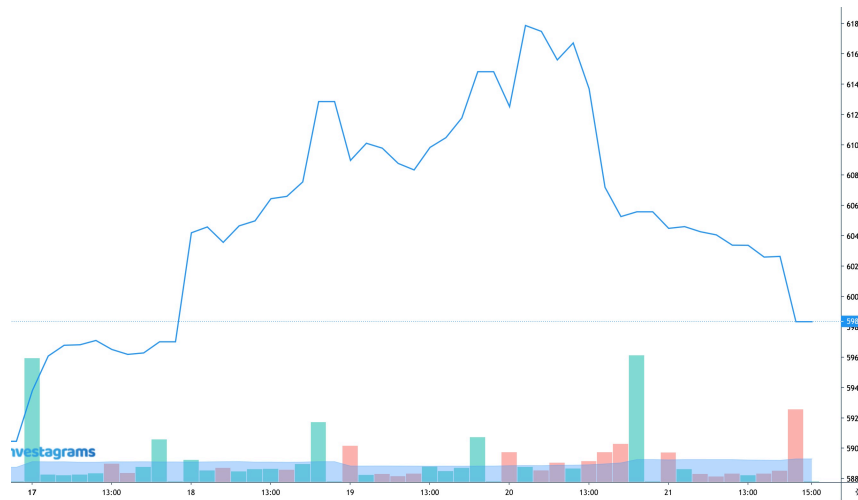




Market Commentary



➔ The PSEi gained 78.81 points or 1.33% week-on-week to close last week at 5,983.56 from the previous week's 5,904.75. The benchmark index posted week-on-week gains following the contraction in the previous week on the back of bargain hunting. There were fewer catalysts last week, hence the volatility and thin trading. The Philippine Peso closed at PHP58.75 last week, stronger than the PHP59.935 in the previous week. Foreigners switched to being net buyer with net foreign buying amounting to PHP14.21 million. Property (+2.71%), and Holding Firms (+1.98%) were the best performers, while Industrial (-0.61%), and Financial (-0.27%) were the sectoral decliners. ALI (+10.43%), and AGI (+9.43%) led last week's stock gainers, while STR (-23.60%), and 2GO (-9.87%) were the main stock laggards. Notable developments from last week were:

- Data from the Bangko Sentral ng Pilipinas (BSP) showed that the Philippines' balance of payments (BoP) was at a deficit of \$2.3 billion in September. It was significantly bigger than the \$572 million trade deficit in August, and it was the widest since the \$2.696 billion in September 2018. "The BoP deficit in September 2022 reflected outflows arising mainly from the BSP's net foreign exchange operations and the National Government's payments of its foreign currency debt obligations," the BSP said in a statement. The cumulative BoP deficit now stands \$7.83 billion compared to the \$665 million deficit in the same period last year.
- Data from the Bangko Sentral ng Pilipinas (BSP) showed that cash remittances sent through banks in August was \$2.72 billion, 4.3% higher than the \$2.60 billion in the same month last year. Land-based OFWs sent \$2.13 billion in August, up by 3.3% in the same month last year. Remittances from sea-based workers inched up 1.7% to \$593.18 million in August from a year ago. For the period of January-August, cash remittances was at \$20.99 billion, 3% higher than the \$20.38 billion recorded in the same period last year.
- Philippine Airlines (PAL), Cebu Pacific and AirAsia Philippines announced that they would comply with the Civil Aeronautics Board (CAB)'s directive to cut fuel surcharge in November. Local carriers expect the reduced airfares to drive higher travel demand especially towards the holiday season.

