

Market Commentary

➔ **The View:** The PSEi marginally gained 0.87 points or 0.01% and ended at 5,988.59 on Wednesday. The benchmark ended almost flat but still managed to close in the green for third straight session. It started off back to the 6,000-level but eventually slid down on the onset of faster inflation in September. US major indices' two-day rally ended with sub-1% declines as rate on the 10-year US treasury rose again to 3.7% after it dropped to 3.6% the day before. European markets also closed in the red as the recent positive trend in global stocks faded. The Eurozone's S&P global composite purchasing managers' index (PMI) fell lower than expected to a 19-month low of 48.1 in September from 48.9 in August. Meanwhile, Asia-Pacific markets mostly continued to rally yesterday as the weakness in the latest piece of the US jobs report sparked some hope that the US Federal Reserve (Fed) may consider slowing down with their interest rate hikes. In the local bourse, sectors had mixed performances with Services (+1.70%) and Financial (+0.98%) having biggest gains. Property (-0.82%) and Holding Firms (-0.61%) were the only decliners. In the main index, MONDE (+4.51%), ICT (+3.70%), and GLO (+3.16%) were the top performers among Wednesday's 14 gainers. CNVRG (-7.98%), AGI (-3.53%), and URC (-3.36%) were at the bottom among the day's 15 laggards. The market's value turnover went up by 5% to PHP4.82 billion from PHP4.59 billion. Total foreign activity increased by 11% to PHP4.33 billion from PHP3.89 billion last Tuesday. Foreigners switched to being net buyers with net foreign buying amounting to PHP188.31 million, opposite the net foreign selling of PHP96.45 million in the previous session. The Philippine Peso remained at PHP58.65 against the US dollar. The benchmark index ended flat as investors remained cautious as the market's upward momentum was quashed by the elevated inflation print in September. This may put more pressure on the Bangko Sentral ng Pilipinas (BSP) to strongly consider at least a 50-basis points (bps) hike in its next policy meeting. Market volatility could be expected to continue as downward pressures remain strong despite the recent rallies in global markets. Investors may take advantage of the dips and small rise in prices while waiting for other market catalysts abroad and the corporate earnings season for the third quarter.

Stock Picks

Stock	Date	Initial Price	Current Price	Return since Recommendation	
				Stock	PSEi
TEL	3/13/20	1,029.00	1,515.00	47.23%	3.36%
CNPF	3/13/20	13.10	23.80	81.68%	3.36%
FGEN	9/23/20	24.80	16.30	-34.27%	1.63%
AP	9/23/20	25.55	32.00	25.24%	1.63%
BDO	11/17/20	92.60	115.90	25.16%	-13.44%
BPI	11/17/20	83.00	91.10	9.76%	-13.44%
MBT	11/17/20	44.35	50.95	14.88%	-13.44%
SECB	11/17/20	103.90	84.00	-19.15%	-13.44%
CNVRG	6/13/22	22.50	12.00	-46.67%	-7.40%
ALI	6/13/22	30.05	23.80	-20.80%	-7.40%
SGP	6/13/22	12.06	11.48	-4.81%	-7.40%
Ave. Return				7.11%	-6.00%

PSEI INTRADAY



INDICES

Index	Prev	Last	% Chg
PSEi	5,987.72	5,988.59	0.01%
All Shares	3,210.48	3,219.98	0.30%
Financial	1,496.21	1,510.89	0.98%
Industrial	8,897.31	8,917.40	0.23%
Holding Firms	5,820.44	5,785.22	-0.61%
Property	2,573.52	2,552.51	-0.82%
Services	1,522.86	1,542.64	1.30%
Mining & Oil	10,699.39	10,778.07	0.74%

TOP 10

MONDE	4.51%	CNVRG	-7.98%
ICT	3.70%	AGI	-3.53%
GLO	3.16%	URC	-3.36%
WLCON	2.94%	EMI	-2.71%
MER	2.83%	JGS	-1.59%
BDO	2.57%	AC	-1.40%
SMC	2.43%	AP	-1.39%
AEV	1.97%	SM	-1.13%
ACEN	1.72%	ALI	-1.04%
GTCAP	1.22%	BPI	-0.87%

