

Market Commentary

➔ **The View:** The PSEi gained 91.10 points or 1.48% and closed at 6,262.94 yesterday. The benchmark index climbed to the 6,200-level as investors continued to pick up bargains and shrugged of hawkish comments from both the Bangko Sentral ng Pilipinas (BSP) and some US Federal Reserve (Fed) officials. In the US, the 3 main indices experienced sharp declines. The Dow went down by 1.14%, while the S&P500 and the Nasdaq Composite slid by 1.47% and 1.57%, respectively. A fresh batch of economic data disappointed market watchers. Both new home sales and consumer confidence August data missed expectations. Prospects of persistent inflation and higher borrowing costs continued to dampen market sentiment. September is living up to its historical narrative of being the weakest month for markets. The Nasdaq Composite is down by 7% so far, while the S&P500 and the Dow are off by 5.2% and 3.2%, respectively. European markets also continued its negative streak yesterday led by tech stocks. With the Fed signaling one more rate hike this year and the European Central Bank (ECB) and the Bank of England both posturing to pause, the euro and the British pound touched 6-month lows against the US dollar. Meanwhile, Asia-Pacific markets ended mixed yesterday. Hong Kong's Hang Seng and South Korea's Kospi declined by 1.65% and 0.49%, respectively, while Japan's Nikkei and Australia's ASX200 went up by 0.85% and 0.11%. In the local bourse, sectors were green across the board. Property (+1.61%), Financial (+1.60%), and Holding Firms (+1.54%) had the biggest gains. In the main index, newcomer BLOOM (+4.06%), along with SCC (+2.00%) and MONDE (+1.97%) led Tuesday's 15 gainers. On the flip side, AGI (-2.60%), TEL (-2.19%), and ICT (-2.16%) were the worst performers among 11 laggards. The market's total turnover value ended at PHP35.16 billion, while total net foreign activity amounted to PHP21.92 billion. The spike was mainly due to the PHP28-billion block sale cross of MPI shares. A trading suspension on MPI shares has been imposed due to it falling below the minimum public ownership requirement. The company looks to execute its plan to delist from the PSE. Net foreign selling amounted to PHP15.20 billion yesterday. The Philippine Peso almost depreciated to the PHP57-level against the US dollar after an intraday weakest of PHP56.98. It ended at PHP56.955, coming from PHP56.785 last Monday. Extra liquidity from MPI's tender offer process may have caused investors to take advantage of bargains. However, the hawkish comments from the BSP and the Fed are likely to take its toll and could prevent any significant rally to the 6,400-level.

Stock Picks

Stock	Date	Initial Price	Current Price	Return since Recommendation	
				Stock	PSEi
TEL	3/13/20	1,029.00	1,180.00	14.67%	8.11%
CNPF	3/13/20	13.10	29.30	123.66%	8.11%
FGEN	9/23/20	24.80	18.58	-25.08%	6.30%
AP	9/23/20	25.55	33.00	29.16%	6.30%
BDO	11/17/20	92.60	135.80	46.65%	-9.46%
BPI	11/17/20	83.00	110.50	33.13%	-9.46%
MBT	11/17/20	44.35	53.10	19.73%	-9.46%
SECB	11/17/20	103.90	77.50	-25.41%	-9.46%
CNVRG	6/13/22	22.50	9.20	-59.11%	-3.14%
ALI	6/13/22	30.05	29.50	-1.83%	-3.14%
SGP	6/13/22	12.06	8.16	-32.34%	-3.14%
Ave. Return				11.20%	-1.67%

PSEI INTRADAY



INDICES

Index	Prev	Last	% Chg
PSEi	6,172.84	6,263.94	1.48%
All Shares	3,325.15	3,361.38	1.09%
Financial	1,794.52	1,823.31	1.60%
Industrial	8,824.15	8,923.01	1.12%
Holding Firms	5,861.86	5,952.13	1.54%
Property	2,565.98	2,607.22	1.61%
Services	1,491.93	1,498.05	0.41%
Mining & Oil	10,384.79	10,445.83	0.59%

TOP 10

BLOOM	4.06%	AGI	-2.60%
SCC	2.00%	TEL	-2.19%
MONDE	1.97%	ICT	-2.16%
DMC	1.18%	SM	-2.03%
EMI	1.11%	AC	-1.87%
URC	1.04%	SMPH	-1.22%
LTG	1.00%	MBT	-1.08%
GTCAP	0.83%	WLCON	-1.07%
UBP	0.55%	BPI	-0.96%
MER	0.43%	ALI	-0.54%

