

Market Commentary

➔ **The View:** The PSEi lost 186.09 points or 2.93% and finished last week at 6,158.48. The benchmark index extended its slump to an 8th consecutive session and fell to a 7-month low close. Strong selling at the run-off period pulled the PSEi down to the 6,100-level as the market remained wanting for strong catalysts that would provide signals as to when the US Federal Reserve (Fed) and the Bangko Sentral ng Pilipinas (BSP) will begin lowering their respective interest rates. In the US, the 3 major indices had small changes last Friday were all up week-on-week. The Dow had a modest gain of 0.04%, while the S&P500 and the Nasdaq Composite inched lower by 0.16% and 0.18%, respectively. The AI-fueled rally has been showing some signs of slowing down after recent weeks of strong upward momentum. The Dow had its best week since May, up by 1.45%. The S&P500 and the Nasdaq had more modest upticks week-on-week. Meanwhile, European markets ended in the red as investors continued to digest the Bank of England (BoE)'s decision to maintain policy rates, and assessed the UK retail sales increase of 2.9%, almost twice the expected 1.5%. The Stoxx600 went down by 0.73%, while the FTSE100 slid by 0.42%. In the Asia-Pacific, markets mostly closed lower as well. Hong Kong's Hang Seng led the declines in the region with 1.67%, followed by South Korea's Kospi with 0.83%. Japan's Nikkei posted a minor decline after the country's core inflation in May came in slightly lower than expectations, which casted doubts to the Bank of Japan's plan to increase interest rates. Australia's ASX200 bucked the trend with a 0.34% gain. In the local bourse, sectors experienced big losses led by Mining&Oil (-3.88%) and Services (-3.78%). In the PSEi, SCC (+1.08%), BLOOM (+1.00%), and EMI (+0.96%) were the top performers among 8 gainers. On the flip side, NIKL (-6.14%), MONDE (-5.66%), and ICT (-5.56%) had the biggest losses among 22 laggards. Market turnover surged to ₱8.26 billion, while net foreign selling ballooned to ₱1.34 billion. The Philippine Peso depreciated from ₱58.78 to ₱58.80 against the US dollar, its lowest level since October 2022. With the sharp downturn and the long slump of the local bourse, investors are likely to engage in bargain hunting ahead of the BSP's meeting on Thursday. The PSEi could make some headway back to at least the 6,300-level, but a strong and big rally is still unlikely until the Fed gives out more signals as to when it will begin its rate cuts. The BSP is expected to follow the Fed's lead after that.

PSEI INTRADAY



INDICES

Index	Prev	Last	% Chg
PSEi	6,344.56	6,158.48	-2.93%
All Shares	3,440.31	3,375.20	-1.89%
Financial	1,921.53	1,864.83	-2.95%
Industrial	8,939.10	8,775.35	-1.83%
Holding Firms	5,619.52	5,511.64	-1.92%
Property	2,426.32	2,357.56	-2.83%
Services	1,945.59	1,871.98	-3.78%
Mining & Oil	8,889.54	8,544.36	-3.88%

TOP 10

SCC	1.08%	NIKL	-6.14%
BLOOM	1.00%	MONDE	-5.66%
EMI	0.96%	ICT	-5.56%
ACEN	0.43%	JGS	-5.56%
PGOLD	0.40%	BPI	-5.18%
SMC	0.39%	TEL	-4.59%
WLCON	0.23%	ALI	-4.00%
AGI	0.22%	MER	-3.82%
LTG	-0.20%	SMPH	-3.56%
URC	-0.96%	AC	-3.34%

