

Market Commentary

➔ **The View:** The PSEi closed higher by 67.78 points or 1.07% on Wednesday's trading session to end at 6,430.08. The benchmark index jumped at the open and moved sideways between the 6,400 and 6,300 levels. It finally continued its upward momentum in the afternoon, ending at the 6,400-level again for the first time since July 6. US markets stopped its 2-day bleeding by ending in the green again as investors were swayed by the better-than-expected purchasing managers index (PMI) data and another set of strong earnings. Meanwhile, European indices also closed higher in reaction to the positive US data. Asia-Pacific markets mostly ended positive as well, led by China's indices despite the geopolitical tensions from US House Speaker Nancy Pelosi's trip visit to Taiwan. In the local bourse, sectoral performances were mixed. Holding Firms (+2.06%), Financial (+1.70%), and Industrial (+0.90%) were the sectoral gainers. Mining&Oil (-1.10%) had the biggest loss, rounded up by Property (-0.23%), and Services (-0.04%) with sub-1% declines. In the main index, WLCON (+5.19%), BDO (+4.17%), and SM (+3.38%) led Wednesday's pack of 17 gainers. On the other end, SECB (-3.57%) had a repeat performance, ending at the bottom of index. MER (-3.11%), and MPI (-2.93%) were the other big losers among the 9 laggards. The market's value turnover grew by 11% to PHP6.52 billion from the PHP5.87 billion last Tuesday. Total foreign activity grew by 9% to PHP6.18 billion from the PHP5.69 billion in the previous session. Foreigners ended as net buyers again with net foreign buying significantly growing to PHP726.48 billion from PHP36.44 million. The Philippine Peso depreciated further against the US dollar, closing at PHP55.74 from PHP55.435. Emerging economies like the Philippines are regaining some traction from global investors as the US Federal Reserve's recent language seems to be leaning on the slowdown of interest rate hikes. The strong set of earnings reported by the index heavyweights also boosted market sentiment towards the upside. The better-than-expected US PMI data has alleviated some of the recession concerns, which could have another favorable spillover to emerging economies. With regards to inflation, some analysts are saying that the July inflation data which will be released tomorrow may not have a significant impact on the local stock market as the consensus estimate of 6.2% is still within the Bangko Sentral ng Pilipinas (BSP)'s projected range and may already be priced in. The second quarter gross domestic product (GDP) data which will be published next Wednesday may have a more noticeable effect on equities.

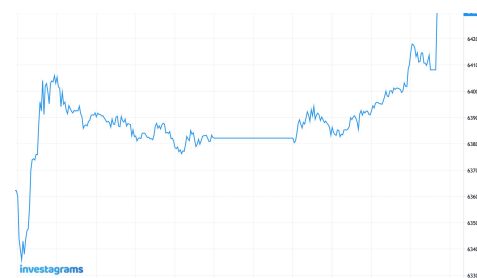
Stock Picks

Stock	Date	Initial Price	Current Price	Return since Recommendation	
				Stock	PSEi
TEL	3/13/20	1,029.00	1,720.00	67.15%	10.98%
CNPF	3/13/20	13.10	24.50	87.02%	10.98%
FGEN	9/23/20	24.80	17.50	-29.44%	9.12%
AP	9/23/20	25.55	32.20	26.03%	9.12%
BDO	11/17/20	92.60	117.30	26.67%	-7.05%
BPI	11/17/20	83.00	93.00	12.05%	-7.05%
MBT	11/17/20	44.35	49.00	10.48%	-7.05%
SECB	11/17/20	103.90	81.00	-22.04%	-7.05%
CNVRG	6/13/22	22.50	20.05	-10.89%	-0.57%
ALI	6/13/22	30.05	25.95	-13.64%	-0.57%
SGP	6/13/22	12.06	12.20	1.16%	-0.57%
Ave. Return				14.05%	0.93%

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PSEI INTRADAY



INDICES

Index	Prev	Last	% Chg
PSEi	6,362.30	6,430.08	1.07%
All Shares	3,411.59	3,436.83	0.74%
Financial	1,488.08	1,513.35	1.70%
Industrial	9,422.90	9,507.56	0.90%
Holding Firms	6,013.80	6,137.61	2.06%
Property	2,890.37	2,883.71	-0.23%
Services	1,678.22	1,677.52	-0.04%
Mining & Oil	11,717.76	11,588.62	-1.10%