BOTTOM 10

MARKET DATA

Market Volume	6,411,562,499
Market Turnover (Value)	35,164,840,372
Foreign Buying	3,360,884,160
Foreign Selling	18,557,750,750
Net Foreign Buy / (Sell)	(15,196,866,590)

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Economic Developments

- ➔ **S&P cuts Philippines 2023 growth to 5.2%.** S&P Global Ratings has reduced its 2023 GDP growth forecast for the Philippines to 5.2%, down from the original target of 5.9%. This downgrade is attributed to several factors, including the slowing global economy, the delayed impact of rate hikes by the Bangko Sentral ng Pilipinas (BSP), and the effects of El Niño. Despite this adjustment, the Philippines is still expected to be the second-fastest-growing economy in the Asia-Pacific region, following India's projected growth of 6%. S&P raised its GDP growth forecast for the Philippines to 6.1% for 2024 but lowered it to 6.2% for 2025. In terms of inflation, S&P anticipates headline inflation in the Philippines to reach 5.8% for 2023 before easing to 3.2% in 2024 and 2025. The high US interest rates are expected to exert pressure on regional currencies, and rising oil and food prices may impact external deficit trends in Asian economies, including the Philippines. S&P expects the BSP to implement another 25-basis point rate hike in 2023, bringing the reverse repurchase rate to 6.50%. However, it also anticipates the BSP to cut interest rates by a total of 75-bps to 5.75% in 2024 and by 175-bps to 4% by 2025. (*Philstar*)
- ➔ **USDA downgrades PH rice production forecast.** The US Department of Agriculture (USDA) has lowered its forecast for Philippine rice production for the 2023-2024 market year due to crop damage caused by multiple typhoons. The USDA's Foreign Agricultural Service (FAS) now estimates milled rice production at 12.55 million metric tons (MT), down 0.4% from the previous forecast of 12.6 million MT. Typhoons such as Dodong (Talim), Egay (Doksuri), and Falcon (Khanun) have damaged rice-growing areas. The FAS also anticipates a decrease in rice imports due to high international prices and uncertainty introduced by price controls at the retail level, with imports expected to decline to 3.5 million MT. Additionally, the FAS projects a decline in corn production to 8.2 million MT, influenced by recent typhoons and the presence of the fall armyworm. The situation is particularly severe in Ilagan, Isabela, a significant corn-producing region in the Philippines. Corn imports are expected to increase to 1 million MT during the market year to compensate for the domestic production shortfall. These developments reflect the challenges facing the Philippines' agricultural sector in the wake of adverse weather events and price controls. (*BusinessWorld*)
- ➔ **NFA announces new price-setting mechanism for purchases of palay.** The National Food Authority (NFA) in the Philippines has introduced a new system for determining the purchasing price of palay, or unmilled rice. The NFA has released an Equitable Net Weight Factor table, which assesses factors such as moisture levels, damage, and coloration to determine the buying price of palay. The NFA council recently set new price ranges for dry and wet palay, with the previous buying price being PHP16 per kilogram for wet palay and PHP19 per kilogram for dry palay. NFA Administrator Roderico R. Bioco stated that the agency has sufficient funding to purchase domestically grown palay and maintain a buffer stock of rice. (*BusinessWorld*)

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Economic Developments

- ➔ **Fuel surcharge for airlines to remain unchanged in October.** The Civil Aeronautics Board (CAB) in the Philippines has announced that the airline passenger and cargo fuel surcharge will remain unchanged for October. This surcharge applies to both domestic and international flights. The current surcharge falls under what the CAB refers to as Level 6, with varying rates for domestic and international flights. Airlines are allowed to collect fuel surcharges based on a matrix approved by the CAB, which is adjusted according to changes in jet fuel prices. The applicable conversion rate for October is set at PHP56.61 per dollar. In September, the CAB increased the passenger and cargo fuel surcharge rate to Level 6 after maintaining it at Level 4 for three months. (*BusinessWorld*)
- ➔ **11-week oil price hike streak ends but increases still possible until December.** Oil companies in the Philippines have announced a reduction in pump prices after more than two months of continuous increases. Gasoline and diesel prices will each be lowered by PHP0.20 per liter, while kerosene prices will be cut by PHP0.50 per liter. Despite the relatively small rollback, motorists have welcomed the respite from weeks of price increases. These increases were triggered by global production cuts implemented by the Organization of the Petroleum Exporting Countries (OPEC). The Department of Energy expects that international crude oil prices will remain at around \$90 per barrel until the end of the year due to OPEC+ production cut policies. There have been proposals to suspend fuel excise taxes for 3 months to mitigate the impact of soaring fuel prices, but the Finance Secretary warned that this could harm the economy and government finances. (*BusinessMirror*)