BOTTOM 10

Stock Picks

Stock	Date	Initial Price	Current Price	Return since Recommendation	
				Stock	PSEi
TEL	3/13/20	1,029.00	1,350.00	31.20%	6.29%
CNPF	3/13/20	13.10	32.05	144.66%	6.29%
FGEN	9/23/20	24.80	18.04	-27.26%	4.51%
AP	9/23/20	25.55	34.40	34.64%	4.51%
BDO	11/17/20	92.60	127.30	37.47%	-10.98%
BPI	11/17/20	83.00	109.80	32.29%	-10.98%
MBT	11/17/20	44.35	67.25	51.63%	-10.98%
SECB	11/17/20	103.90	66.15	-36.33%	-10.98%
CNVRG	6/13/22	22.50	10.60	-52.89%	-4.77%
ALI	6/13/22	30.05	26.40	-12.15%	-4.77%
SGP	6/13/22	12.06	9.89	-17.99%	-4.77%
Ave. Return				16.84%	-3.33%

MARKET DATA

Market Volume	632,741,893
Market Turnover (Value)	8,264,016,967
Foreign Buying	4,454,837,797
Foreign Selling	5,799,752,825
Net Foreign Buy / (Sell)	(1,344,915,028)

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Economic Developments

- ➔ **CAB slashes fuel surcharge for July flights.** The Civil Aeronautics Board (CAB) has announced a reduction in the airline fuel surcharge for July, which will lower airfare costs for both domestic and international flights. The surcharge will decrease to Level 5 for the period of July 1-31, down from Level 6 in June, marking the first reduction since March. Under Level 5, domestic passenger surcharges will range from ₱151 to ₱542, and international surcharges from ₱498.03 to ₱3,703.11. Airlines are required to file their applications to impose these surcharges within the specified period. This change is attributed to movements in jet fuel prices, as measured by the Mean of Platts Singapore (MOPS). AirAsia Philippines highlighted that the reduction to Level 5 will result in lower fees for passengers and pledged to continue offering competitive fares despite fuel price volatility. Local airlines also addressed the anticipated increase in sustainable aviation fuel (SAF) supply. Although SAF production is expected to triple to 1.9 billion liters in 2024, it will still only account for 0.53% of aviation's fuel needs. The Department of Energy (DoE) in the Philippines has formed a committee to create a SAF roadmap and align stakeholders' efforts towards increased SAF utilization. Major airlines like Cebu Pacific and Philippine Airlines (PAL) are preparing for future SAF use, with PAL aiming to operate SAF-powered flights to Singapore by 2026. Despite the anticipated increase, the high cost and limited supply of SAF remain significant challenges. AirAsia Philippines, targeting a SAF blend of 2% by 2025, continues to certify its aircraft for SAF use and plans for broader SAF adoption as supply increases and costs potentially decrease. *(BusinessWorld)*
- ➔ **Electronic fund transfers jump to ₱5.2 trillion in Jan-April period.** The value of electronic fund transfers through the PESONet and InstaPay platforms surged by 37% to reach ₱5.22 trillion in the first four months of the year, as Filipinos increasingly opt for digital financial transactions. According to the Bangko Sentral ng Pilipinas (BSP), the combined volume of these transactions soared nearly 70% to 420.4 million from January to April, up from 247.8 million in the same period last year. PESONet transactions grew by 32% to ₱3.12 trillion with a volume increase of 8.5% to 31.9 million, while InstaPay transactions jumped 45% to ₱2.1 trillion with a 78% surge in volume to 388.5 million. PESONet and InstaPay, automated clearing houses launched in December 2015 under the BSP's National Retail Payment System (NRPS), aim to create a safe, efficient, affordable, inclusive, and reliable retail payment system. PESONet supports high-value transactions, serving as an electronic alternative to checks, whereas InstaPay facilitates real-time, low-value transfers up to ₱50,000, ideal for remittances and e-commerce. In 2022, the combined value of these transactions rose by 29% to ₱12.86 trillion from ₱9.94 trillion in 2021, with a 47% increase in volume to 929.64 million. BSP Deputy Governor Mamerto Tangonan expressed confidence that the goal of digitizing 50% of retail transactions by the end of 2023 has been met, with final data expected in July. The share of online payments in total retail transactions grew to 42% in 2022 from 30% in 2021, a significant rise from just 1% in 2013. *(Philstar)*

