

## Market Commentary

➔ **The View:** The PSEi lost 16.31 points or 0.25% to close at 6,631.25 yesterday. The benchmark index contracted mainly due to last-minute profit taking amidst increased caution ahead of the US Federal Reserve (Fed)'s 2-day policy meeting which begins today (US time), and President Marcos Jr.'s second State of the Nation Address (SONA) yesterday afternoon. In the US, the Dow extended its rally to an 11th session after gaining 0.52%, while also reaching fresh highs this year. The S&P500 and the Nasdaq Composite also went up by 0.40% and 0.19%, respectively. A 25-basis points hike (bps) is highly expected from the Fed this month. Instead, investors are likely to put more weight on Fed Chairman Jerome Powell's statements on his outlook for the economy as it tackles inflation. Big companies that are set to report earnings today (US time) are Alphabet, Microsoft, General Electric, General Motors, and Verizon among others. Meanwhile, European markets was slightly higher amidst increasing recessionary risks and ahead of the major central banks' meetings. The European Central Bank (ECB) meets on Thursday (UK time), when policymakers are expected to announce a 25-bps hike and offer guidance for the final stages of their efforts to fight inflation. In the Asia-Pacific, markets had mixed results. Hong Kong's Hang Seng dropped by 2.28%, led by real estate stocks. The Shanghai Composite fell by 0.11%, recording five losses in six days, while the Shenzhen Component was down 0.58%, marking seven straight days of losses. Japan's Nikkei gained 1.23% as business activity expanded for the seventh consecutive month with a stable purchasing managers index at 52.1. South Korea's Kospi was also up by 0.72%. In the local bourse, sectors had sub-1% changes. Mining&Oil (+0.69%) and Financial (+0.17%) went up while the rest had sub-1% contractions led by Holding Firms (-0.56%). In the main index, AGI (+2.40%), SCC (+2.07%), and DMC (+1.91%) had the biggest gains among 14 advancers. On the other end, MONDE (-3.26%), ICT (-2.02%), and SM (-1.81%) were the worst among 9 laggards. The market's value turnover only stood at PHP3.11 billion, while total foreign activity was PHP2.93 billion. Some investors are likely taking a wait-and-see approach ahead of the big catalysts. Foreign investors ended as net buyers again with a net buy of PHP128.40 million, lower than the PHP374.67 million last Friday. Market participation was tepid yesterday but it could gain traction today as the Fed's meeting kicks off later. More profit taking could ensue as well given the big gains in the past two weeks. Investors will also be digesting for more corporate earnings results.

## Stock Picks

Stock	Date	Initial Price	Current Price	Return since Recommendation	
				Stock	PSEi
TEL	3/13/20	1,029.00	1,300.00	26.34%	14.45%
CNPF	3/13/20	13.10	25.90	97.71%	14.45%
FGEN	9/23/20	24.80	20.50	-17.34%	12.53%
AP	9/23/20	25.55	35.20	37.77%	12.53%
BDO	11/17/20	92.60	150.00	61.99%	-4.15%
BPI	11/17/20	83.00	115.00	38.55%	-4.15%
MBT	11/17/20	44.35	57.60	29.88%	-4.15%
SECB	11/17/20	103.90	85.00	-18.19%	-4.15%
CNVRG	6/13/22	22.50	10.56	-53.07%	2.54%
ALI	6/13/22	30.05	27.50	-8.49%	2.54%
SGP	6/13/22	12.06	8.46	-29.85%	2.54%
<b>Ave. Return</b>				<b>15.03%</b>	<b>4.09%</b>

## PSEI INTRADAY



## INDICES

Index	Prev	Last	% Chg
PSEi	6,647.56	6,631.25	-0.25%
All Shares	3,530.90	3,526.71	-0.12%
Financial	1,948.36	1,951.68	0.17%
Industrial	9,311.03	9,298.21	-0.14%
Holding Firms	6,442.84	6,406.83	-0.56%
Property	2,708.09	2,706.51	-0.06%
Services	1,594.76	1,586.03	-0.55%
Mining & Oil	10,112.93	10,182.90	0.69%

