



Market Commentary

➔ **The View:** The PSEi inched up by 14.78 points or 0.24% and closed at 6,054.50 yesterday. The benchmark index snapped a 5-day decline on bargain hunting and as market sentiment improved slightly following the strong start to the US earnings season. In the US, the 3 main indices closed lower. The Dow lost 0.32%, while the S&P500 and the Nasdaq Composite posted 1.43% and 2.43% contractions, respectively. The latter two were heavily pulled down by the tumble of Alphabet's stock price due to its cloud business missing estimates. Apple and Amazon also went down. Other tech firms, IBM and Meta, are slated to share their earnings this Thursday (US time). While corporate earnings are starting to take center stage, investors continue to be concerned about bond yields which remain high, despite being removed from the 5% level. Meanwhile, European indices mostly increased as investors digested a fresh batch of corporate earnings. Deutsche Bank led the gainers after convincingly beating estimates. They are also keeping an eye on the results of the European Central Bank (ECB) meeting this week. The majority expects the ECB to keep policy rates at current levels. In the Asia-Pacific, most stock indices recovered from previous downfalls. Japan's Nikkei and Hong Kong's Hang Seng led the gains in the region with 0.67% and 0.55%, respectively. The former's composite purchasing managers' index (PMI) for October stood at 49.9, its first contraction since December 2022. South Korea's Kospi fell by 0.85% as the country's producer price index (PPI) grew at a faster pace of 1.3% in September compared to the 1% in August. In the local bourse, sectors had mixed results. Financial (+0.66%) had the biggest advance, while Services (-0.43%) contracted the most. In the main index, ACEN (+3.55%), GTCAP (+3.26%), and MBT (+2.97%) were the top performers among Wednesday's 12 gainers. On the other hand, WLCON (-8.41%), CNPF (-4.70%), and PGOLD (-2.11%) had the biggest losses among 13 laggards. The market's total turnover value rose by 41% to PHP3.63 billion, while total foreign activity went up by 62% to PHP4.12 billion. The 5-day net sell streak was cut short as foreigners posted a net buy of PHP20.08 million. The Philippine Peso weakened by 9 cents against the US dollar and ended at PHP56.85. Despite the small respite, risk-off sentiment is likely to continue as fixed-income instruments like bonds continue to be preferred by most investors while interest rates remain elevated. Inflationary pressures from increasing prices of commodities are also expected to keep equities from making a significant rally in the short-term.

PSEI INTRADAY



INDICES

Index	Prev	Last	% Chg
PSEi	6,088.44	6,039.72	-0.80%
All Shares	3,303.06	3,284.69	-0.56%
Financial	1,718.63	1,712.20	-0.37%
Industrial	8,664.20	8,638.32	-0.30%
Holding Firms	5,828.77	5,782.40	-0.80%
Property	2,594.51	2,572.41	-0.85%
Services	1,497.03	1,477.22	-1.32%
Mining & Oil	10,028.37	9,950.73	-0.77%

TOP 10

ALI
BDO
CNPF
JFC
URC
SM
NIKEL
AEV
LTG
EMI

0.89%
0.79%
0.70%
0.48%
0.00%
0.00%
0.00%
-0.21%
-0.23%
-0.24%

BOTTOM 10

JGS
CNVRG
WLCON
SMPH
PGOLD
AGI
SMC
BPI
GTCAP
ICT

-3.40%
-3.04%
-2.73%
-2.27%
-1.90%
-1.72%
-1.71%
-1.57%
-1.56%
-1.46%

Stock Picks

Stock	Date	Initial Price	Current Price	Return since Recommendation	
				Stock	PSEi
TEL	3/13/20	1,029.00	1,204.00	17.01%	4.24%
CNPF	3/13/20	13.10	28.75	119.47%	4.24%
FGEN	9/23/20	24.80	18.02	-27.34%	2.49%
AP	9/23/20	25.55	36.00	40.90%	2.49%
BDO	11/17/20	92.60	127.40	37.58%	-12.70%
BPI	11/17/20	83.00	100.60	21.20%	-12.70%
MBT	11/17/20	44.35	52.15	17.59%	-12.70%
SECB	11/17/20	103.90	76.70	-26.18%	-12.70%
CNVRG	6/13/22	22.50	8.61	-61.73%	-6.61%
ALI	6/13/22	30.05	28.40	-5.49%	-6.61%
SGP	6/13/22	12.06	7.57	-37.23%	-6.61%
Ave. Return				8.71%	-5.19%