Corporate Developments

- ➔ **First Gen Corporation (FGEN). FGEN's Energy Development Corp.** (EDC) is setting aside a PHP60-billion fund to cover the cost of drilling 40 new geothermal wells and improve the performance of existing wells. EDC currently has over 1,484.13 megawatts (MW) of total installed capacity, representing 20 percent of the Philippines' total installed renewable energy capacity. Its 1,189.34-MW geothermal portfolio accounts for 62% of the country's total installed geothermal capacity, making the Philippines the third-largest geothermal producer globally. EDC's Vice Chairman, Francis Giles Puno, explained that the company plans to enhance its geothermal capacity over the next three years by drilling new wells, primarily in Leyte and Mt. Apo. The PHP60-billion investment will support drilling operations and the completion of the wells, ensuring the sustainability of EDC's geothermal operations. (*BusinessMirror*)
- ➔ **Holcim Philippines Inc. (HLCM).** HLCM is set to delist from the PSE after complying with all relevant regulations and conducting a tender offer to acquire the remaining shares held by minority shareholders. The delisting is scheduled for November 27. The company stated that it has met all the conditions outlined in PSE Memorandum CN No. 2020-0104, the amended Voluntary Delisting Rules. Holderfin, B.V., one of HLCM's major shareholders, acquired 594.95 million common shares of the company from Sumitomo Osaka Cement Co., Ltd., reducing the minimum public float to 5.05%. A voluntary tender offer was then conducted by Holderfin, resulting in the acquisition of approximately 3.62 percent of the company's issued and outstanding common shares. As of September 6, Holderfin and its affiliates own about 98.58% of HLCM's issued and outstanding common shares. (*HLCM Disclosure*)

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Overseas Developments

➔ Fed's Neel Kashkari sees 40% chance of 'meaningfully higher' interest rates.

Minneapolis Federal Reserve President Neel Kashkari believes there is almost a 50% chance that interest rates will need to rise significantly to combat inflation. He argued that the U.S. economy may be heading toward a "high-pressure equilibrium," characterized by continued growth with strong consumer spending and an inflation rate that falls but remains above the Fed's 2% target. Kashkari noted that most of the disinflationary gains observed so far have been due to supply-side factors, such as workers reentering the labor force and supply chains resolving, rather than monetary policy restraining demand. He assigned a 40% probability to the scenario of significantly higher interest rates in the future. While Kashkari still sees a 60% chance of the Fed achieving its "soft-landing" goal, with inflation returning to the target without a harmful recession, his comments reflect a more hawkish stance in recent months due to concerns about persistent inflationary pressures. Other Fed officials have also indicated their willingness to keep interest rates elevated for an extended period. The shift in Kashkari's stance comes as he worries about dynamics that are keeping inflation above the target and raises the possibility of a higher neutral rate of interest in the current economic environment, necessitating tighter monetary policy. (*BusinessWorld*)

➔ Jamie Dimon says India optimism is 'completely justified'.