## TOP 10

AGI	2.40%	MONDE	-3.26%
SCC	2.07%	ICT	-2.02%
DMC	1.91%	SM	-1.81%
GLO	1.59%	URC	-1.43%
JFC	0.94%	MBT	-1.03%
BDO	0.87%	WLCON	-0.82%
AC	0.71%	CNVRG	-0.75%
PGOLD	0.67%	GTAP	-0.56%
MER	0.58%	MPI	-0.20%
AP	0.57%	BPI	0.00%

## BOTTOM 10

## MARKET DATA

Market Volume	659,641,205
Market Turnover ( Value)	3,106,945,262
Foreign Buying	1,529,556,692
Foreign Selling	1,401,159,159
Net Foreign Buy / (Sell)	128,397,533

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## Economic Developments

- ➔ **Rate cut not yet in the picture — Diokno.** Finance Secretary Benjamin E. Diokno stated that the Bangko Sentral ng Pilipinas (BSP) is not considering an interest rate cut now, even as inflation in the country has eased for five consecutive months to 5.4%. While the inflation rate is declining, it remains above the central bank's target range of 2-4%. The BSP's Monetary Board has kept the benchmark interest rate unchanged at 6.25% in its June meeting, and Governor Eli M. Remolona mentioned that it is premature to talk about rate cuts due to inflation risks and uncertainty over the US Federal Reserve's policy moves, which could impact monetary policy decisions. The BSP's next policy-setting meeting is scheduled for August 17. Citigroup's CEO for the Philippines, Paul A. Favila, believes that the BSP might remain cautious in its monetary policy stance but expects interest rates to be lowered once conditions allow, possibly by early next year. Despite high interest rates, Citigroup's Mr. Favila believes Philippine growth will remain strong, targeting 6-7% growth for this year, and sees no significant threats to growth in 2023. *(BusinessWorld)*
- ➔ **Marcos renews push for more taxes.** During his second State of the Nation Address (SONA), Philippine President Ferdinand R. Marcos, Jr. emphasized the country's economic recovery from the pandemic and urged Congress to prioritize the passage of "essential" new tax measures. He highlighted the success in bringing down inflation and positioning the Philippine economy among the fastest growing in Asia and the world. The President asked for support in passing various tax measures, including excise taxes on single-use plastics and value-added tax on digital services, as well as reforms to the mining fiscal regime and the pension system for military and uniformed personnel. However, analysts noted that the SONA lacked new programs for struggling sectors like agriculture and manufacturing. The President also focused on infrastructure development, emphasizing the implementation of the PHP8.3-trillion infrastructure plan and the newly established Maharlika Investment Fund. While the European Chamber of Commerce of the Philippines (ECCP) expressed encouragement over the SONA's mentions of inflation reduction and industry development, some critics questioned the adequacy of measures and institutional structures to achieve targets and highlighted the need for good governance reforms. The President's foreign policy approach as "a friend to all and enemy of none" was lauded, and he pledged to prioritize the recovery of the education sector and boost the Philippine labor force. However, there were concerns about the lack of emphasis on the country's export industry and other struggling sectors. *(BusinessWorld)*