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Corporate Developments

➔ **Aboitiz Power Corporation (AP)**. Two units of the SN Aboitiz Power Group (SNAP) have entered into an agreement with the Regional Development Council of the Cordillera Administrative Region (CAR) to execute energy-funded projects. SNAP-Benguet and SNAP-Magat signed a memorandum of agreement to initiate projects under the Energy department's Energy Regulation No. 1-94. This regulation ensures that communities hosting power plants receive a fair share of the profits from these operations. Specifically, the host community is entitled to a one-centavo share for every kilowatt-hour of the total electricity sales from the power generating company. This share is divided such that half supports community electrification, a quarter funds livelihood programs, and the remaining quarter is allocated for reforestation, watershed management, health, and environmental enhancement initiatives. SNAP, a joint venture between Norwegian company Scatec and AP, operates several hydroelectric power plants, including the 112.5-megawatt (MW) Ambuklao and 140-MW Binga plants in Benguet, and the 388-MW Magat plant on the border of Isabela and Ifugao. Additionally, SNAP owns and operates the 8.5-MW Maris hydro and the 24-MW Magat battery energy storage facility in Isabela. (*BusinessWorld*)

Other Developments

➔ **EU and China set for talks on planned electric vehicle tariffs**. China and the European Union have initiated discussions on the proposed imposition of tariffs on Chinese-made electric vehicles (EVs) imported into the European market. German Economy Minister Robert Habeck announced that concrete negotiations would commence following a consensus between Chinese Commerce Minister Wang Wentao and EU Commissioner Valdis Dombrovskis. This development marks a significant step towards resolving the issue that has been a point of contention in recent weeks. Habeck emphasized the need for ongoing dialogue and reiterated that while the EU is open to discussions, markets require a level playing field to function properly. The proposed EU tariffs, set to reach up to 38.1%, are scheduled for provisional application by July 4, with a final decision by November 2. These measures follow the EU's investigation into what it considers excessive subsidies granted to Chinese EV manufacturers. While China denies any unfair subsidies, it highlights that its EV industry's growth is due to technological and market advantages. Both sides acknowledge the potential negative impact of tariffs but remain committed to negotiations to avoid harmful trade barriers. Chinese carmaker SAIC Group has even responded creatively to the tariff threat, suggesting resilience and adaptability in the face of potential trade challenges. (*Reuters*)

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Other Developments

- ➔ **U.S. is closer to curbing investments in China's AI, tech sector.** The United States has introduced draft rules to restrict or require notification of certain investments in artificial intelligence (AI) and other technology sectors in China, aiming to protect U.S. national security. These rules follow President Joe Biden's executive order from August and target investments in semiconductors, microelectronics, quantum computing, and AI. They place the responsibility on U.S. individuals and companies to identify which transactions will be restricted or banned. The rules, set to be finalized by year-end after a public comment period, focus initially on China, Macao, and Hong Kong, with potential for expansion. The proposed rules would ban specific AI transactions and require notification for others. They include exceptions for publicly traded securities, limited partnership investments, pre-existing commitments, and certain syndicated debt financings. Violators could face criminal and civil penalties, including the unwinding of investments. The U.S. Treasury has been coordinating with allies, and both the European Commission and the United Kingdom are considering similar measures. The objective is to prevent U.S. investments from aiding China's technological advancement, particularly in ways that could enhance its military capabilities. *(Reuters)*

