



STOCKS UPDATE

Guidance for Stock Market Investing Exclusively for TrulyRichClub Members

Note: To understand the *Stocks Update*, first read Bo's Ebook, *My Maid Invests in the Stock Market*.

Click here www.TrulyRichClub.com to download now.

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In Boring Markets, Be Boring Makers, Too!

People have been asking me, "Bo, where will the stock market go in 2017?"

Answer: *Sideways*.

It will go up and down, bumping on a floor and ceiling — not too high and not too low.

Reason: Our favorite companies only have single-digit earnings this year — around seven to eight percent only — and that will keep our prices boring this first part of the year.

But this is very good news for long-term investors. We can keep buying every month our recommended stocks that dip lower than our Buy-Below-Price.

Until when will this sideways motion last? Again, we can only guess, but our analysts believe we will still see more exciting action (prices going upwards) around June or July because corporate earnings in 2018 are projected to be in double-digit figures.

The best attack to a boring market is to be boring "maker" yourself: Busy yourself making your future millions. Just keep buying small amounts every month. And you know that the tiny seeds that you plant today will make you a multimillionaire in the future.

Happy investing!

May your dreams come true,


Bo Sanchez

PS. Do you want to build your own business? Know if you have what it takes to be an entrepreneur. (Yes, it's crazy hard!) Meet other ordinary people like yourself who were employees before but decided to hit it on their own and build their businesses — and are now successful in what they do. Listen to their stories. Learn from their lessons (so you don't have to repeat them!). Where will you see them? Join me at the biggest financial event of the *TrulyRichClub* — **WEALTHSUMMIT2017**. For more details and to grab your tickets, go to www.TrulyRichClub.com/wealthsummit now.



The Changes That Came and the Changes That Are Coming

By Mike Viñas

During the second half of 2016, we saw the poor performance of the market. Last July it hit a peak of 8,102.30. However, from there it dropped by 15.5% to close at 6,840.64 for 2016.

These are what triggered the market's downturn: (1) the expensive valuation of the PSEi; (2) the President's plans to separate military and economic ties with U.S.; (3) the unexpected victory of Donald Trump in the U.S. presidential elections; and (4) a more aggressive Fed rate hike expectation.

At around 8,100, the PSEi was pricing in all the positive news from the election of President Duterte. However, when he said that he wanted the Philippines to cut ties with the U.S., which is one of our major trading partners, investment source, and tourists, the market eventually dropped. In the meantime, Trump's plans to cut taxes and boost spending on infrastructure is expected to stimulate U.S. economic growth and drive inflation higher. This caused higher interest in the secondary market and a stronger U.S. dollar. Along with concerns of how the protectionist policies of Trump would hurt emerging markets' economic growth, fund flowed out of these markets (to which the Philippines belongs), and back to the U.S.

After taking into consideration the higher interest rate environment, COL Research adjusted its end of 2017 Fair Value estimate for the PSEi from 8,400 to 7,500, which is not too far from where we are now. There is a possibility that the PSEi could go beyond 7,500 in the short term. This assumes that the dollar continues to weaken and the US bond rates to drop. However, COL Research does not think that the PSEi will break above its last high of 8,100 in the next few months due to these reasons:



1. Upside risk on inflation and interest rates

According to analyst estimates, the inflation rate is expected to go up from 1.8% last year to around 2.9% this 2017. Factors that are expected to drive up inflation rates are the following: higher commodity prices like oil prices; the weaker peso that makes imported goods more expensive; and the government's plan to increase excise taxes on oil and cars. The planned lowering of income taxes could also push up demand-driven inflation as wealthier consumers spend more. Higher inflation is, in turn, expected to push up interest rates, which is not favorable to the stock market.

2. Weak Peso

The peso is foreseen to stay weak in 2017. Weak exports, along with increasing imports due to higher commodity prices, strong demand for capital equipment and consumer goods, are causing a reduction in the country's current account (CA) surplus. This leads to a weaker peso. However, this is good for Filipinos who are dependent on OFW (Overseas Filipino Workers) remittances but historically not good for the stock market, especially for foreign investors who comprise about half of the PSE's value turnover.

