

Market Commentary

➔ **The View:** The PSEi inched up by a marginal 9.11 points or 0.15% and ended last week at 5,904.75. The benchmark index closed the week with a four-day rally as it went back up to the 5,900-level despite the volatility and thin trading. US' major indices were negative in the final session last week as inflation expectations and interest rate hike worries heightened. The rate of 10-year US Treasury bonds spiked above 4% again following the higher than expected September inflation print. Meanwhile, European markets ended with sub-1% gains. The Bank of England ended its two-week emergency bond buying program aimed at stabilizing the country's bond market. Asia-Pacific markets were up on Friday, as they tracked the performance of the US and European markets last Thursday which fended off initial downward pressure from the latest US inflation print. Japan's Nikkei led the gains with 3.25%, followed by Hong Kong's Hang Seng with 1.93%. In the local bourse, sectoral performances were mostly positive. Services (-1.18%), and Holding Firms (-0.53%) were the only sectoral decliners, while Property (+1.85%), and Mining&Oil (+1.53%) had the biggest gains among the rest of the sectors. In the main index, RLC (+7.55%), URC (+3.52%), and ALI (+3.07%) were the best performers among Friday's 16 laggards. On the other end, ICT (-4.61%), SM (-3.36%), and MONDE (-1.71%) recorded the biggest contractions among the 11 laggards. The market's value turnover rose by 27% to PHP4.65 billion from PHP3.65 billion. Total foreign activity went up by 17% to PHP5.01 billion from last Thursday's PHP4.29 billion. Foreigners switched to being net buyers with net foreign buying amounting to PHP513.21 million, opposite the net foreign selling of to PHP29.88 million in the previous session. The Philippine Peso closed slightly strengthened from its all-time low of PHP59 against the US dollar. It closed at PHP58.935 last Friday. The benchmark index gained 1.24% in its four-day rally so far. It has been trading on a thin range as the growing possibility of higher interest rates for a longer period continued to weigh down on overall market sentiment. The hotter than expected US inflation report may have increased the chances of another 75-basis points (bps) hike by the US Federal Reserve (Fed) in November and perhaps another one in December. Locally, the Bangko Sentral ng Pilipinas (BSP) is becoming more open to a 75bps policy hike of its own in order to add support to the Philippine Peso which is already down 13% year-to-date against the greenback. Market volatility could continue as investors digest the third quarter earnings reports that are set to be released in the coming weeks.

Stock Picks

Stock	Date	Initial Price	Current Price	Return since Recommendation	
				Stock	PSEi
TEL	3/13/20	1,029.00	1,430.00	38.97%	1.91%
CNPF	3/13/20	13.10	23.50	79.39%	1.91%
FGEN	9/23/20	24.80	15.60	-37.10%	0.20%
AP	9/23/20	25.55	31.30	22.50%	0.20%
BDO	11/17/20	92.60	120.00	29.59%	-14.65%
BPI	11/17/20	83.00	91.50	10.24%	-14.65%
MBT	11/17/20	44.35	50.05	12.85%	-14.65%
SECB	11/17/20	103.90	83.00	-20.12%	-14.65%
CNVRG	6/13/22	22.50	12.50	-44.44%	-8.69%
ALI	6/13/22	30.05	23.50	-21.80%	-8.69%
SGP	6/13/22	12.06	11.02	-8.62%	-8.69%
Ave. Return				5.59%	-7.31%

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PSEI INTRADAY



INDICES

Index	Prev	Last	% Chg
PSEi	5,895.64	5,904.75	0.15%
All Shares	3,164.75	3,177.74	0.41%
Financial	1,507.58	1,520.47	0.86%
Industrial	8,687.19	8,701.26	0.16%
Holding Firms	5,665.21	5,635.43	-0.53%
Property	2,493.54	2,539.75	1.85%
Services	1,537.72	1,519.56	-1.18%
Mining & Oil	10,353.79	10,511.73	1.53%