MARKET DATA

Market Volume	275,902,063
Market Turnover (Value)	2,570,275,512
Foreign Buying	959,310,721
Foreign Selling	1,592,649,929
Net Foreign Buy / (Sell)	(633,339,208)

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Economic Developments

- ➔ **PH budget deficit widened to PHP250.9 billion in September.** In September, the Marcos administration in the Philippines saw a larger budget deficit as state revenues declined, though the government remains within its deficit limit. The budget deficit expanded by 39.60% year-on-year to PHP250.9 billion, with revenue falling by 11.57% year-on-year in September to PHP255.4 billion. This drop was largely attributed to lower collections by the Bureau of Internal Revenue (BIR) and Bureau of Customs, primarily caused by weakened consumption due to high inflation, which impacted tax revenue. Despite the widening deficit in September, the government is still within its deficit ceiling. For the first nine months of the year, the fiscal gap reached PHP983.5 billion, representing 66% of the government's PHP1.5-trillion deficit ceiling. While expenditure slightly missed their targets, revenues outperformed, with disbursements reaching PHP3.82 trillion and receipts totaling PHP2.84 trillion. Government spending increased in September, particularly in support of key health and social welfare programs, as fiscal authorities aimed to boost GDP growth. Despite the fiscal deficit, the government's overall fiscal performance remains relatively sound. *(Inquirer)*
- ➔ **BoI sees PHP1-trillion investment approvals by end-October.** The Board of Investments (BoI) in the Philippines expects investment approvals to reach PHP1 trillion by the end of October, surpassing their initial target of PHP1 trillion for the year. This goal was increased to PHP1.5 trillion in the first quarter of the year due to a strong influx of investments, particularly in the renewable energy (RE) sector. RE projects have been a significant part of the approved investments, with an estimated value of over \$17 billion. The government's announcement of allowing 100% foreign ownership in RE projects has attracted substantial investment in this sector. While there is optimism in achieving the PHP1.5 trillion target for the year, the composition of these investments, mainly in the RE category and foreign investments, will play a crucial role. Trade Secretary Alfredo E. Pascual emphasized that most of the approved projects fall under the RE category, and he expects that more than 50% of the investments registered with the BoI will be in the RE sector. Additionally, two Chinese manufacturers are planning to invest around \$4 billion to supply offshore wind equipment, and the government remains hopeful that these investments will contribute to the target as well. Despite the strong investment inflow, the government aims to diversify the composition of these investments to ensure a robust and sustainable economic future for the Philippines. *(BusinessWorld)*

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Economic Developments

➔ **DTI pursuing tie-ups in EV, energy-efficient ships.** The Department of Trade and Industry (DTI) in the Philippines is planning to boost its involvement in electric vehicle (EV) technology and energy-efficient ships. Trade Secretary Alfredo E. Pascual stated that the country aims to enter the global EV value chain, leveraging its significant reserves of key minerals such as nickel, copper, and cobalt. The Philippines intends to seek foreign EV technology transfer, enabling activities like assembling pure EVs, plug-in hybrid EVs, hybrid EVs, and fuel cell EVs. The country also plans to manufacture EV parts and systems and develop support infrastructure, including charging stations. To minimize the carbon footprint and maximize economic value from expanding EV operations, the DTI will encourage investment in green metals processing. In addition to EV technology, the DTI is welcoming financing and partnership proposals for the construction of energy-efficient ships, which is expected to lead to related ventures in maritime equipment manufacturing. The DTI will leverage free trade agreements and preferential tariffs to ensure that these products have broad market access. The Philippines recently concluded negotiations for its participation in the Indo-Pacific Economic Framework Agreement on Supply Chain Resilience, involving 14 countries, which will facilitate sustainable investment, highlight the Philippines as a reliable supplier of manufactured goods, and strengthen supply chains. (*BusinessWorld*)