3. Short-term pain related with Duterte's administration changes

In order to generate revenues to fund the administration's aggressive infrastructure spending plans and to make economic growth more inclusive, the government aims to increase excise taxes which could potentially hurt the following industries: automobiles, sugary drinks, alcohol and tobacco.

In addition, the government also plans to put an end to the practice of contractual hiring of workers. This would increase the manpower cost of some businesses.

Moreover, the government's plan to pursue an independent foreign policy could lead to weaker exports, investments and tourism as numbers coming from the U.S. could potentially deteriorate

because the U.S. is one of our major export markets and sources of investments and tourism. Lastly, the decentralization of economic growth could discourage some businesses like BPOs who prefer to operate in Manila as incentives for those who will continue to locate in Manila are removed.

4. Slow growth in earnings

For 2017, our Earnings Per Share (EPS) growth forecast for the PSEi is only 7%. With such level of growth, it would be difficult for the market to break above its previous high of 8,100, as it would be already trading at the point at 19.3x P/E, which is the higher end of the PSEi's trading range during the last 10 years.

Currently, COL Research is not too bullish on the short-term outlook of the Philippine market. Neither do they expect it to fall to bear-market levels since no factor has been seen that could cause the economy to enter a recession. Compared to 2016, global economic conditions have improved with the IMF projecting global economic growth to grow to 3.4% this year from 3.1% in 2016. In the Philippines, GDP growth is still expected to reach 6.3% this year. This is only slightly lower than its average growth rate of 6.5% during the last 5 years.

Moving forward, while the changes that the Duterte administration aims to implement are painful initially, they will have a favorable impact over the long term. Better infrastructure plus healthier and more productive citizens will make the country more attractive to foreign investors. This should sustain the country's rapid economic growth and allow the government to reach its goal of lowering the poverty rate from 26% to 17% and achieve high middle-income status by 2022 and high-income status by 2040. Currently, we are at the lower middle-income status based on the definition of the World Bank.

The planned reduction in personal income taxes that will be implemented together with the first package of the tax reform policy in the second half of this year will also be favorable to consumer spending and economic growth. Under the second package of the tax reform policy, which is expected to be implemented by 2019, the government plans to reduce the corporate income tax from 30% to 25%. All else equal, this will lead to a 7% increase in corporate earnings. COL Research believes that the benefits of the comprehensive tax reform policy will be felt as early as 2018.

Given our favorable long-term outlook on the Philippine economy and the stock market, we see the downturn of prices as opportunities to buy SAM stocks at lower prices for the long term. The major risk factor is the failure of the government to pass the first package of its comprehensive tax reform program. Without it, the ability to improve infrastructure and attract investments would be affected negatively, thus, making it more difficult to sustain rapid economic growth.

I hope this gives you a good grasp on the changes that have transpired and the changes that are expected in our stock market, the economy, and the country.

Happy and successful investing!

P.S. If you or a friend would like to learn more on the basics of investing in the stock market, I conduct free seminars twice a month (usually Thursdays) at the COL Financial Training Center. Here, I teach the basics of long-term investing in the stock market. You may sign up for these seminars at www.colfinancial.com.

I also give powerful talks on various engaging and practical topics every Sunday at Feast Bellevue PM in Bellevue Hotel Manila, Filinvest, Alabang. We have Holy Mass, inspiring music, and a powerful message. The Holy Mass starts at 2 p.m. and The Feast kicks off at 3 p.m. Come by. It's for free!

Here are our SAM Tables (as of February 2, 2017 closing):

Stock	Current Price	Buy Below Price	Target Price	Action to take
AC	802.00	731.30	841.00	Stop buying
ALI	35.30	32.61	39.14	Stop buying
BDO	112.00	102.60	118.00	Stop buying
CEB	95.65	98.26	113.00	Continue buying
MBT	81.10	82.40	103.00	Continue buying
MEG	3.65	3.76	5.08	Hold
MER	284.00	268.86	309.20	Stop buying
UBP	78.85	77.82	89.50	Stop buying
CHP	11.46	12.18	14.10	Continue buying

**Hold – as advised by Bro. Bo*

Ex-SAM Stocks (Hold and Sell on Target Price)