TOP 10

WLCON	5.19%	SECB	-3.57%
BDO	4.17%	MER	-3.11%
SM	3.38%	MPI	-2.93%
URC	3.14%	ICT	-1.60%
JFC	2.93%	AP	-0.92%
JGS	2.78%	ALI	-0.57%
PGOLD	1.66%	RLC	-0.56%
AEV	1.55%	TEL	-0.46%
AC	1.29%	AGI	-0.21%
ACEN	1.18%	CNVRG	0.00%

BOTTOM 10

MARKET DATA

Market Volume	502,366,276
Market Turnover (Value)	6,516,825,637
Foreign Buying	3,454,738,920
Foreign Selling	2,728,257,914
Net Foreign Buy / (Sell)	726,481,006

Mandarin Securities Corp.

Hanz Elmer Torres

hanz.torres@mandarinsecurities.com



Economic Developments

- ➔ **Inflation projected to remain at 6%-level in third quarter before slowing down.** According to the market report of First Metro Investment Corp. and University of Asia and the Pacific (UA&P), inflation may remain at the 6%-level in the third quarter of the year before eventually easing in the last quarter. The report says that “expected slowdown of the global economy could push down oil prices” which could finally rein in inflation. “We see the peso depreciation to boost income of some 70 million Filipinos and offset likely softer consumer spending due to the elevated inflation,” the two partners said. On another end, the release of the second tranche of the government’s Targeted Cash Transfer (TCT) Program worth PHP4.1 billion might cushion the impact of high prices of oil and other commodities. *(Inquirer)*
- ➔ **PH’s plans to import LNG may be delayed by high prices.** According to the Institute for Energy Economics and Financial Analysis (IEEFA), the Philippine’s plan to increase the import of liquefied natural gas (LNG) could be derailed due to highly elevated LNG prices in the global market, partly because of the ongoing Ukraine-Russia conflict. IEEFA also said that risks surrounding limited global LNG supply are expected to continue over the next decade, potentially derailing the Philippines’ growth plans, which are predicated on generating sufficient energy. Some LNG importing countries are protected by long-term purchase contracts which allows them to purchase LNG at a predetermined schedule and price. The country does not have this luxury according to the International Energy Agency. “This means that the country will be forced to outbid wealthy buyers in Europe and Northeast Asia for limited LNG supplies, exposing the country to high prices and extreme volatility. Without access to affordable fuel, LNG-to-power proposals in the Philippines could be delayed, canceled, or stranded,” IEEFA added. *(BusinessWorld)*

Corporate Developments

- ➔ **SM Investments Corporation (SM).** SM Investments Corporation reported its consolidated net income increased 27% to PHP25.5 billion in the first half of 2022, from PHP20.1 billion in the same period last year. Consolidated revenues rose 23% to PHP238.5 billion from PHP193.5 billion last year. The company’s financial performance benefited from the continuous easing of movement restrictions which prompted an increase in consumer spending. In the retail segment, SM Retail posted an 18% increase in its revenues for the first half, reaching PHP163.7 billion compared to PHP138.2 billion in the corresponding period last year. This revenue growth is consumer-driven given the higher foot traffic in retail stores and malls. It added 147 stores in the first half which brought the total to 3,336. In the banking segment, BDO Unibank, Inc. (BDO) and China Banking Corporation (CHIB) both posted an increased net income of PHP23.9 billion and PHP10.1 billion, higher by 12% and 39% than their respective performance in the first half of last year. For the property segment, SM Prime Holdings, Inc. (SMPH) recorded an increase of 21% in consolidated net income to PHP14.1 billion, as mall revenues, reservation sales, and other businesses (hotels, convention centers, offices) rendered significantly better performances. It was only the residential business that posted a decline of about 25% from the same period last year, partly due to canceled sales as an effect of the expiration of the Bayanihan Act. *(SM Disclosure)*