Corporate Developments

➔ **BDO Unibank, Inc. (BDO).** BDO reported a net income of PHP53.9 billion in the first nine months of the year, indicating a strong performance that could surpass the record profit of PHP57.1 billion in 2022. The bank cited nearly 35% earnings growth from January to September, supported by broad-based expansion across its core business segments. BDO also highlighted the improvement in its return on common equity, growing from 12.4% to 15.1% during the same period in the previous year, and mentioned its readiness to capitalize on opportunities despite challenges related to elevated inflation and macroeconomic conditions. Core net interest earnings increased by 27% to PHP137.4 billion during the nine-month period, while consumer loans expanded by 7.5% to PHP2.7 trillion, and deposits grew by 12% to PHP3.4 trillion. Non-interest income rose by 8.8% to PHP53.2 billion, driven by fee-based and treasury/foreign exchange-related gains. BDO reported that its non-performing loan (NPL) ratio declined to 1.99%, down from 2.23% the previous year, despite elevated interest rates. The bank also noted improvements in common equity, capital adequacy ratio, and common equity tier 1 (CET1) ratio, all above regulatory requirements. In addition, former Senator Franklin M. Drilon was elected to BDO's board as an independent director, and Ramon Vicente del Villar de Vera II, co-founder and former CEO of Union Digital Bank, joined BDO as senior vice president. (*BDO Disclosure*)

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Corporate Developments

➔ **Concepcion Industrial Corporation (CIC)**. CIC reported strong results for the third quarter. The company's net sales exceeded pre-pandemic levels, with a remarkable 22% growth, reaching PHP3.6 billion. Earnings for the quarter quadrupled to PHP139 million compared to the same period last year, attributed to sustained sales growth, improved operational efficiency, and lower foreign currency losses. CIC's consumer business generated PHP2.3 billion in net sales, marking a 6% increase year over year. Notably, air conditioning product sales, which constitute 46% of the consumer business, grew by 19%. Meanwhile, the commercial business posted robust performance with sales at PHP1.3 billion, reflecting a 63% increase year over year. The company's consolidated earnings for the first nine months of the year amounted to PHP489.3 million, signifying a 64% growth compared to the previous year. Overall, CIC's impressive performance in the last two quarters contributed to a 12% growth in sales for the first nine months of the year, totaling PHP10.9 billion. *(CIC Disclosure)*

Other Developments

➔ **Japan's 10-year yield hits new decade high on BOJ tweak speculation**. On Wednesday, Japan's 10-year government bond (JGB) yield surged to a new decade-high, reaching 0.865%, its highest level since July 2013. The spike in global interest rates has intensified speculation that the Bank of Japan (BOJ) might increase the cap for the benchmark yield at its upcoming policy meeting. The move to raise the yield ceiling implies a shift in the BOJ's stance regarding yield curve control (YCC). It suggests that the central bank may be reducing its bond-buying efforts, which is a departure from the previous approach under Governor Haruhiko Kuroda, who engaged in aggressive bond purchases to contain high yields. The BOJ has conducted unscheduled bond-buying operations recently but has not made substantial efforts to restrain yields based on the amounts they offer to buy. The central bank employs YCC to guide the 10-year yield to around 0 percent to support the economy. In July, it raised the de-facto cap on the yield from 0.5 percent to 1 percent to allow long-term rates to rise further, reflecting rising inflation. While the 10-year yield rose to a decade-high, yields on other JGB tenors fell following a successful liquidity-enhancing auction, with the 20-year JGB yield slipping 1.5 basis points to 1.630% and the 30-year JGB yield dropping 2.5 basis points to 1.830%. The two-year JGB yield fell by 0.5 basis points to 0.070%. *(Reuters)*