FGEN – Target Price: P32.20

GLO – Target Price: 1830.00

DNL – Target Price: P11.70

STOCK	DATE BOUGHT	PRICE BOUGHT	PRICE TODAY	ESTIMATED RETURN	BUY BELOW PRICE	TARGET PRICE	EXPECTED GROWTH
AC	Jul-13	603.50	802.00	32.89%	654.80	753.00	24.77%
	Aug-13	598.50	802.00	34.00%	602.40	753.00	25.81%
	Sep-13	580.00	802.00	38.28%	602.40	753.00	29.83%
	Oct-13	601.50	802.00	33.33%	602.40	753.00	25.19%
	Nov-13	569.50	802.00	40.83%	602.40	753.00	32.22%
	Dec-13	555.00	802.00	44.50%	602.40	753.00	35.68%
	Jan-14	525.00	802.00	52.76%	599.13	689.00	31.24%
	Feb-14	538.50	802.00	48.93%	599.13	689.00	27.95%
	Mar-14	574.00	802.00	39.72%	599.13	689.00	20.03%
	Apr-14	590.00	802.00	35.93%	599.13	689.00	16.78%
	Aug-14	704.00	802.00	13.92%	709.00	816.00	15.91%
	Oct-14	688.00	802.00	16.57%	709.00	816.00	18.60%
	Nov-14	690.00	802.00	16.23%	709.00	816.00	18.26%
	Dec-14	689.00	802.00	16.40%	709.00	816.00	18.43%
	Feb-15	730.00	802.00	9.86%	743.48	855.00	17.12%
	Mar-15	732.00	802.00	9.56%	743.48	855.00	16.80%
	Apr-15	800.00	802.00	0.25%	762.61	877.00	9.63%
	Jun-15	772.50	802.00	3.82%	762.61	877.00	13.53%
	Sep-15	755.00	802.00	6.23%	734.78	845.00	11.92%
	Dec-15	725.00	802.00	10.62%	734.78	845.00	16.55%

Legend: Continue Buying Stop Buying Hold

STOCK	DATE BOUGHT	PRICE BOUGHT	PRICE TODAY	ESTIMATED RETURN	BUY BELOW PRICE	TARGET PRICE	EXPECTED GROWTH
AC	Jan-16	660.00	802.00	21.52%	695.65	800.00	21.21%
	Feb-16	685.00	802.00	17.08%	798.26	918.00	34.01%
	Dec-16	732.00	802.00	9.56%	766.09	881.00	20.36%
ESTIMATED GAIN/LOSS				22.60%			
ALI	Jan-16	31.40	35.30	12.42%	33.34	41.67	32.71%
	Feb-16	31.00	35.30	13.87%	33.34	41.67	34.42%
	Nov-16	34.80	35.30	1.44%	33.34	41.67	19.74%
	Dec-16	31.75	35.30	11.18%	33.84	42.30	33.23%
ESTIMATED GAIN/LOSS				9.73%			
BDO	Sep-15	101.90	112.00	9.91%	102.60	118.00	15.80%
	Nov-15	101.40	112.00	10.45%	102.60	118.00	16.37%
	Dec-15	100.20	112.00	11.78%	102.60	118.00	17.76%
	Sep-16	110.30	112.00	1.54%	111.30	118.00	6.98%
	Oct-16	109.00	112.00	2.75%	111.30	118.00	8.26%
	Nov-16	110.70	112.00	1.17%	102.40	128.00	15.63%
ESTIMATED GAIN/LOSS				6.27%			
CEB	Nov-14	76.70	94.95	23.79%	78.26	90.00	17.34%
	Dec-14	85.00	94.95	11.71%	130.43	150.00	76.47%
	Jan-15	94.70	94.95	0.26%	124.80	156.00	64.73%
	Feb-15	92.30	94.95	2.87%	124.80	156.00	69.01%
	Mar-15	88.50	94.95	7.29%	124.80	156.00	76.27%
	Apr-15	84.40	94.95	12.50%	124.80	156.00	84.83%
	May-15	84.30	94.95	12.63%	124.80	156.00	85.05%
	Jun-15	83.65	94.95	13.51%	124.80	156.00	86.49%
	Jul-15	90.40	94.95	5.03%	124.80	156.00	72.57%
	Aug-15	97.00	94.95	-2.11%	124.80	156.00	60.82%
	Sep-15	87.00	94.95	9.14%	124.80	156.00	79.31%
	Oct-15	85.75	94.95	10.73%	129.60	162.00	88.92%
	Aug-16	122.30	94.95	-22.36%	129.60	162.00	32.46%
	Sep-16	118.70	94.95	-20.01%	95.20	119.00	0.25%
	Jan-17	95.00	94.95	-0.05%	98.26	113.00	18.95%
	Feb-17	95.65	95.65	0.00%	98.26	113.00	18.14%
ESTIMATED GAIN/LOSS				4.06%			
CHP	Jul-16	11.90	11.46	-3.70%	12.17	14.00	17.65%
	Aug-16	12.04	11.46	-4.82%	12.17	14.00	16.28%
	Sep-16	12.00	11.46	-4.50%	12.17	14.00	16.67%
	Oct-16	11.80	11.46	-2.88%	12.17	14.00	18.64%
	Nov-16	11.54	11.46	-0.69%	12.17	14.00	21.32%
	Dec-16	11.74	11.46	-2.39%	12.17	14.00	19.25%
	Jan-17	11.88	11.46	-3.54%	12.17	14.00	17.85%
	Feb-17	11.46	11.46	0.00%	12.17	14.00	22.16%
ESTIMATED GAIN/LOSS				-2.81%			

