



Market Commentary



➔ The PSEi rose by 57.61 points or 0.93% week-on-week and finished last week at 6,269.50. The benchmark index posted its 4th straight winning week as market optimism continued and the local currency strengthened further. The Philippine Peso appreciated to PHP55.38 from PHP55.67 against the US dollar. Net foreign buying amounted to PHP998.27 million. Sectors were mostly up led by Services (+2.29%). Holding Firms (-0.58%) and Financial (-0.28%) declined. SSP (+13.90%) and PX (+9.96%) had the best week, while ION (-8.47%) and EW (-6.56%) led the stock laggards. Some notable developments were the following:

- The resources of Philippine banks experienced substantial growth, reaching ₱24.7 trillion from January to September this year, an 8.7% increase compared to ₱22.72 trillion in the same period last year, according to the Bangko Sentral ng Pilipinas (BSP). Data revealed that the total resources of universal and commercial banks rose by 8.8% to ₱22.29 trillion from ₱19.76 trillion for the comparable period. Thrift or mid-sized banks' assets also increased by 9.5% to ₱1.07 trillion, while rural and cooperative banks' total resources inched up by 4.6% to ₱408 billion.
- In October, the Philippines experienced a significant annual increase of 18.6% in new vehicle sales, reaching 38,128 units, as reported by the Chamber of Automotive Manufacturers of the Philippines, Inc. (CAMPI) and the Truck Manufacturers Association (TMA). The sustained growth was attributed to aggressive marketing efforts, improved supply chains, and heightened consumer demand supported by easier access to credit. While the annual figures reflected a robust market, there was a slight 1.3% decline in sales compared to September, reaching 38,628 units, possibly influenced by concerns related to elevated inflation. Commercial vehicles accounted for 74% of the total sales in October, growing by 17.6% year-on-year to 28,041 units, and the passenger car segment also witnessed a significant annual rise of 21.6%, reaching 10,087 units. For the first ten months of the year, CAMPI-TMA members achieved sales of 352,971 units, indicating a robust 25.9% increase from the same period in the previous year.

INDICES

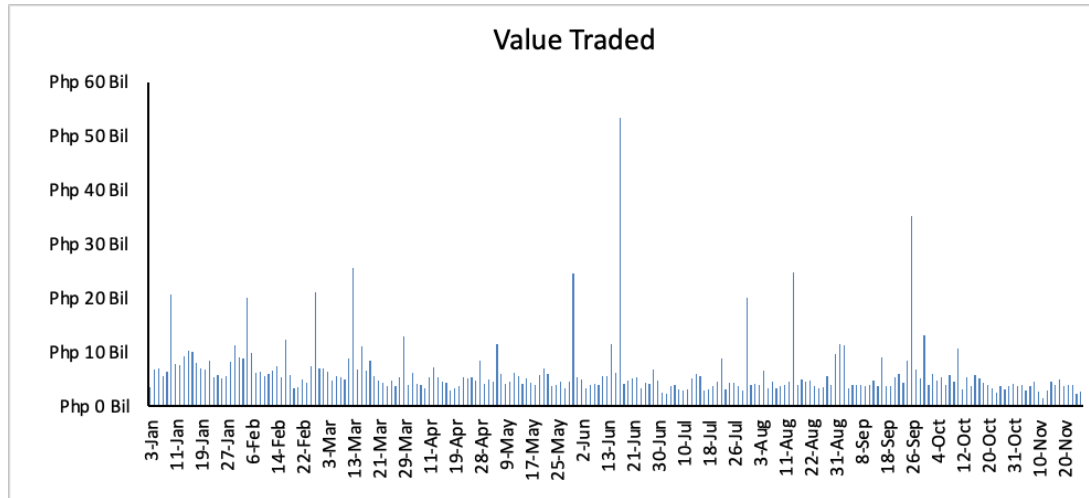
Index	Prev	Last	% Chg
PSEi	6,211.89	6,269.50	0.93%
All Shares	3,324.77	3,348.22	0.71%
Financial	1,750.56	1,745.72	-0.28%
Industrial	8,684.79	8,926.32	2.78%
Holding Firms	6,011.00	5,976.28	-0.58%
Property	2,657.28	2,689.88	1.23%
Services	1,487.16	1,521.29	2.29%
Mining & Oil	9,511.67	9,660.30	1.56%