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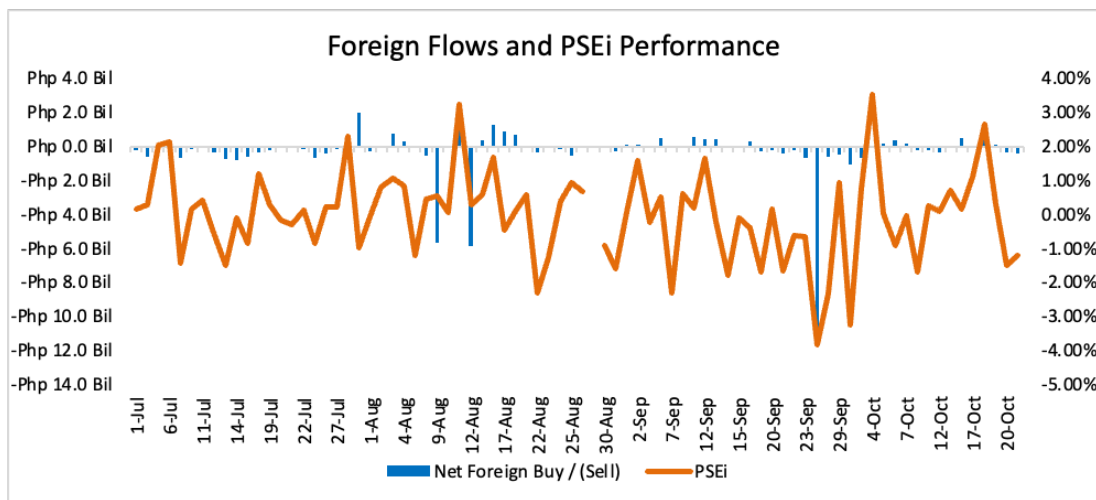
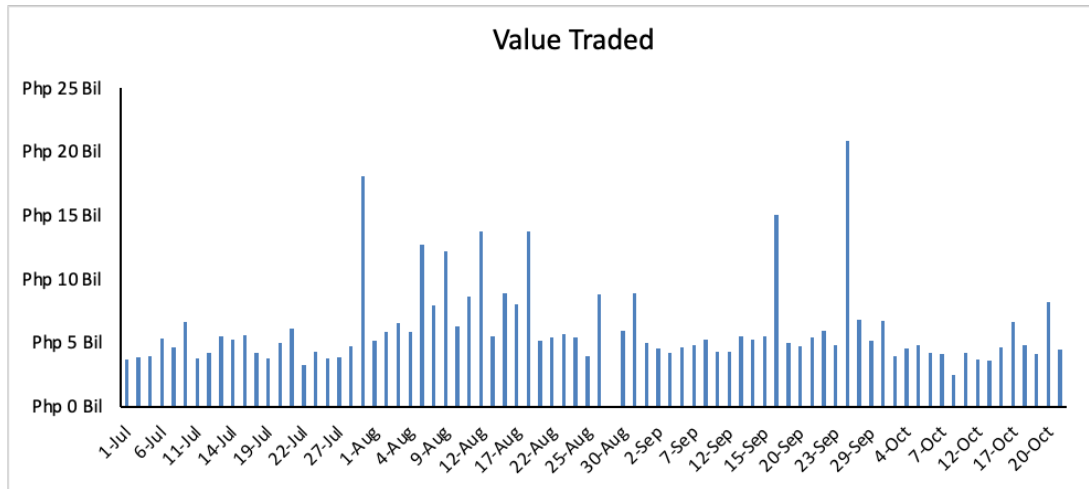
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INDICES

Index	Prev	Last	% Chg
PSEi	5,904.75	5,983.56	1.33%
All Shares	3,177.74	3,195.04	0.54%
Financial	1,520.47	1,516.41	-0.27%
Industrial	8,701.26	8,647.85	-0.61%
Holding Firms	5,635.43	5,746.83	1.98%
Property	2,539.75	2,608.57	2.71%
Services	1,519.56	1,543.59	1.58%
Mining & Oil	10,511.73	10,687.08	1.67%



➔ Market turnover for the week averaged PHP5.67 billion, higher than the previous week's PHP3.75 billion. Last week logged a net foreign buying of PHP14.21 million, contrary to the net foreign selling of PHP310.86 million from the week of October 10-14.