BOTTOM 10

MONDE	4.51%	CNVRG	-7.98%
ICT	3.70%	AGI	-3.53%
GLO	3.16%	URC	-3.36%
WLCON	2.94%	EMI	-2.71%
MER	2.83%	JGS	-1.59%
BDO	2.57%	AC	-1.40%
SMC	2.43%	AP	-1.39%
AEV	1.97%	SM	-1.13%
ACEN	1.72%	ALI	-1.04%
GTCAP	1.22%	BPI	-0.87%

MARKET DATA

Market Volume	644,587,677
Market Turnover (Value)	4,822,671,207
Foreign Buying	2,260,389,225
Foreign Selling	2,072,074,705
Net Foreign Buy / (Sell)	188,314,520

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Economic Developments

- ➔ **September inflation print quickens to 4-year high of 6.9%.** Preliminary data from the Philippine Statistics Authority (PSA) showed that headline inflation accelerated to 6.9% in September, above the 6.3% in August. The last time that inflation print hit this level was in October 2018, during the rice price surge. The figure still fell within the Bangko Sentral ng Pilipinas (BSP)'s estimated range of 6.6%-7.4%. The movement was mainly driven by increases in food, utilities, and transport prices. Meanwhile, core inflation slightly cooled down to 4.5% from August's 4.6%. Economists also said that the full effect of the peso's depreciation to record lows was felt in September. Year-to-date inflation now stands at 5.1%. (*BusinessWorld*)
- ➔ **Banks' bad loans ratio further eases to 3.53%.** Data from the Bangko Sentral ng Pilipinas (BSP) showed that the share of bad loans to total loans of Philippine banks shrank for the sixth consecutive month to 3.53% in August from July's 3.57%. It was the lowest non-performing loan (NPL) ratio since the 3.51% in September 2020. Bad debts of Philippine banks went down to PHP418.01 billion as of August, a 15% decline compared to the PHP491.93 billion in the same period last year. Credit growth picked up to 8.6% as banks disbursed PHP11.84 trillion in August from PHP10.9 trillion a year ago as the economy further reopens from strict COVID quarantine and lockdown protocols. Moody's Investor Service analyst Joyce Ong said that the NPL ratio have already peaked at 4.51% in July and August last year and it would slowly continue to go down over the next two years as economic activity rebounds. (*Philstar*)

Corporate Developments

- ➔ **Aboitiz Equity Ventures, Inc. (AEV).** AEV's infrastructure arm, Aboitiz InfraCapital, Inc. (AIC), entered a joint venture with EdgeConneX (ECX), the pioneer in global hyperlocal to hyperscale data center solutions based in the United States. The company said that the joint venture intends to develop data center platforms in the Philippines to address rising data usage. The initial data center will be in the National Capital Region while a secondary hyperscale campus is planned to be in the Greater Manila Area. According to Kelvin Fong, Managing Director for EdgeConneX in Asia, the Philippines is the fourth country that EdgeConneX has entered, following India, China, and Indonesia over the past 2 years. (*AEV Disclosure*)
- ➔ **Ayalaland Logistics Holdings Corp. (ALLHC).** ALLHC and FLOW Digital Infrastructure (FLOW) has agreed to begin the activities of their joint venture partnership intended to develop and operate carrier-neutral data centers in the country. The first data center facility will be designed to provide a total IT capacity of 36MW which can be expanded via modular deployment. The initial 6MW is targeted to be launched by the end of 2024. FLOW operates in the key physical assets of the digital infrastructure ecosystem, including cloud, hyperscale, enterprise data centers, and network and fiber assets across the Asia-Pacific region. (*ALLHC Disclosure, 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
RFM	RFM Corporation	Php0.059355	Cash	Common	09/12/22	09/15/22	10/11/22
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
CEU	Centro Escolar University	Php0.60	Cash	Common	11/08/22	11/11/22	12/07/22
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 PHC 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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