JPMorgan Chase Chairman and CEO Jamie Dimon expressed strong optimism about India, stating that the positive sentiment toward the country is completely justified. He highlighted India's increasing prominence on the global economic stage, noting that the country has become a key focus for investors looking to diversify away from China. Dimon praised Indian Prime Minister Narendra Modi's efforts to improve the business climate by simplifying taxes, encouraging foreign investment, and facilitating access to bank accounts for Indian citizens. He also mentioned that JPMorgan has significantly increased its employee numbers in India over the years. India's economic potential and growing population have drawn attention from global investors, with the NIFTY 50 benchmark Indian stock market index showing strong performance. India's population is projected to make it the world's third-largest economy by 2030 and possibly the second-largest by 2075, according to various forecasts. Dimon emphasized that the optimism about India is not solely driven by concerns about China but is based on India's own attractiveness as an investment destination and its ongoing economic reforms. (*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
SLF	Sun Life Financial Inc.	CAD 0.75	Cash	Common	08/29/23	08/30/23	09/29/23
ALCO	Arthaland Corporation	Php1.7319	Cash	Common	09/01/23	09/04/23	09/28/23
CREIT	Citicore Energy REIT Corp.	Php0.049	Cash	Common	09/08/23	09/09/23	10/04/23
AUB	Asia United Bank Corporation	Php1.00	Cash	Common	09/11/23	09/12/23	09/28/23
BDO	BDO Unibank, Inc.	Php0.75	Cash	Common	09/11/23	09/12/23	09/29/23
ALLDY	AllDay Marts, Inc.	Php0.0026	Cash	Common	09/11/23	09/12/23	10/04/23
PRF4A	Petron Corporation	Php16.76975	Cash	Preferred	09/13/23	09/14/23	10/09/23
PRF4B	Petron Corporation	Php16.99300	Cash	Preferred	09/13/23	09/14/23	10/09/23
PRF4C	Petron Corporation	Php17.71525	Cash	Preferred	09/13/23	09/14/23	10/09/23
SMC2K	San Miguel Corporation	Php0.84375	Cash	Preferred	09/20/23	09/21/23	10/05/23
SMC2J	San Miguel Corporation	Php0.890625	Cash	Preferred	09/20/23	09/21/23	10/05/23
SMC2F	San Miguel Corporation	Php1.27635	Cash	Preferred	09/20/23	09/21/23	10/05/23
SMC2I	San Miguel Corporation	Php1.18790625	Cash	Preferred	09/20/23	09/21/23	10/05/23
PREIT	Premiere Island Power REIT Corporation	Php0.0359	Cash	Common	09/22/23	09/23/23	09/29/23
MWPS	Megawide Construction Corporation	Php1.97605	Cash	Preferred	09/25/23	09/26/23	10/17/23
CPG	Century Properties Group, Inc.	Php0.006055	Cash	Common	09/28/23	09/29/23	10/13/23
DDPR	DoubleDragon Corporation	Php2.42125	Cash	Preferred	09/28/23	09/29/23	10/16/23
LPZ	Lopez Holdings Corporation	Php0.10	Cash	Common	09/28/23	09/29/23	10/25/23
FEU	Far Eastern University, Inc.	Php16.00	Cash	Common	10/02/23	10/03/23	10/18/23
JFPCA	Jollibee Foods Corporation	Php8.20525	Cash	Preferred	10/03/23	10/04/23	10/16/23
JFCPB	Jollibee Foods Corporation	Php10.60125	Cash	Preferred	10/03/23	10/04/23	10/16/23
GTPPA	GT Capital Holdings, Inc.	Php11.57475	Cash	Preferred	10/04/23	10/05/23	10/27/23
GTPPB	GT Capital Holdings, Inc.	Php12.73725	Cash	Preferred	10/04/23	10/05/23	10/27/23
SMC	San Miguel Corporation	Php0.35	Cash	Common	10/05/23	10/06/23	10/27/23
MWP4	Megawide Construction Corporation	Php1.325	Cash	Preferred	10/09/23	10/10/23	10/30/23
8990B	8990 Holdings, Inc.	Php1.375	Cash	Preferred	10/24/23	10/25/23	11/10/23
BRNP Series A	A Brown Company, Inc.	Php1.75	Cash	Preferred	10/30/23	10/31/23	11/29/23
TCB2A	Cirtek Holdings Philippines Corporation	US\$0.0228125	Cash	Preferred	11/23/23	11/24/23	12/11/23
TCB2C	Cirtek Holdings Philippines Corporation	Php0.8233	Cash	Preferred	11/28/23	11/29/23	12/14/23
TCB2D	Cirtek Holdings Philippines Corporation	Php0.968825	Cash	Preferred	11/28/23	11/29/23	12/14/23
TCB2B	Cirtek Holdings Philippines Corporation	US\$0.025	Cash	Preferred	11/30/23	12/01/23	12/18/23
8990B	8990 Holdings, Inc.	Php1.375	Cash	Preferred	01/26/24	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
MACAY	Macay Holdings, Inc.	0.936 common share of ARC for every 1 common share of MACAY	Property	Common	10/20/23	10/23/23	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
MFIN	Makati Finance Corporation	0.9944770554%	Stock	Common	08/18/23	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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