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## Economic Developments

- ➔ **Renewed confidence seen in Philippines' oil and gas sector.** The Philippines' oil and gas sector is experiencing renewed confidence and strong interest, thanks to the government's efforts to boost the investment climate, according to the Department of Energy (DOE). The extension of the Malampaya service contract, SC 38, until 2039 is considered a major accomplishment, ensuring reliable, stable, and affordable electricity supply from indigenous energy sources. The extension will enable the full production of the Malampaya gas field, estimated to have 147 billion cubic feet of remaining gas reserves. Additionally, it will stimulate exploration and development of in-field and near-field prospects, potentially providing an additional 210 billion cubic feet of reserves. The government's approval of the sale of Shell Philippines Exploration B.V.'s stake in SC 38 resulted in an all-Filipino consortium operating the Malampaya gas-to-power project, a significant milestone for the country's upstream petroleum operations. To further explore indigenous energy sources, the DOE allowed Nido Petroleum Philippines to proceed with the site survey of drilling locations in their service contract areas, with drilling scheduled for the fourth quarter of 2023. Ratio Petroleum, the operator of SC 76, also reported developments in its work program, identifying two possible petroleum plays with over 20 leads delineated within their contract block. The DOE emphasized the importance of aggressive exploration programs to ensure the country's energy security, particularly with the depletion of the Malampaya reservoir and the volatility of fossil fuel prices in recent years. By fostering exploration and development in the oil and gas sector, the Philippine government aims to enhance its energy security and reduce dependence on imported resources. *(Philstar)*
- ➔ **Government to borrow PHP225 billion in August.** The Philippine government plans to borrow PHP225 billion from the local debt market next month, expecting favorable interest rates both domestically and internationally. The Bureau of the Treasury will auction PHP15 billion in Treasury bills (T-bills) on each of the four Mondays of August and the last Monday of July, with maturities of 91, 182, and 364 days, totaling PHP75 billion in T-bills. For long-term debt securities, the Treasury aims to raise PHP30 billion each in T-bonds for five Tuesdays of August, totaling PHP150 billion, with maturities of five, six, 10, 15, and five years, respectively. The increased borrowing program for August is attributed to larger maturities of government bonds next month, including PHP141 billion of 10-year T-bonds set to mature by mid-August. The potential reinvestment of maturing government bonds in the market may support downward corrections in local bond yields, and the easing inflation trend locally and in the US could lead to possible cuts in policy rates in the future, both in the US and in the Philippines. Additionally, the stronger peso exchange rate versus the dollar is expected to support lower inflation and reduce the need for local policy rate hikes, potentially resulting in lower auction yields in upcoming T-bills and T-bonds auctions. *(Philstar)*

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## Corporate Developments

- ➔ **Megaworld Corporation (MEG)**. MEG is set to open the Grand Westside Hotel, a 1,500-room, 19-story, two-tower hotel within its 31-hectare Westside City township in Entertainment City, Parañaque City, before the end of the year. This hotel will become the largest hotel development in the Philippines in terms of total room keys. The hotel will offer a variety of room types and sizes, including suites designed for specially abled guests. It will also feature a two-level retail and commercial space, a high-ceiling lobby with a contemporary design, and an amenity floor with a pool area boasting views of Manila Bay sunset, a Zen Garden, and function rooms for various events. The hotel will have four dining outlets, including an all-day dining restaurant and an executive lounge exclusive to VIP guests. The Grand Westside Hotel is part of MEG's commitment to invest around PHP64 billion in building Westside City. The hotel will be managed and operated by Megaworld Hotels & Resorts and will be the 19th hotel property launched by the company. The first tower is expected to open this year, and the second tower will be ready to welcome guests by 2024. Once operational, the Grand Westside Hotel will be a short drive away from Ninoy Aquino International Airport and will offer guests views of the iconic Manila Bay sunset and the skylines of Makati, Manila, and Taguig City. *(MEG Disclosure)*
- ➔ **Repower Energy Development Corporation (REDC)**. REDC's stock price gained four centavos during its initial public offering (IPO) on the Philippine Stock Exchange (PSE), where it raised PHP1.15 billion to support the expansion of its renewable energy portfolio. The company offered 200 million primary common shares at PHP5 apiece, with an over-allotment option of up to 30 million shares. REDC opened at PHP5.01, reaching a high of PHP5.20, and closed at PHP5.04 per share. The IPO attracted participation from Japan-based listed company TOKAI Holdings Corp., which is expected to take about a 32.5% stake in REDC, earning it a board seat on an observer status. The funds from the IPO will partially finance the equity portion of the 15-megawatt Pulanai micro-hydroelectric power plant in Bukidnon and the 4.5-megawatt Piapi hydropower plant in Quezon. Additionally, the proceeds will be used for the development and acquisition of renewable energy projects, as well as operating and working capital requirements. *(BusinessWorld)*
- ➔ **Atlas Consolidated Mining & Development Corporation (AT)**. AT reported a 60% decrease in net income to PHP802.55 million in the first half of the year, attributing the decline to lower metal prices. Copper prices fell 11% to \$3.95 per pound in the first six months of 2023, while gold prices increased to \$1,937 per ounce. Despite the challenging market conditions, the company managed to achieve revenues of PHP10.13 billion, representing a 4% year-on-year growth. Unit Carmen Copper Corp. saw a slight decline in milling tonnage but increased copper concentrate production and copper metal gross production. Gold production also went up by 15%. However, Berong Nickel Corp. experienced a net loss of PHP14.3 million in the first half, in contrast to the PHP84 million net income posted in the same period last year. *(AT Disclosure, Manila Times)*