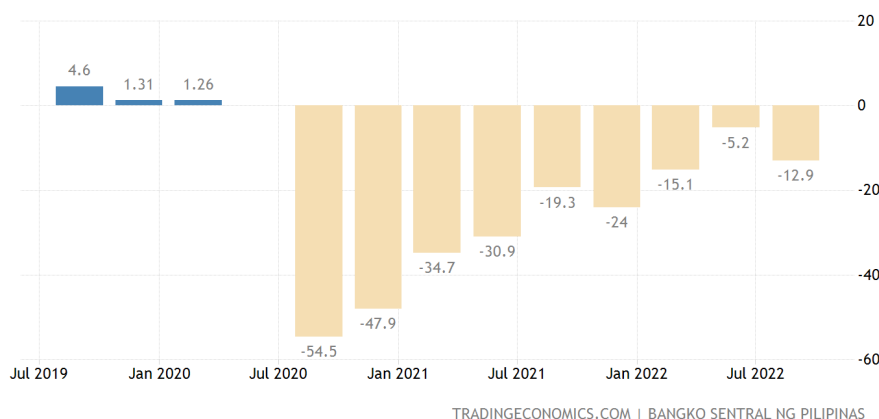


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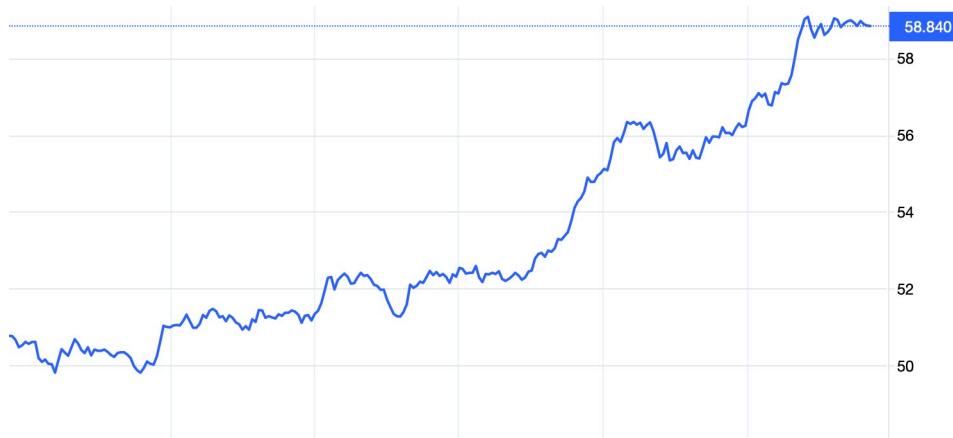
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Key Economic Figures



➔ **PH consumer confidence index.** The Philippines' consumer confidence index showed a bigger contraction in the 3rd quarter at 12.9%, compared to the 2nd quarter's 5.2%. The 2nd quarter index figure was the best in since the first quarter of 2020. The BSP attributes the weaker confidence due to faster increase in the prices of goods and higher household expenses, low income, and fewer available jobs and working family members.



➔ **USD-PHP exchange rate.** The Philippine Peso has been trading at the PHP58-level against the US dollar recently. It has managed to avoid dropping to the PHP60-level which is considered by some economists as a major support level. Analysts attribute the local currency's ability to hold at this level to the government's likely intervention in the foreign exchange market, although the BSP previously stated that it is not defending a specific target. The weakness of the peso continues to apply further inflationary pressures to the economy. As of last Friday, the local currency has declined by around 15% year-to-date. While the decline has been in line with other currencies in the region, the central bank could likely be facing additional pressure to intervene further due to the widening trade deficit.