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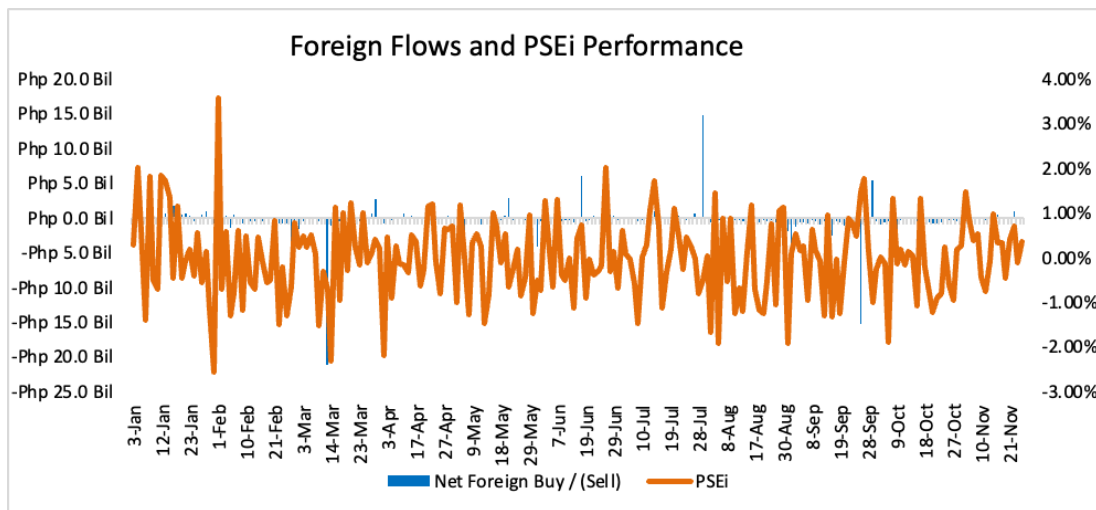
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- ➔ Market turnover averaged PHP3.33 billion last week, lower than the PHP3.52 billion in the week of November 13-17.



- ➔ Last week logged a net foreign buying of PHP998.27 million opposite the net foreign selling of PHP103.05 million in the previous week.

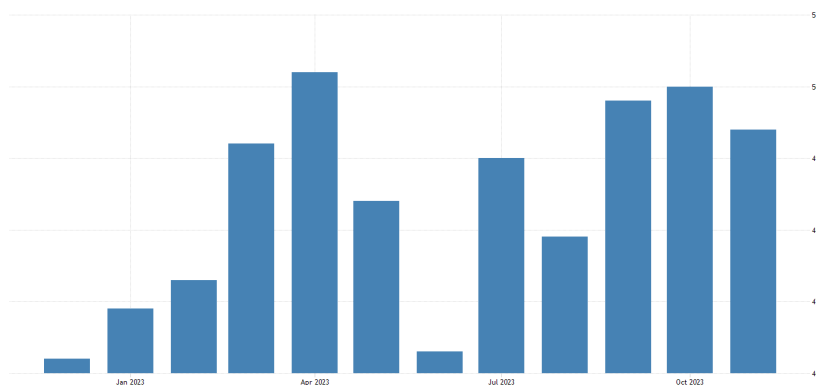


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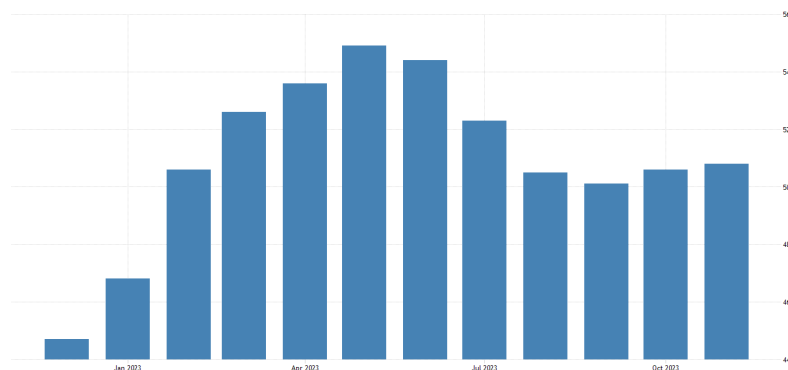
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Key Economic Figures