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Corporate Developments

- ➔ **Semirara Mining and Power Corporation (SCC)**. SCC recorded PHP10.8 net income in the second quarter, 171% higher than the PHP4.0 billion from in the same period last year due to higher coal and electricity prices. In the first half, SCC's net income increased by 311% from PHP6.3 billion to PHP25.8 billion, its all-time high for any first semester. The company's performance declined compared to the first quarter due to some turbulent weather conditions which affected coal production, and a forced outage of SCPC Unit 2 which barred any significant increase in power generation. According to SCC, Total shipments from April to June dropped by 24 percent from 4.9 million metric tons (MMT) to 3.7 MMT as China imposed COVID-19 lockdowns and shifted to Russian coal. Export sales went down by 44% to 1.8 MMT from 3.2 MMT, while domestic sales declined by 12% to 1.7 MMT from 1.9 MMT. The impact of lower shipments was partially offset by the increase in average selling prices from PHP2,393 to PHP5,399, the highest for any given quarter. "As expected, we had a weaker performance quarter over quarter because of the China lockdowns but compared to last year, we did very well," said SCC president and COO Maria Cristina C. Gotianun. Total electricity sales declined by 9% from 987 GWh to 900 GWh, most (56%) of which was sold to the spot market. The rest (393 GWh) was sold through bilateral contracts. High uncontracted capacity allowed SMPC to boost spot electricity sales by 188% from 176 gigawatt-hour (GWh) to 507 GWh. Average spot selling prices remained elevated at PHP6.91 versus PHP6.87 last year. *(SCC Disclosure)*
- ➔ **Metro Pacific Investments Corp. (MPI)**. MPI posted a net consolidated core net income of PHP7.5 billion for the first six months of 2022, 24% higher than the PHP6.0 billion in the same period last year. According to MPI, Power accounted for PHP5.9 billion or 60% of net operating income; Toll Roads contributed PHP2.5 billion or 26%; Water contributed PHP1.4 billion or 15%; and the other businesses, mainly Real Estate, Hospitals, Fuel storage, and Light Rail, incurred a net loss of PHP35 million. Furthermore, the company also noted the 12% decrease in finance costs after reducing average interest rates on borrowing. MPI Chairman Manuel V. Pangilinan remains hopeful that the company will be able to "at least approach" its 2019 levels this year. *(MPI Disclosure, BusinessWorld)*
- ➔ **Integrated Micro-Electronics, Inc. (IMI)**. The company reported \$357 million of revenues in the second quarter of 2022, 7% higher than the first quarter 12% more than the same period in 2021. The continued rise of inflation, shortage of skilled labor, and foreign currency depreciation against the US dollar contributed to the already problematic industry-wide component shortage. These headwinds have impacted IMI margins with a net loss of \$3.5 million for the quarter. The first half of the year ends with \$691 million in revenues and a net loss of \$5.5 million for the group, while IMI wholly owned subsidiaries achieved a net income of \$3.6 million. Moving forward, IMI President Jerome Tan plans to mitigate the effects of these headwinds "by expanding our supply chain network and increasing regional access to components, we aim to reduce raw material costs and minimize reliance on expensive freight services". *(IMI Disclosure)*

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Corporate Developments

- ➔ **San Miguel Food and Beverage, Inc. (FB).** The company posted its highest level of revenue and profitability since its consolidation in 2018. Consolidated revenues in the first half of 2022 went up by 17% to PHP172.1 billion compared to the same period last year. This was attributed to the gains on volume and price adjustments across FB's products. Consolidated net income was up 8% year-on-year to PHP18.8 billion. Income from operations of the beer, and spirits business segments rose from the same period in 2021 by 22% and 25% to PHP14.7 billion and PHP3.3 billion, respectively. FB's Food business sustained its growth from the first quarter and registered income from operations of PHP8.6 billion, 3% higher year-on-year. *(FB Disclosure)*

