

Market Commentary

➔ **The View:** The PSEi lost 193.18 points or 3.26% and ended the week at 5,741.07. The benchmark index dropped further into bear market territory as it settled at the 5,700-level due to continued worries about the high interest rate environment along with inflation concerns. US markets also fell on Friday as their three major indices notched a three-quarter losing streak. The Dow Jones Industrial Average (Dow) and the S&P500 recorded their worst month since March 2020. European markets ended higher on Friday but still posted their worst month since June. Meanwhile, Asia-Pacific markets ended down, tracking the plunge of US markets on Thursday. China's factory activity in August unexpectedly expanded, beating estimates. In the local bourse, sectors posted declines across the board with Holding Firms (-4.03%), Property (-3.57%), and Services (-3.35%) taking the biggest hits. In the main index, WLCON (+14.11%), URC (+1.79%), and RLC (+0.12%) were the only gainers in last Friday's session. ICT (-10.15%), MER (-8.15%), and CNVRG (7.49%) recorded the biggest losses among the pack of 26 laggards. The market's value turnover went up by 29% to PHP6.69 billion from PHP5.19 billion. Total foreign activity increased by 43% to PHP7.56 billion from PHP5.29 billion last Thursday. Foreigners continued to be net sellers with net foreign selling amounting to PHP1.04 billion, 112% more than the PHP491.71 million in the previous session. The Philippine Peso slightly recovered against the US dollar as it strengthened to PHP58.625 from its previous close of PHP58.97. The benchmark index failed to sustain its rebound as it ended the week with a decline. Downside pressures are likely to persist especially with the Bangko Sentral ng Pilipinas (BSP) projecting that a new inflation peak was hit in September, which could fall between 6.6%-7.4%, quicker than the 6.3% recorded in August. The central bank cites higher electricity and food prices paired with a depreciation of the local currency as the main drivers of the acceleration. Investors will be on the lookout for other US economic data set to be released in the coming weeks to have a deeper insight into the possible monetary policy directions that the US Federal Reserve will take. The spike in net foreign selling could be a sign that foreign investors are likely moving investments to bigger markets like the US or to other US-denominated instruments like government bonds and treasury bills, which offer more stable and yet still attractive yields. The volatility in the local bourse could continue ahead of key economic cues. This opens up more opportunities for bargain hunters until a significant market movement becomes apparent.

Stock Picks

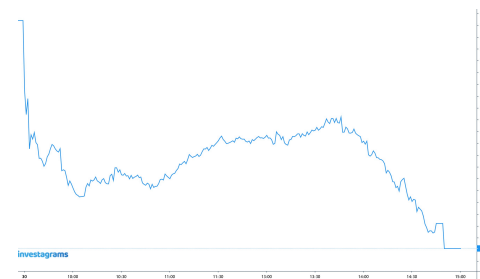
Stock	Date	Initial Price	Current Price	Return since Recommendation	
				Stock	PSEi
TEL	3/13/20	1,029.00	1,508.00	46.55%	-0.91%
CNPF	3/13/20	13.10	22.50	71.76%	-0.91%
FGEN	9/23/20	24.80	16.28	-34.35%	-2.57%
AP	9/23/20	25.55	30.80	20.55%	-2.57%
BDO	11/17/20	92.60	111.50	20.41%	-17.01%
BPI	11/17/20	83.00	89.50	7.83%	-17.01%
MBT	11/17/20	44.35	48.50	9.36%	-17.01%
SECB	11/17/20	103.90	81.00	-22.04%	-17.01%
CNVRG	6/13/22	22.50	13.10	-41.78%	-11.23%
ALI	6/13/22	30.05	22.85	-23.96%	-11.23%
SGP	6/13/22	12.06	11.76	-2.49%	-11.23%
Ave. Return				4.71%	-9.88%