Legend:

Continue Buying

Stop Buying

Hold

STOCK	DATE BOUGHT	PRICE BOUGHT	PRICE TODAY	ESTIMATED RETURN	BUY BELOW PRICE	TARGET PRICE	EXPECTED GROWTH
MBT	Jun-11	50.06	81.10	61.99%	78.88	93.60	86.96%
	Jul-11	55.69	81.10	45.64%	78.88	93.60	68.09%
	Aug-11	52.85	81.10	53.45%	78.88	93.60	77.11%
	Sep-11	50.40	81.10	60.91%	78.88	93.60	85.71%
	Oct-11	48.34	81.10	67.79%	78.88	93.60	93.65%
	Nov-11	50.33	81.10	61.14%	78.88	93.60	85.97%
	Dec-11	47.60	81.10	70.38%	78.88	93.60	96.64%
	Jan-12	49.42	81.10	64.10%	83.07	108.00	118.54%
	Feb-12	55.23	81.10	46.84%	83.07	108.00	95.55%
	Mar-12	61.60	81.10	31.66%	93.91	108.00	75.32%
	Apr-12	60.20	81.10	34.72%	93.91	108.00	79.40%
	May-12	62.13	81.10	30.54%	93.91	108.00	73.84%
	Jun-12	60.55	81.10	33.94%	93.91	108.00	78.36%
	Sep-12	65.38	81.10	24.04%	93.91	108.00	65.19%
	Oct-12	65.10	81.10	24.58%	104.35	120.00	84.33%
	Nov-12	67.24	81.10	20.62%	104.35	120.00	78.48%
	Jan-13	72.38	81.10	12.05%	113.04	130.00	79.61%
	Feb-13	78.75	81.10	2.98%	129.57	149.00	89.21%
	Mar-13	81.90	81.10	-0.98%	129.57	149.00	81.93%
	Apr-13	82.81	81.10	-2.06%	129.57	149.00	79.93%
	Jun-13	84.70	81.10	-4.25%	129.57	149.00	75.91%
	Jul-13	78.89	81.10	2.80%	129.57	149.00	88.87%
	Aug-13	77.00	81.10	5.32%	119.20	149.00	93.51%
	Sep-13	84.65	81.10	-4.19%	91.68	114.60	35.38%
	Oct-13	86.95	81.10	-6.73%	91.68	114.60	31.80%
	Nov-13	80.55	81.10	0.68%	91.68	114.60	42.27%
	Dec-13	73.20	81.10	10.79%	91.68	114.60	56.56%
	Jan-14	73.75	81.10	9.97%	86.96	100.00	35.59%
	Feb-14	79.55	81.10	1.95%	86.96	100.00	25.71%
	Mar-14	81.40	81.10	-0.37%	86.96	100.00	22.85%
	Apr-14	79.70	81.10	1.76%	86.00	100.00	25.47%
	May-14	83.50	81.10	-2.87%	86.00	100.00	19.76%
	Jun-14	85.15	81.10	-4.76%	86.00	100.00	17.44%
	Aug-14	85.75	81.10	-5.42%	96.50	111.00	29.45%
	Sep-14	88.00	81.10	-7.84%	96.50	111.00	26.14%
	Oct-14	83.65	81.10	-3.05%	96.50	111.00	32.70%
	Nov-14	82.50	81.10	-1.70%	96.50	111.00	34.55%
	Dec-14	82.95	81.10	-2.23%	92.17	106.00	27.79%
	Jan-15	88.00	81.10	-7.84%	92.17	106.00	20.45%
	Feb-15	94.75	81.10	-14.41%	97.39	112.00	18.21%
	Jun-15	87.55	81.10	-7.37%	86.09	99.00	13.08%