TOP 10

RLC	7.55%	ICT	-4.61%
URC	3.52%	SM	-3.36%
ALI	3.07%	MONDE	-1.71%
SCC	3.05%	AP	-1.57%
AGI	2.95%	ACEN	-1.50%
WLCON	2.90%	SMC	-0.91%
AEV	2.84%	TEL	-0.56%
AC	1.84%	BPI	-0.54%
MBT	1.83%	EMI	-0.51%
BDO	1.69%	JFC	-0.26%

BOTTOM 10

MARKET DATA

Market Volume	443,287,720
Market Turnover (Value)	4,653,333,612
Foreign Buying	2,759,522,092
Foreign Selling	2,246,311,631
Net Foreign Buy / (Sell)	513,210,461

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Economic Developments

- ➔ **BSP ponders 75-basis point hike.** Bangko Sentral ng Pilipinas (BSP) Governor Felipe Medalla said that the central bank is going to consider an interest rate hike of 50-75 basis points (bps) in the next policy meeting. However, he also reiterated the worries over the impact of a 75 bps hike on the country's economic recovery despite it being likely to ease the pressure on the local currency and to cool down inflation. The peso has already dropped by more than 13% this year, which is among the steepest declines among major Asian currencies. "The argument for not responding point-by-point is that our inflation rate is lower, but the argument for doing something bolder is that the question of the currency also has to be addressed," Mr. Medalla added. The BSP plans to continue employing the use of dollar reserves, interest rate hikes, and "some form of international cooperation" to help lighten the burden on the country's currency. (*BusinessWorld*)
- ➔ **Rice imports reach 2.98 million MT from Jan-Sept, exceed 2021 full-year volume.** Data from the Bureau of Plant Industry (BPI) showed that rice imports have in the first 9 months of this year amounted to 2.98 million metric tons (MT), higher 42% higher than the 2.09 million MT in the same period last year. It was also 7% more than 2021's full-year volume of 2.77 million MT. Vietnam remained the top supplier, cornering 82% of the total volume at 2.46 million MT, followed by Myanmar with 203,879.28 MT, and Thailand with 150,416.37 MT. The Manila post of the United States Department of Agriculture (USDA)'s Foreign Agricultural Service (FAS) forecasted the country to import 3.4 million MT of rice, higher than its previous forecast of 3.3 million MT. Local milled rice production have taken significant hits from elevated fertilizer prices and typhoons like Super Typhoon Karding last September. (*Philstar*)

Corporate Developments

- ➔ **Premiere Horizon Alliance Corporation (PHA).** PHA decided that it will not continue with its planned acquisition of a 33% stake in SquidPay Technology, Inc. (SPTI) valued at Php561 million. The planned acquisition of 33% of SPTI was announced last November 18, 2021. PHA has noted that SPTI has not been able to execute on its planned projects nor obtain its objectives. Notably, rollouts in key cities and partnerships with government agencies did not materialize. SPTI has also been embroiled in recent financial troubles that make it clear that SPTI will not add value to PHA. (*PHA Disclosure*)
- ➔ **Globe Telecom, Inc. (TEL).** GLO announced the first closing with 701 towers out of the 2,180 telco tower and related passive telecom infrastructure to be acquired by MIESCOR Infrastructure Development Corporation (MIDC), a Manila Electric Company (MER) subsidiary, for a cash consideration of PHP8.4 billion. These tower assets are composed of 73% ground-based towers and 27% rooftop towers. To date, GLO already completed the sale of the 1,501 out of 7,059 towers or 21% of the total towers being monetized. (*GLO 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
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
AREIT	AREIT, Inc.	Php0.49	Cash	Common	10/20/22	10/25/22	11/30/22
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
FCG	Figaro Coffee Group, Inc.	Php0.01936	Cash	Common	11/16/22	11/21/22	12/09/22
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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