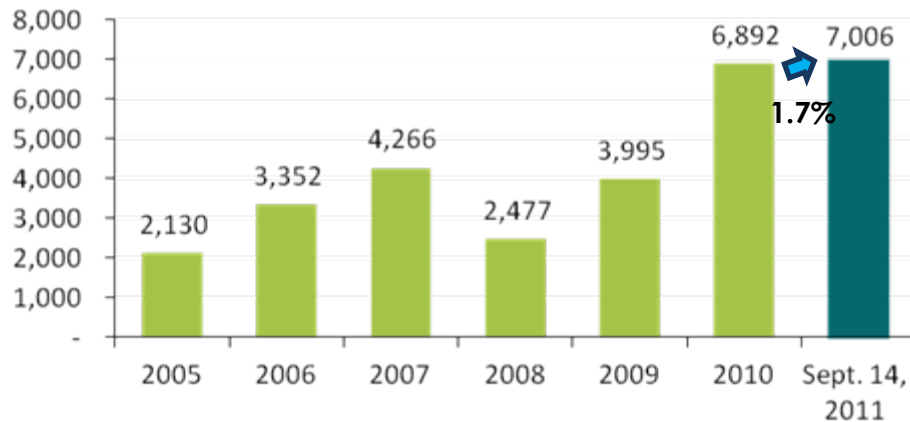
Total Market Capitalization (in Php billion)



Domestic MCAP to GDP Ratio

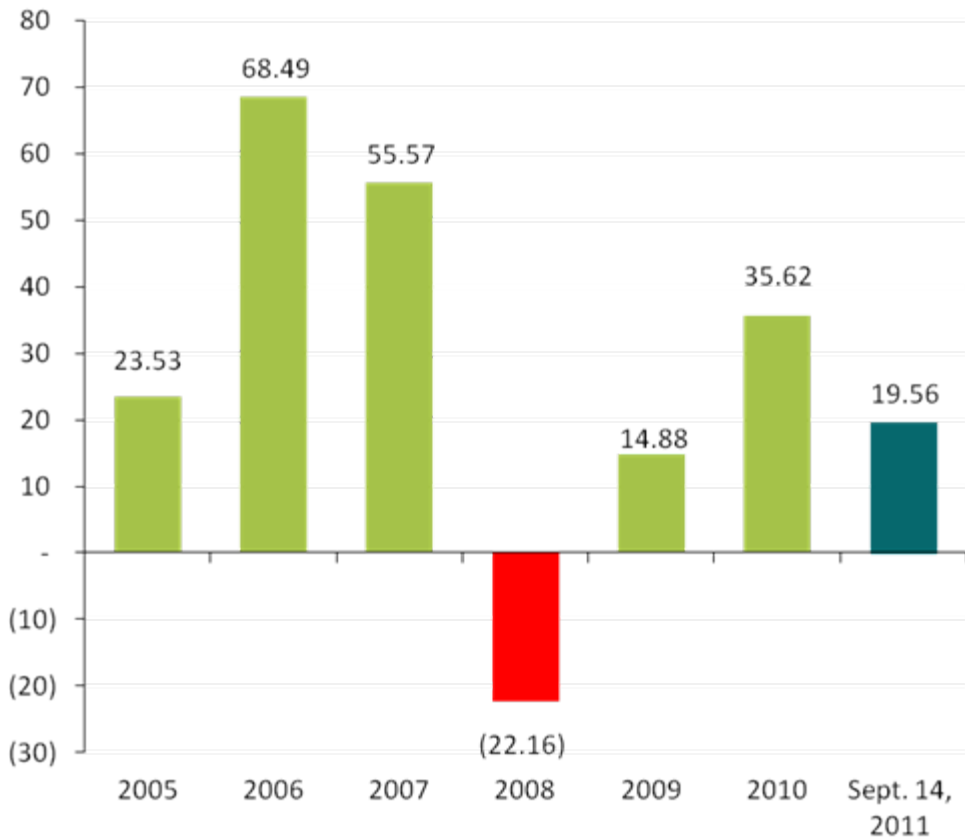


Domestic Market Capitalization (in Php billion)