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PSEI INTRADAY



INDICES

Index	Prev	Last	% Chg
PSEi	5,934.25	5,741.07	-3.26%
All Shares	3,190.88	3,107.90	-2.60%
Financial	1,484.20	1,466.60	-1.19%
Industrial	8,771.10	8,576.21	-2.22%
Holding Firms	5,729.84	5,498.89	-4.03%
Property	2,545.67	2,454.80	-3.57%
Services	1,555.75	1,503.69	-3.35%
Mining & Oil	10,575.30	10,455.68	-1.13%

TOP 10

WLCON	14.11%	ICT	-10.15%
URC	1.79%	MER	-8.87%
RLC	0.12%	CNVRG	-7.49%
AP	0.00%	AEV	-5.71%
SMC	-0.05%	SMPH	-5.64%
TEL	-0.07%	SM	-4.61%
GTCAP	-0.10%	JGS	-4.43%
BPI	-0.56%	AC	-4.35%
MBT	-0.61%	PGOLD	-4.24%
SCC	-0.76%	MPI	-3.48%

BOTTOM 10

MARKET DATA

Market Volume	1,014,030,439
Market Turnover (Value)	6,693,238,612
Foreign Buying	3,255,229,719
Foreign Selling	4,300,029,563
Net Foreign Buy / (Sell)	(1,044,799,843)

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Economic Developments

- ➔ **BSP expects faster inflation in September but deems off-cycle hikes unnecessary.** The Bangko Sentral ng Pilipinas (BSP) estimates September inflation to settle within 6.6%-7.4%, faster than the 6.3% in August. The central bank expects inflation in September to be driven by higher prices of electricity and key food commodities along with the depreciation of the Philippine Peso. The local currency has touched the PHP59-level recently against the US dollar. Despite this, BSP Governor Felipe Medalla said that an off-cycle interest rate hike does not seem necessary yet and mentioned that there are tools to support the local currency. Furthermore, he said that the central bank does not need to increase the reserve requirement ratio since "there are more market friendly options." (*Philstar*)
- ➔ **Bank loans grows 12.2% in August, the fastest in 2 years.** Preliminary data from the Bangko Sentral ng Pilipinas (BSP) showed that universal and big banks' loans amounted to PHP10.33 trillion in end-August, 12.2% higher than the PHP9.2 trillion recorded in the same period last year. Loans intended for production activities, which made up the bulk of total loans disbursement, rose to PHP9.08 trillion in August, 11.5% more than the PHP8.14 trillion last year. Meanwhile, the real estate sector, and manufacturing sector also posted double-digit growths from the same period last year of 13.9% and 15.9% to PHP2.09 trillion and PHP1.21 trillion, respectively. Fitch Solutions earlier projected that loan demand will likely slowed down in the second half due to high inflation and higher interest rates. (*Philstar*)
- ➔ **NGCP transmission rate reset process starts.** The Energy Regulatory Commission (ERC) reported that the process of resetting the transmission system rate for the National Grid Corporation of the Philippines (NGCP) has started. Transmission wheeling rates are the direct charge for the use of transmission facilities for the delivery of electricity. According to the NGCP, the average transmission rate for Luzon in July was at PHP0.99111 per kilowatt-hour. The amended rate will cover the period of 2023-2027. "The Commission will also consider in its determination the expert studies procured by ERC on the components of the reset, including for the Weighted Average Cost of Capital (WACC) and the valuation of the Regulatory Asset Base (RAB)," the ERC said. (*BusinessWorld*)

Corporate Developments

- ➔ **JG Summit Holdings, Inc. (JGS), Bank of the Philippine Islands (BPI).** JGS and BPI disclosed the execution of the agreement between JG Summit Capital Services Corp. (JG Capital), BPI, and Robinsons Retail Holdings, Inc. (RRHI) for the merger of BPI and Robinsons Bank Corporation (RBC), with BPI being the surviving entity. The merger will be subject to shareholders and regulatory approvals and is expected to be completed by the end of 2023. The RBC shareholders will collectively hold approximately 6% of the resulting outstanding capital stock of BPI. With the merger, BPI and RBC would emerge as the second largest bank in terms of assets with a combined asset base of PHP2.52 trillion, overtaking Ty-led Metropolitan Bank & Trust Co. with PHP2.38 trillion as of end March. (*JGS Disclosure, Philstar*)