Legend:

Continue Buying

Stop Buying

Hold

STOCK	DATE BOUGHT	PRICE BOUGHT	PRICE TODAY	ESTIMATED RETURN	BUY BELOW PRICE	TARGET PRICE	EXPECTED GROWTH
MBT	Jan-15	71.00	81.10	14.23%	80.00	92.00	29.58%
	Feb-15	72.80	81.10	11.40%	80.00	92.00	26.37%
	Jul-16	96.90	81.10	-16.31%	98.26	113.00	16.62%
	Aug-16	93.80	81.10	-13.54%	98.26	113.00	20.47%
	Sep-16	83.70	81.10	-3.11%	98.26	113.00	35.01%
	Oct-16	84.00	81.10	-3.45%	98.26	113.00	34.52%
	Nov-16	73.95	81.10	9.67%	98.26	113.00	52.81%
	Jan-17	80.15	81.10	1.19%	82.40	103.00	28.51%
	Feb-17	81.10	81.10	0.00%	82.40	103.00	27.00%
ESTIMATED GAIN/LOSS				14.09%			
MEG	May-13	4.23	3.65	-13.71%	4.16	4.78	13.00%
	Jun-13	3.67	3.65	-0.54%	4.16	4.78	30.25%
	Jul-13	3.15	3.65	15.87%	4.16	4.78	51.75%
	Aug-13	3.40	3.65	7.35%	4.23	4.87	43.24%
	Sep-13	3.21	3.65	13.71%	4.23	4.87	51.71%
	Oct-13	3.64	3.65	0.27%	4.23	4.87	33.79%
	Nov-13	3.58	3.65	1.96%	4.23	4.87	36.03%
	Dec-13	3.23	3.65	13.00%	4.23	4.87	50.77%
	Jan-14	3.36	3.65	8.63%	3.95	4.54	35.12%
	Feb-14	3.78	3.65	-3.44%	4.77	5.48	44.97%
	Apr-14	4.43	3.65	-17.61%	4.77	5.48	23.70%
	May-14	4.65	3.65	-21.51%	4.77	5.48	17.85%
	Jun-14	4.51	3.65	-19.07%	4.77	5.48	21.51%
	Jul-14	4.47	3.65	-18.34%	4.77	5.48	22.60%
	Aug-14	4.26	3.65	-14.32%	4.98	5.73	34.51%
	Sep-14	4.30	3.65	-15.12%	4.98	5.73	33.26%
	Feb-15	5.09	3.65	-28.29%	5.10	5.86	15.13%
	Jun-15	4.71	3.65	-22.51%	5.10	5.86	24.42%
	Sep-15	4.29	3.65	-14.92%	5.10	5.86	36.60%
	Oct-15	4.47	3.65	-18.34%	5.07	5.83	30.43%
	Dec-15	4.20	3.65	-13.10%	5.07	5.83	38.81%
	Jan-16	3.58	3.65	1.96%	4.85	5.58	55.87%
	Feb-16	3.44	3.65	6.10%	4.85	5.58	62.21%
	Mar-16	4.14	3.65	-11.84%	4.85	5.58	34.78%
	Apr-16	3.96	3.65	-7.83%	4.85	5.58	40.91%
	May-16	3.64	3.65	0.27%	4.85	5.58	53.30%
	Jun-16	4.50	3.65	-18.89%	4.85	5.58	24.00%
	Jul-16	4.65	3.65	-21.51%	5.38	6.19	33.12%
	Sep-16	4.57	3.65	-20.13%	5.03	5.78	26.48%
ESTIMATED GAIN/LOSS				-4.83%			