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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
BKR	Bright Kindle Resources & Investments Inc.	Php0.0037	Cash	Common	10/13/23	10/16/23	TBA
SLF	Sun Life Financial Inc.	C\$0.81	Cash	Common	05/28/24	05/29/24	06/28/24
EEIPA	EEL Corporation	Php1.441025	Cash	Preferred	05/31/24	06/03/24	06/24/24
EEIPB	EEL Corporation	Php1.73485	Cash	Preferred	05/31/24	06/03/24	06/24/24
PRF3A	Petron Corporation	Php17.17825	Cash	Preferred	05/31/24	06/03/24	06/25/24
PRF3B	Petron Corporation	Php17.84575	Cash	Preferred	05/31/24	06/03/24	06/25/24
ALCPC	Arthaland Corporation	Php1.7319	Cash	Preferred	05/31/24	06/03/24	06/27/24
VREIT	VistaREIT, Inc.	Php0.04132	Cash	Common	06/04/24	06/05/24	06/27/24
ALHI	Anchor Land Holdings, Inc.	Php0.04	Cash	Common	06/05/24	06/06/24	07/03/24
PPC	Pryce Corporation	Php0.20	Cash	Common	06/06/24	06/07/24	07/01/24
PMPC	Panasonic Manufacturing Philippines Corporation	Php0.329785	Cash	Common	06/07/24	06/10/24	06/25/24
BDO	BDO Unibank, Inc.	Php1.00	Cash	Common	06/10/24	06/11/24	06/28/24
PREIT	Premiere Island Power REIT Corporation	Php0.0326	Cash	Common	06/10/24	06/11/24	06/28/24
PRF4A	Petron Corporation	Php16.76975	Cash	Preferred	06/11/24	06/13/24	07/08/24
PRF4B	Petron Corporation	Php16.99300	Cash	Preferred	06/11/24	06/13/24	07/08/24
PRF4C	Petron Corporation	Php17.71525	Cash	Preferred	06/11/24	06/13/24	07/08/24
CREIT	Citicore Energy REIT Corp.	Php0.049	Cash	Common	06/11/24	06/13/24	07/09/24
LPZ	Lopez Holdings Corporation	Php0.10	Cash	Common	06/13/24	06/14/24	06/28/24
ACR	Alsons Consolidated Resources, Inc.	Php0.02	Cash	Common	06/14/24	06/18/24	07/04/24
FGEN	First Gen Corporation	Php0.45	Cash	Common	06/14/24	06/18/24	07/09/24
LFM	Liberty Flour Mills, Inc.	Php0.30	Cash	Common	06/18/24	06/19/24	07/12/24
DNL	D&L Industries, Inc.	Php0.161	Cash	Common	06/18/24	06/19/24	07/03/24
DNL	D&L Industries, Inc.	Php0.048	Special Cash	Common	06/18/24	06/19/24	07/03/24
BNCOM	Bank of Commerce	Php0.2512	Cash	Common	06/18/24	06/19/24	07/15/24
OPM	Oriental Petroleum and Minerals Corporation	Php0.0005	Cash	Common	06/20/24	06/21/24	07/12/24
CDC	Cityland Development Corporation	Php0.0477	Cash	Common	06/20/24	06/21/24	07/17/24
LAND	City & Land Developers, Incorporated	Php0.0338	Cash	Common	06/27/24	06/28/24	07/24/24
SMC	San Miguel Corporation	Php0.35	Cash	Common	06/27/24	06/28/24	07/26/24
CLIA1	Cebu Landmasters, Inc.	Php18.9625	Cash	Preferred	07/01/24	07/02/24	07/12/24
CLIA2	Cebu Landmasters, Inc.	Php20.625	Cash	Preferred	07/01/24	07/02/24	07/12/24
JFCPA	Jollibee Foods Corporation	Php8.20525	Cash	Preferred	07/01/24	07/02/24	07/15/24
JFCPB	Jollibee Foods Corporation	Php10.60125	Cash	Preferred	07/01/24	07/02/24	07/15/24
MWPS	Megawide Construction Corporation	Php1.97605	Cash	Preferred	07/01/24	07/02/24	07/17/24
DDPR	DoubleDragon Corporation	Php2.42125	Cash	Preferred	07/02/24	07/03/24	07/15/24
MEDIC	Medilines Distributors Incorporated	Php0.002637207	Cash	Common	07/02/24	07/03/24	07/26/24