- ➔ **US Manufacturing PMI.** In November 2023, the S&P Global US Manufacturing PMI declined to 49.4 from October's 50, falling below the forecast 49.8, as indicated by preliminary estimates. This reading highlighted the most significant decrease in operating conditions at manufacturing firms in three months, marking a return to the period of contraction observed for much of the past year. Businesses continued to reduce their stocks of purchases and finished items amid supply chain improvements, relatively subdued demand conditions, and efforts to cut costs. The weak demand for input was reflected in a further contraction in purchasing activity, and manufacturers reported a continued improvement in vendor performance. *(S&P Global)*



- ➔ **US Services PMI.** In November 2023, the S&P Global US Services PMI rose to 50.8, marking the highest level in four months and surpassing market expectations of 50.4. This increase was driven by companies reporting growth in customer bases following successful marketing campaigns, leading to an expansion of new business for the first time in four months. However, the employment component moved into contractionary territory, indicating the first decline in headcounts since June 2020. Service providers also reported faster contractions in incomplete business, primarily due to a lack of pressure on operating capacity. Regarding prices, there was a quicker rise in overall selling prices, with the pace of charge inflation picking up from October's three-year low. However, expectations for the outlook of output over the next 12 months became less robust, dipping to their lowest level since July, as firms expressed concerns about tightening customer spending and lingering economic uncertainty. *(S&P Global)*

For the Week

TOP GAINERS		TOP LOSERS	
SSP	13.90%	ION	-8.47%
PX	9.96%	EW	-6.56%
TUGS	8.54%	MAXS	-5.33%
URC	8.32%	TECH	-5.03%
PNX4	6.43%	SHLPH	-4.16%
ABS	6.23%	MWIDE	-3.45%
MWC	6.12%	FLI	-3.45%
RRHI	5.97%	SECB	-3.31%
MONDE	5.56%	CLI	-3.11%
APX	5.28%	FNI	-2.89%
CNPF	4.83%	AGI	-2.86%
CHP	3.90%	SM	-2.46%
BLOOM	3.85%	SEVN	-2.44%
JFC	3.65%	DDPR	-2.44%
DD	3.64%	SHNG	-2.43%
LPC	3.64%	MEG	-2.42%
ICT	3.51%	LTG	-2.20%
SMC	3.29%	BPI	-1.99%
SSI	3.28%	AB	-1.96%
SMPH	3.17%	MER	-1.96%

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Market Outlook

What You Need to Know

- ➔ The PSEi stretched its week-on-week winning streak to four. It has gone up by 4.68% in the month of November and looks set to finish in the green this month. Positive economic developments continued in the form of increased auto sales in October and higher government revenues for the first 10 months of 2023. Cautious optimism from investors amidst continued worries over geopolitical conflicts, armed conflicts, along with inflation and interest rates hindered the PSEi's rise above the 6,300-level.
- ➔ The number of coronavirus cases in the Philippines increased to 4,123,920 as of November 24 from 4,122,658 last November 17. Active cases rose again to 3,226 from 3,093. There were 9 new deaths from COVID-19 recorded last week, and the total figure has gone up to 66,755. Number of recoveries increased to 4,053,939 from 4,052,819.
- ➔ In the US, key releases include PCE prices, personal income and spending, ISM Manufacturing PMI, and speeches from Fed officials. Global attention will turn to interest rate decisions in South Korea and New Zealand, along with ECB and BoJ speeches. Inflation rates are expected from major European countries and Australia. GDP growth rates will be disclosed for Turkey, India, Canada, and Switzerland. China will focus on Manufacturing and Services PMIs, and manufacturing PMIs will be released for South Korea, India, Russia, Italy, and Canada. Germany will unveil GfK consumer confidence and retail sales.
- ➔ For this week, the benchmark index could be more susceptible to some profit taking after another strong rally. Market activity grew more tepid last week which could be a signal for a weak foundation for further upticks should it remain so this week. Bangko Sentral ng Pilipinas (BSP) Governor Eli Remolona's recent hawkish comments about rates staying higher at least in the near-term may also weigh down on overall market sentiment. Investors are also likely to take cues from developments overseas this week, especially the release of the US personal consumption expenditure (PCE) data, the US Federal Reserve (Fed)'s preferred inflation gauge. On the flip side, window dressing could help mitigate big contractions in the market. The 6,300-resistance level remains strong, with the PSEi failing multiple times to break it last week.

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