Legend: Continue Buying Stop Buying Hold

STOCK	DATE BOUGHT	PRICE BOUGHT	PRICE TODAY	ESTIMATED RETURN	BUY BELOW PRICE	TARGET PRICE	EXPECTED GROWTH
MER	Dec-16	258.00	284.00	10.08%	260.00	329.00	27.52%
ESTIMATED GAIN/LOSS				10.08%			
UBP	May-16	59.00	78.85	33.64%	64.17	77.00	30.51%
	Jul-16	67.50	78.85	16.81%	78.75	94.50	40.00%
	Jan-17	75.75	78.85	4.09%	77.83	89.50	
ESTIMATED GAIN/LOSS				18.18%			

FUND CODE	FUND	NAVPS WHEN BOUGHT (2016-01-12)	CURRENT NAVPS (as of 2017-02-02)	ESTIMATED RETURN	ACTION TO TAKE
XFMEQ	First Metro Save and Learn Equity Fund	4.7707	5.1327	7.5880%	Continue buying
XPPEQ	Philequity Fund	31.0639	34.7486	11.8617%	Continue buying
XPEIF	Philequity Index Fund	4.2155	4.7826	13.4527%	Continue buying
XSLEQ	Sunlife Prosperity Equity Fund	3.4805	3.9229	12.7108%	Continue buying

Legend: Continue Buying Stop Buying Hold



Mike Viñas is an investment trainer of COL Financial Group, Inc. He is a Certified Securities Representative and Certified Investment Solicitor.

2016 Top Winners of the TrulyRichClub's Stocks

Note: The percentage returns cannot be compared between the two tables below. The All Time Winners table does not take into consideration a cost-averaging method. The percentage return is only from a buy-and-hold strategy. The 2015 Table however integrates a cost-averaging method throughout the months it was under the Buy-Below.

STOCKS	STOCK SYMBOL	TIME RECOMMENDED	ESTIMATED TIME HELD	PRICE RANGE	ESTIMATED RETURN
SM Prime Holdings	SMPH	October 2013 to March 2016	29 Months	P16.90 to P21.70	27.95%
GT Capital Holdings	GTCAP	September 2015 to June	9 Months	P1,270.00 to P1,530.00	22.79%
D&L Industries	DNL	January 2016 to April 2016	3 Months	P8.10 to 9.15	12.96%

Top Past Winners of TrulyRichClub's Stocks

STOCKS	STOCK SYMBOL	TIME RECOMMENDED	ESTIMATED TIME HELD	PRICE RANGE	ESTIMATED RETURN
Ayala Land	ALI	June 2011 to February 2012 (3 rd week)	9 Months	P15.09 to P21.65	35%
Bank of The Philippine Islands	BPI	February 2012 to November 2012 (4 th week)	10 Months	P68.45 to P91.00	34.29%
SM Prime Holdings	SMPH	February 2012 to December 2012 (1 st week)	10 Months	P12.48 to P17.00	27.75%
Meralco	MER	January 2013 to April 2013	3 Months	P268.00 to P377.00	28.05%
First Philippine Holdings	FPH	June 2011 to June 2013	25 Months	P63.18 to P95.20	32.92%%
JG Summit Holdings	JGS	February 12 to October 2013	18 Months	P25.75 to P43.50	39.96%
D&L Industries	DNL	February 2013 to April 2014	14 Months	P6.45 to P10.00	44%
Banco De Oro	BDO	April 2013 to August 2014	16 Months	P89.60 to P93.00	24%%
SM Prime Holdings	SMPH	October 2013 to March 2016	29 Months	P16.90 to P21.70	27.95%
GT Capital Holdings	GTCAP	September 2015 to June 2016	9 Months	P1,270.00 to P1,530.00	22.79%

(Disclaimer: Past performance doesn't guarantee that you'll have the exact same results in the future. After all, your earnings all depend on the market's performance.)