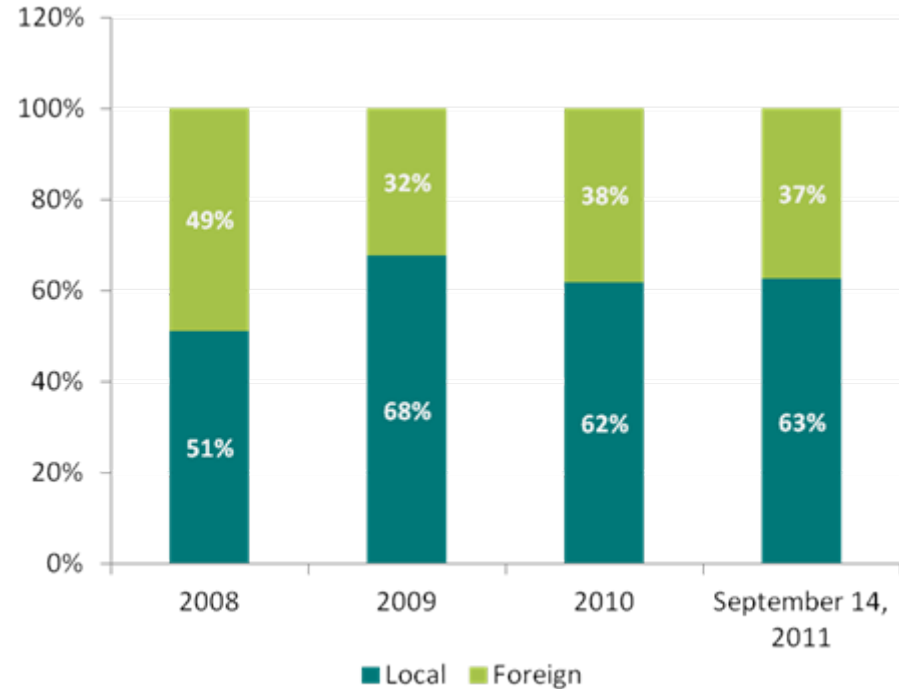


Stock Market Highlights

Net Foreign Transactions (in Php billion)