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Other Developments

- ➔ **Hong Kong slashes stamp duties, easing property curbs for the first time in over 10 years.** Hong Kong is reducing stamp duties for property buyers and levies on stock trades to boost its real estate and economic sectors. This marks the first time the "spicy policies" (stamp duties) have been relaxed since their introduction in 2010 to cool property prices. The decision comes as Hong Kong's property prices have been falling amid rising interest rates, weak economic growth, and declining residential transactions. The measures include halving the stamp duty for non-permanent residents buying property and reducing the special stamp duty on transactions involving properties held for less than two years. Stamp duties on property purchases will be suspended for new foreign talent with permanent residency. Hong Kong Chief Executive John Lee also announced a reduction in the stamp duty on stock transactions from 0.13% to 0.1% to boost trading volumes in Hong Kong's stock market. These changes are part of broader plans to stimulate various sectors, including shipping, aviation, technology, arbitration, and exhibitions. While Hong Kong's economy is gradually recovering, ongoing challenges include lower retail sales, decreased visitor numbers, the impact of stringent COVID restrictions, and the effects of the National Security Act on its global image and reputation. Despite these challenges, Lee also mentioned plans to enact additional security laws by the end of 2024 to safeguard national security. (CNBC)
- ➔ **Saudi Arabia is working with partners to deescalate unrest in the region, minister says.** Saudi Finance Minister Mohammed al-Jadaan expressed concern over "recent events" in the Middle East, emphasizing the need for calm, wisdom, and collaboration to de-escalate the situation. While he did not explicitly mention the ongoing conflict, it's widely believed he was referring to the intensifying war between Israel and the Palestinian militant organization, Hamas, which erupted on October 7. This conflict has led to significant casualties and destruction in the Gaza Strip, prompting calls for a ceasefire from the United Nations and various countries. Saudi Arabia had been engaged in diplomatic talks, led by the United States, aimed at normalizing its relations with Israel, a step seen as potentially enhancing regional stability. However, the recent escalation of the Israeli-Palestinian conflict has complicated the path to normalization. Saudi Arabia now appears to be focused on achieving "sustainable peace" after the crisis subsides, with Saudi Crown Prince Mohammed bin Salman and U.S. President Joe Biden discussing this approach in their recent call. (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
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
VLL	Vista Land & Lifescapes, Inc.	Php0.062	Cash	Common	10/13/23	10/16/23	10/31/23
BKR	Bright Kindle Resources & Investments Inc.	Php0.0037	Cash	Common	10/13/23	10/16/23	TBA
SCC	Semirara Mining and Power Corporation	Php3.50	Special Cash	Common	10/20/23	10/23/23	11/08/23
DMC	DMCI Holdings, Inc.	Php0.72	Special Cash	Common	10/23/23	10/24/23	11/09/23
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	10/31/23	11/03/23	11/29/23
DDMPR	DDMP REIT, Inc.	Php0.0254766	Cash	Common	11/03/23	11/06/23	11/29/23
MWP2B	Megawide Construction Corporation	Php1.4375	Cash	Preferred	11/06/23	11/07/23	11/28/23
ASLAG	Raslag Corp.	Php0.05	Cash	Common	11/06/23	11/07/23	11/29/23
PSB	Philippine Savings Bank	Php0.75	Cash	Common	11/07/23	11/08/23	11/20/23
FRUIT	Fruitas Holdings, Inc.	Php0.01	Cash	Common	11/07/23	11/08/23	11/29/23
HTI	Haus Talk, Inc.	Php0.01	Cash	Common	11/07/23	11/08/23	12/08/23
SECB	Security Bank Corporation	Php1.50	Cash	Common	11/09/23	11/10/23	11/24/23
EURO	Euro-Med Laboratories Phil., Inc.	Php0.035	Cash	Common	11/09/23	11/10/23	11/27/23
ALI	Ayala Land, Inc.	Php0.2231	Cash	Common	11/10/23	11/13/23	11/24/23
LFM	Liberty Flour Mills, Inc.	Php0.20	Cash	Common	11/14/23	11/15/23	12/06/23
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	Greenery Holdings Incorporated	0.0561786222 share of ANI for every 1 share of the company	Property	Common	06/27/22	06/30/22	TBA
BKR	Bright Kindle Resources & Investments Inc.	(1) BHDI share for every three (3) common BKR shares	Property	Common	10/13/23	10/16/23	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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