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CASH DIVIDEND SCHEDULE

*Arranged by ex-date

Ticker	Company	Amount/ Rate	Dividend Type	Share	Ex-date	Record Date	Payment Date
ABA	AbaCore Capital Holdings, Inc.	Php0.01	Cash	Common	06/23/22	06/28/22	TBA
ALCO	Arthaland Corporation	Php0.012	Cash	Common	07/06/22	07/11/22	08/04/22
RFM	RFM Corporation	Php0.077335	Cash	Common	07/06/22	07/11/22	08/04/22
PRMX	Primex Corporation	PHP0.032	Cash	Common	07/19/22	07/22/22	08/10/22
OPM	Oriental Petroleum and Minerals Corporation	Php0.0005	Cash	Common	07/19/22	07/22/22	08/16/22
AC	Ayala Corporation	Php3.46	Cash	Common	07/25/22	07/28/22	08/13/22
CNPF	Century Pacific Food, Inc.	Php0.18	Cash	Common	07/26/22	07/29/22	08/15/22
CNPF	Century Pacific Food, Inc.	Php0.18	Cash	Common	07/26/22	07/29/22	08/15/22
SGI	Solid Group, Inc.	Php0.06	Cash	Common	07/26/22	07/29/22	08/24/22
ACPB1	Ayala Corporation	Php6.56250	Cash	Preferred	07/27/22	08/01/22	08/15/22
BRNP	A Brown Company, Inc.	Php1.75	Cash	Common	07/29/22	08/03/22	08/30/22
PSB	Philippine Savings Bank	Php0.75	Cash	Common	08/02/22	08/05/22	08/22/22
MWP2A	Megawide Construction Corporation	Php1.1875	Cash	Preferred	08/03/22	08/08/22	08/30/22
MWP2B	Megawide Construction Corporation	Php1.4375	Cash	Preferred	08/03/22	08/08/22	08/30/22
APB2R	Ayala Corporation	Php6.02675	Cash	Preferred	08/10/22	08/15/22	08/29/22
PERC	PetroEnergy Resources Corporation	Php0.05	Cash	Common	08/10/22	08/15/22	09/08/22
FB	San Miguel Food and Beverage, Inc.	Php0.26	Cash	Common	08/15/22	08/18/22	09/02/22
FB	San Miguel Food and Beverage, Inc.	Php0.40	Cash	Common	08/15/22	08/18/22	09/02/22
GSMI	Ginebra San Miguel, Inc.	Php0.375	Cash	Common	08/16/22	08/19/22	09/02/22
GSMI	Ginebra San Miguel, Inc.	Php1.00	Cash	Common	08/16/22	08/19/22	09/02/22
CREIT	Citicore Energy REIT Corp.	Php0.44	Cash	Common	08/16/22	08/19/22	09/14/22
FJP	F & J Prince Holdings Corporation	Pho0.10	Cash	Common	08/16/22	08/19/22	09/15/22
MPI	Metro Pacific Investments Corporation	Php0.0345	Cash	Common	08/17/22	08/22/22	09/08/22
MER	Manila Electric Company	Php5.806	Cash	Common	08/18/22	08/23/22	09/14/22
MFIN	Makati Finance Corporation	Php 0.005435056706	Cash	Common	08/22/22	08/25/22	09/21/22
PRF3A	Petron Corporation	Php17.17825	Cash	Preferred	08/26/22	08/31/22	09/26/22
PRF3B	Petron Corporation	Php17.84575	Cash	Preferred	08/26/22	08/31/22	09/26/22
TCB2B	Cirtek Holdings Philippines Corporation	US\$0.015	Cash	Preferred	09/01/22	09/06/22	09/19/22
JFCPA	Jollibee Foods Corporation	Php8.20525	Cash	Preferred	09/16/22	09/21/22	10/14/22
JFCPB	Jollibee Foods Corporation	Php10.60125	Cash	Preferred	09/16/22	09/21/22	10/14/22
AUB	Asia United Bank Corporation	Php1.00	Cash	Common	10/11/22	10/14/22	10/31/22
BRNP	A Brown Company, Inc.	Php1.75	Cash	Common	10/28/22	11/03/22	11/29/22
TCB2B	Cirtek Holdings Philippines Corporation	US\$0.015	Cash	Preferred	12/01/22	12/06/22	12/19/22

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Stocks Dividends/Property Dividends

Ticker	Company	Amount/Rate	Dividend Type	Share Type	Ex-date	Record Date	Payment Date
PNB	Philippine National Bank	0.158868919 shares of PNC for every 1 share of PNB	Property	Common	05/13/21	05/18/21	TBA
AC	Ayala Corporation	3 ACEN shares per 1 AC common share	Property	Common	05/24/22	05/27/22	TBA
ABA	AbaCore Capital Holdings, Inc.	0.0009 PRIDE shares per 1 ABA common share	Property	Common	06/23/22	06/28/22	TBA
BDO	BDO Unibank, Inc.	20%	Stock	Common	TBA	TBA	TBA
MFIN	Makati Finance Corporation	0.5435056706%	Stock	Common	08/22/22	08/25/22	TBA

Stocks Rights/Follow-on Offering

Ticker	Company	Offer Price	Ratio	Offer Shares	Ex-date	Offer Start	Offer End	Listing Date
MA	Manila Mining Corporation	Php0.01	1:5	51,917,357,741	04/26/22	05/16/22	05/20/22	TBA
SPNEC	Solar Philippines Nueva Ecija Corporation	Php1.50-1.76	1:1.28	1,875,649,995	08/22/22	08/30/22	09/05/22	09/15/22
ANI	AgriNurture, Inc.	Php1.00	1:2.5	288,000,027	TBA	TBA	TBA	TBA

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