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CASH DIVIDEND SCHEDULE

*Arranged by ex-date

Ticker	Company	Amount/ Rate	Dividend Type	Share	Ex-date	Record Date	Payment Date
GTPPB	GT Capital Holdings, Inc.	Php12.73725	Cash	Preferred	07/04/24	07/05/24	07/29/24
KPH	Keppel Philippines Holdings, Inc.	Php0.20	Cash	Common	07/04/24	07/05/24	07/31/24
CEU	Centro Escolar University	Php1.20	Cash	Common	07/10/24	07/11/24	08/05/24
BRNPB Series B	A Brown Company, Inc.	Php2.0625	Cash	Preferred	07/31/24	08/01/24	08/23/24
BRNPC Series C	A Brown Company, Inc.	Php2.1875	Cash	Preferred	07/31/24	08/01/24	08/23/24
BRNP Series A	A Brown Company, Inc.	Php1.75	Cash	Preferred	07/31/24	08/01/24	08/29/24
TCB2A	Cirtek Holdings Philippines Corporation	US\$0.0228125	Cash	Preferred	08/22/24	08/23/24	09/09/24
TCB2C	Cirtek Holdings Philippines Corporation	Php0.8233	Cash	Preferred	08/29/24	08/30/24	09/16/24
TCB2D	Cirtek Holdings Philippines Corporation	Php0.968825	Cash	Preferred	08/29/24	08/30/24	09/16/24
EEIPA	EEl Corporation	Php1.441025	Cash	Preferred	08/30/24	09/02/24	09/23/24
EEIPB	EEl Corporation	Php1.73485	Cash	Preferred	08/30/24	09/02/24	09/23/24
TCB2B	Cirtek Holdings Philippines Corporation	US\$0.025	Cash	Preferred	09/02/24	09/03/24	09/18/24
CLIA1	Cebu Landmasters, Inc.	Php18.9625	Cash	Preferred	10/01/24	10/02/24	10/12/24
CLIA2	Cebu Landmasters, Inc.	Php20.625	Cash	Preferred	10/01/24	10/02/24	10/12/24
GTPPB	GT Capital Holdings, Inc.	Php12.73725	Cash	Preferred	10/04/24	10/07/24	10/28/24
BRNPB Series B	A Brown Company, Inc.	Php2.0625	Cash	Preferred	11/04/24	11/05/24	11/25/24
BRNPC Series C	A Brown Company, Inc.	Php2.1875	Cash	Preferred	11/04/24	11/05/24	11/25/24
BRNP Series A	A Brown Company, Inc.	Php1.75	Cash	Preferred	11/04/24	11/05/24	11/29/24
TCB2A	Cirtek Holdings Philippines Corporation	US\$0.0228125	Cash	Preferred	11/21/24	11/22/24	12/09/24
TCB2C	Cirtek Holdings Philippines Corporation	Php0.8233	Cash	Preferred	11/28/24	11/29/24	12/16/24
TCB2D	Cirtek Holdings Philippines Corporation	Php0.968825	Cash	Preferred	11/28/24	11/29/24	12/16/24
EEIPA	EEl Corporation	Php1.441025	Cash	Preferred	11/29/24	12/02/24	12/23/24
EEIPB	EEl Corporation	Php1.73485	Cash	Preferred	11/29/24	12/02/24	12/23/24
TCB2B	Cirtek Holdings Philippines Corporation	US\$0.025	Cash	Preferred	12/02/24	12/03/24	12/18/24
BRNPB Series B	A Brown Company, Inc.	Php2.0625	Cash	Preferred	02/07/25	02/10/25	02/24/25
BRNPC Series C	A Brown Company, Inc.	Php2.1875	Cash	Preferred	02/07/25	02/10/25	02/24/25

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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) BHD 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
LFM	Liberty Flour Mills, Inc.	97 common shares of LPC for every 1 common share of LFM	Property	Common	06/18/24	06/19/24	TBA
BDO	BDO Unibank, Inc.	TBA	Property	Treasury	TBA	TBA	TBA
CEI	Crown Equities, Inc.	0.10 common share for every one (1) CEI common share	Property	Common	TBA	TBA	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
CEI	Crown Equities, Inc.	10%	Stock	Common	TBA	TBA	TBA
SBS	SBS Philippines Corporation	22%	Stock	Common	TBA	TBA	TBA

Note: AC
Sripless 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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