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## Foreign Developments

- ➔ **South Korea's economic growth ticks up in second quarter.** South Korea's economy experienced a slight improvement in the second quarter, with GDP growing by a seasonally adjusted 0.6% on a quarterly basis. This exceeded market expectations of a 0.5% rise and was the largest quarterly growth since 2Q2022. The increase was mainly driven by a more favorable net export contribution, as imports dropped at a faster rate than exports, resulting in a positive 1.3 percentage point contribution to the trade-reliant economy. However, private consumption, facility, and construction investments were weaker than the previous quarter, and government spending also dropped significantly. Despite the improvement, South Korea's economic growth outlook for 2023 remains lower at 1.4%, down from 2.6% in 2022, according to forecasts from the central bank and the government.
- ➔ **China vows to 'adjust and optimize' property policy in 'torturous' economic recovery.** China's top leaders, including President Xi Jinping, have pledged to adjust and optimize policies for the country's struggling property sector. The July Politburo meeting set the tone for China's economic policies for the second half of the year, with the government acknowledging new difficulties and challenges in the economy, particularly in domestic demand and the operation of some enterprises. The post-pandemic economic recovery is expected to be "wave-like" and face a "tortuous" process. While the Politburo meeting signaled more support for the economy, it fell short of offering large-scale stimulus, reflecting a shift in focus to "quality" growth. The government aims to stabilize growth around its target and refrain from an outsized policy response. The real estate sector is in focus as the Politburo dropped the phrase "housing is for living in, not speculation" and instead talks about adapting to "major changes" in the property market. The country's property sector, which accounts for a significant portion of China's economic activity, is still recovering from a credit crisis. The government is emphasizing the need to prevent and resolve local debt risks and expand domestic demand by raising income levels, supporting employment, and boosting consumption in certain sectors like automobiles and electronic products. While policy easing measures are expected in the coming months, the government is unlikely to provide direct handouts to households but will focus on supporting employment to stimulate consumption. (CNBC)