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Corporate Developments

- ➔ **DMCI Holdings, Inc. (DMC).** The joint venture of Japan's Nishimatsu Construction Co., Ltd. and the Philippines' D.M. Consunji, Inc. (Nishimatsu-DMCI JV) was awarded the contract for construction of two underground stations in the first phase of the Metro Manila subway project. Estimated total price of the package stands at PHP21.33 billion, inclusive of 12% VAT. The price is broken down to PHP17.37 billion, \$31.77 million, €5.49 million, and ¥4.39 billion. Under the contract, the JV will construct the tunnels and the Quezon Avenue and East Avenue stations. (*BusinessWorld*)

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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
MONDE	Monde Nissin Corporation	Php0.14	Cash	Common	09/05/22	09/08/22	10/04/22
ALLDY	AllDay Marts, Inc.	Php0.0032	Cash	Common	09/07/22	09/12/22	10/04/22
RFM	RFM Corporation	Php0.059355	Cash	Common	09/12/22	09/15/22	10/11/22
SMC2F	San Miguel Corporation	Php1.27635	Cash	Preferred	09/16/22	09/21/22	10/04/22
SMC2H	San Miguel Corporation	Php1.1854125	Cash	Preferred	09/16/22	09/21/22	10/04/22
SMC2I	San Miguel Corporation	Php1.18790625	Cash	Preferred	09/16/22	09/21/22	10/04/22
SMC2J	San Miguel Corporation	Php0.890625	Cash	Preferred	09/16/22	09/21/22	10/04/22
SMC2K	San Miguel Corporation	Php0.84375	Cash	Preferred	09/16/22	09/21/22	10/04/22
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
DMPA2	Del Monte Pacific Limited	US\$0.325	Cash	Preferred	09/26/22	09/29/22	10/07/22
DDPR	DoubleDragon Corporation	Php1.61945	Cash	Preferred	09/27/22	09/30/22	10/14/22
FEU	Far Eastern University, Incorporated	Php14.00	Cash	Common	09/29/22	10/04/22	10/14/22
CPGP	Century Properties Group, Inc.	Php1.679425	Cash	Preferred	09/30/22	10/05/22	10/10/22
SGP	Synergy Grid & Development Phils., Inc.	Php0.26	Cash	Common	09/30/22	10/05/22	10/19/22
SMC	San Miguel Corporation	Php0.35	Cash	Common	10/04/22	10/07/22	10/28/22
MWP4	Megawide Construction Corporation	Php1.325	Cash	Preferred	10/05/22	10/10/22	10/31/22
STR	Vistamalls, Inc.	Php0.0262	Cash	Common	10/11/22	10/14/22	10/27/22
VLL	Vista Land & Lifescapes, Inc.	Php0.0292	Cash	Common	10/11/22	10/14/22	10/28/22
AUB	Asia United Bank Corporation	Php1.00	Cash	Common	10/11/22	10/14/22	10/31/22
DDPR	DoubleDragon Corporation	Php0.2324	Cash	Common	10/11/22	10/14/22	10/31/22
ROCK	Rockwell Land Corporation	Php0.0537	Cash	Common	10/14/22	10/18/22	11/14/22
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
ANI	AgriNurture, Inc.	Php1.00	1:2.5	288,000,027	TBA	TBA	TBA	TBA
LC	Lepanto Consolidated Mining Company	Php0.12	1:3.95	16,803,989,391	TBA	TBA	TBA	TBA
GLO	Globe Telecom, Inc.	Php1,680.00	1:13.2366	10,119,047	09/16/22	10/03/22	10/07/22	10/28/22

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