For the Week

TOP GAINERS		TOP LOSERS	
ALI	10.43%	STR	-23.60%
AGI	9.34%	2GO	-9.87%
FNI	8.70%	RLC	-9.52%
AC	8.39%	PNX4	-8.10%
MWC	8.09%	TECH	-7.45%
GLO	5.91%	ION	-5.66%
SGP	4.36%	SEVN	-5.59%
TEL	4.20%	SSP	-5.39%
IMI	4.04%	HOME	-5.39%
GSMI	3.96%	ROCK	-5.34%
PGOLD	3.91%	MAXS	-5.11%
GTAP	3.54%	LR	-4.63%
PNB	3.19%	RRHI	-4.56%
8990P	3.16%	HOUSE	-3.73%
MPI	3.14%	AEV	-3.63%
DMC	2.95%	MWIDE	-3.53%
ABS	2.42%	MONDE	-3.48%
PLC	2.30%	WLCON	-2.99%
MBT	2.10%	APX	-2.68%
CNPF	1.70%	JFC	-2.42%

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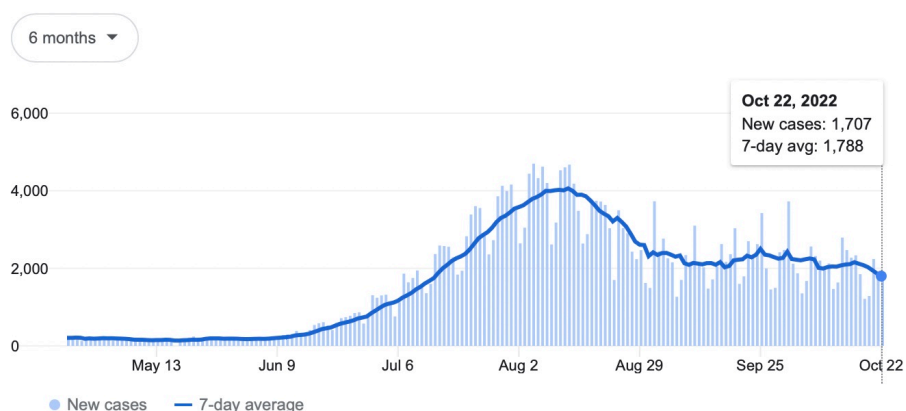
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Market Outlook

What You Need to Know

- ➔ The PSEi went up by 1.33% last week following a week-on-week contraction of 0.46% in the previous week. The benchmark index reached the 6,100-level during the mid-week for the first time since September 23 on bargain hunting, but eventually fell back to the 5,900-level on quick profit taking.
- ➔ Average number of COVID-19 cases in the Philippines per week decreased last week. The number of coronavirus cases in the Philippines has reached 3,994,634 as of October 23 while active cases went down to 23,369 from 26,404 in the previous week. There are now 63,779 recorded deaths from COVID-19. Average new cases per week went down to 1,788 from 2,109 in the previous week.



- ➔ The PSEi shot up to the 6,100-level during last week but still ended back at the 5,900-level. The benchmark index's 7-day rally was snapped last Thursday as investors could have decided to cash in on their gains ahead of further economic catalysts and the bulk of the 3rd quarter earnings season this week. Higher cash remittances seen in the latest report by the BSP also added some boost in investors' confidence despite the 4-year high BoP deficit in September. The local bourse tracked Wall Street's performance last week after the US' three main indices posted their best week since June as market sentiment appeared to be improving from its recent lows. Prospective hikes by central banks and recession fears continue to weigh on the stock market, but the further drop of oil prices last week to almost their pre-Ukraine-Russia conflict levels was able to uplift the market. The US 3rd quarter corporate earnings reports so far have been mixed but leaning toward the positive. Volatility could be expected to continue in the local bourse as further earnings by Philippine businesses get released this week. Despite the week-on-week gain, prices remain attractive and investors could likely pick up bargains again to capitalize on the profit taking from the end of last week.

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