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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	Php0.089033	Cash	Common	06/26/23	06/29/23	07/25/23
CEU	Centro Escolar University	Php0.60	Cash	Common	06/27/23	06/30/23	07/25/23
CDC	Cityland Development Corporation	Php0.0295	Cash	Common	06/27/23	06/30/23	07/26/23
SMC	San Miguel Corporation	Php0.35	Cash	Common	06/27/23	06/30/23	07/26/23
GTPPA	GT Capital Holdings, Inc.	Php11.57475	Cash	Preferred	06/30/23	07/05/23	07/27/23
GTPPB	GT Capital Holdings, Inc.	Php12.73725	Cash	Preferred	06/30/23	07/05/23	07/27/23
KPH	Keppel Philippines Holdings, Inc.	Php0.10	Cash	Common	07/04/23	07/07/23	08/02/23
FJP	F & J Prince Holdings Corporation	Php0.10	Cash	Common	07/05/23	07/09/23	07/27/23
DELM	Del Monte Pacific Limited	US\$0.0013	Cash	Common	07/06/23	07/11/23	07/25/23
ALCO	Arthaland Corporation	Php0.012	Cash	Common	07/12/23	07/17/23	08/10/23
MEDIC	Medilines Distributors Incorporated	Php0.010484247	Cash	Common	07/13/23	07/18/23	08/11/23
MWP4	Megawide Construction Corporation	Php1.325	Cash	Preferred	07/21/23	07/26/23	07/31/23
UPSON	Upson International Corp.	Php0.04416	Cash	Common	07/21/23	07/26/23	08/22/23
8990B	8990 Holdings, Inc.	Php1.375	Cash	Preferred	07/24/23	07/27/23	08/10/23
OPM	Oriental Petroleum and Minerals Corporation	Php0.0005	Cash	Common	07/24/23	07/27/23	08/18/23
CPG	Century Properties Group, Inc.	Php0.006055	Cash	Common	07/25/23	07/28/23	08/11/23
GERI	Global-Estate Resorts, Inc.	Php0.01129481	Cash	Common	07/25/23	07/28/23	08/23/23
ACPB1	Ayala Corporation	Php6.56250	Cash	Preferred	07/27/23	08/01/23	08/15/23
AC	Ayala Corporation	Php3.806	Cash	Common	07/27/23	08/01/23	08/17/23
BRNP Series A	A Brown Company, Inc.	Php1.75	Cash	Preferred	07/27/23	08/01/23	08/29/23
PBB	Philippine Business Bank	Php0.35	Cash	Common	07/28/23	08/02/23	08/15/23
HI	House of Investments, Inc.	Php0.05	Cash	Common	08/01/23	08/04/23	09/01/23
TCB2A	Cirtek Holdings Philippines Corporation	US\$0.0228125	Cash	Preferred	08/16/23	08/24/23	09/08/23
TCB2C	Cirtek Holdings Philippines Corporation	Php0.8233	Cash	Preferred	08/24/23	08/30/23	09/14/23
TCB2D	Cirtek Holdings Philippines Corporation	Php0.968825	Cash	Preferred	08/24/23	08/30/23	09/14/23
TCB2B	Cirtek Holdings Philippines Corporation	US\$0.015	Cash	Preferred	08/29/23	09/01/23	09/18/23
CROWN	Crown Asia Chemicals Corporation	Php0.04	Cash	Common	08/25/23	08/31/23	09/25/23
FJP	F & J Prince Holdings Corporation	Php0.07	Cash	Common	09/06/23	09/09/23	09/27/23
AUB	Asia United Bank Corporation	Php1.00	Cash	Common	09/07/23	09/12/23	09/28/23
CPG	Century Properties Group, Inc.	Php0.006055	Cash	Common	09/26/23	09/29/23	10/13/23
GTPPA	GT Capital Holdings, Inc.	Php11.57475	Cash	Preferred	10/02/23	10/05/23	10/27/23
GTPPB	GT Capital Holdings, Inc.	Php12.73725	Cash	Preferred	10/02/23	10/05/23	10/27/23
8990B	8990 Holdings, Inc.	Php1.375	Cash	Preferred	10/20/23	10/25/23	11/10/23
BRNP Series A	A Brown Company, Inc.	Php1.75	Cash	Preferred	10/26/23	10/31/23	11/29/23
TCB2A	Cirtek Holdings Philippines Corporation	US\$0.0228125	Cash	Preferred	11/21/23	11/24/23	12/11/23
TCB2C	Cirtek Holdings Philippines Corporation	Php0.8233	Cash	Preferred	11/23/23	11/29/23	12/14/23
TCB2D	Cirtek Holdings Philippines Corporation	Php0.968825	Cash	Preferred	11/23/23	11/29/23	12/14/23
TCB2B	Cirtek Holdings Philippines Corporation	US\$0.015	Cash	Preferred	11/28/23	12/01/23	12/18/23
8990B	8990 Holdings, Inc.	Php1.375	Cash	Preferred	01/24/24	01/29/24	02/10/24

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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	0.156886919 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	01/09/23
ABA	AbaCore Capital Holdings, Inc.	0.0009 PRIDE shares per 1 ABA common share	Property	Common	06/23/22	06/28/22	TBA
GREEN	Greenergy Holdings Incorporated	0.0561786222 share of ANI for every 1 share of the company	Property	Common	06/27/22	06/30/22	TBA
MFIN	Makati Finance Corporation	0.5435056706%	Stock	Common	08/22/22	08/25/22	TBA
LPC	LFM Properties Corporation	60%	Stock	Common	TBA	TBA	TBA
VMC	Victorias Milling Company, Inc.	100%	Stock	Common	TBA	TBA	TBA
UBP	Union Bank of the Philippines	27%	Stock	Common	TBA	TBA	TBA
CEI	Crown Equities, Inc.	10%	Stock	Common	TBA	TBA	TBA
SBS	SBS Philippines Corporation	22%	Stock	Common	TBA	TBA	TBA
CDC	Cityland Development Corporation	2.5%	Stock	Common	07/03/23	TBA	TBA
LAND	City & Land Developers, Incorporated	5%	Stock	Common	07/10/23	TBA	TBA
AUB	Asia United Bank Corporation	50%	Stock	Common	TBA	TBA	TBA

Note: AC  
Scripless shareholders will have a moving payment date for their property dividends

## 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
PBB	Philippine Business Bank	Php10.00	1:4.6428	50,000,000	03/07/2023	03/10/2023	03/17/2023	TBA

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