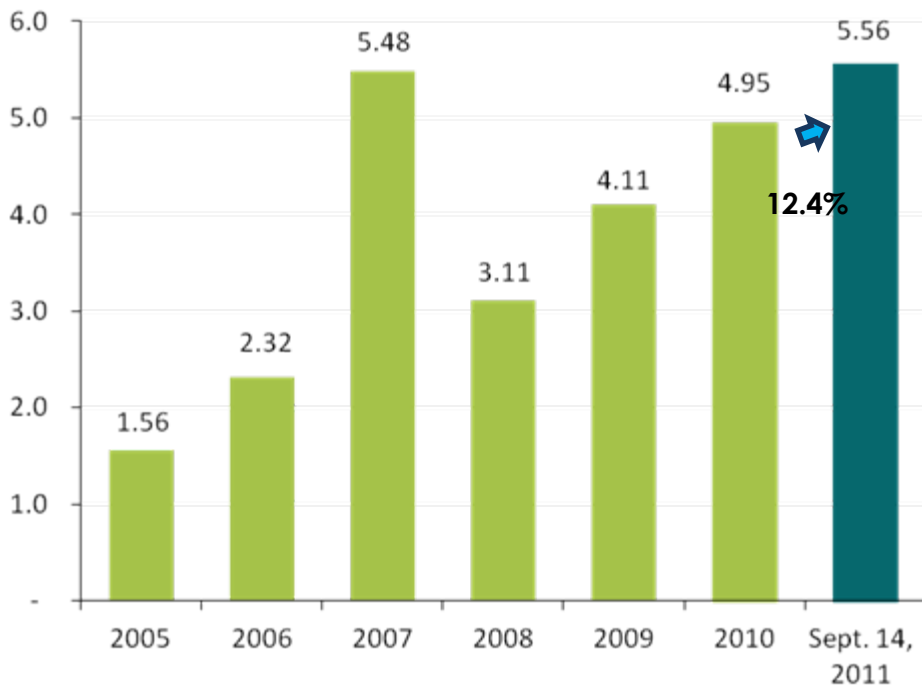


Foreign Activity Ratio

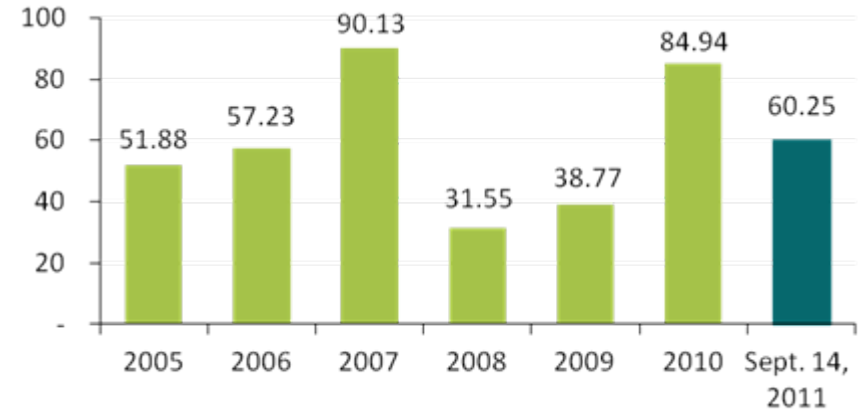


Stock Market Highlights

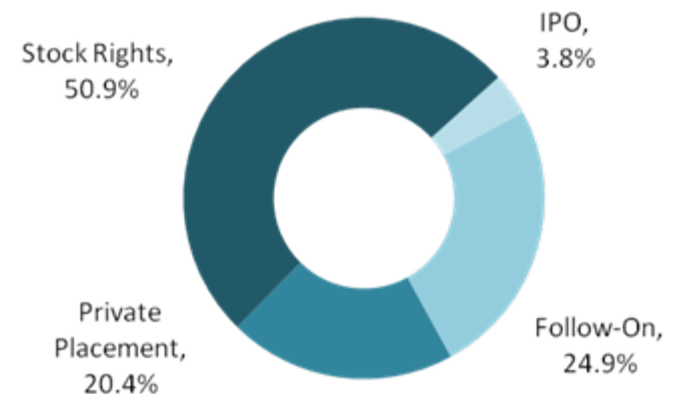
Average Daily Trading Value (in Php billion)



Capital Raised (in Php billion)



% Share to Capital Raised (as of 14 September 2011)



Prospects of the Securities Industry

Challenges to Growth

Lack of Liquidity

- Cash equity focus
- Untapped investor base
- Limited roster of listed companies

Corporate Governance

- Lingering negative perception of the country
- Need to further boost confidence, not only in the PSE but also the whole country

Prospects of the Securities Industry

PSE's Strategic Agenda

- L**ist more companies and securities
- E**xpand and educate the investor base
- V**alue and enforce corporate governance standards
- E**nhance shareholder value
- L**aunch new products and services
- U**pgrade market infrastructure and human resources
- P**artner with government and other stakeholders

Prospects of the Securities Industry

Increasing Liquidity

- **Extended Trading Hours**
 - To be implemented in October 2011
- **PSE INVEST! (Integrated Viral Education Strategy)**
 - launches the PSE Foundation Market Education website, which will feature internet-based investor education programs

Prospects of the Securities Industry

Increasing Liquidity

- **Rule Amendments**
 - Revised Rules on Listing by Way of Introduction
 - Reinstatement of Minimum 10% Public Float Rule
 - Relaxed listing requirements for oil and renewable energy firms
- **Structural Change**
 - Change in index management policy

Prospects of the Securities Industry

Increasing Liquidity



- **ASEAN Trading Linkage Project**
 - Allows cross-border trading
 - Participated by PSE, SGX, BM, SET, IDX, HSX, and Hanoi SE
- **ASEAN Exchanges website launched on April 08, 2011**
 - www.aseanexchanges.org
 - Features ASEAN Stars and other ASEAN-centric products

Prospects of the Securities Industry

Corporate Governance Improvement Plan

- **Spin-off of Market Regulation**
- **EXTURE, the Exchange's new surveillance system**
 - Capital Markets Integrity Corporation (CMIC) signed MOA with KRX on May 3
- **Proposed Maharlika Board**
 - Creation of a separate listing segment for listed companies that voluntarily subscribe to higher standards of corporate governance
 - Target launch in 4Q

Thank You

ありがとうございます