

Market Commentary

➔ **The View.** The PSEi fell by 42.87 points or 0.64%, closing at 6,606.36. This decline was driven by the weakening peso and concerns over the government's increasing debt, triggering another round of selloffs. In the US, Wall Street experienced a mixed session. The Dow Jones rose by 0.50%, while the S&P500 and Nasdaq Composite dropped by 0.50% and 1.28%, respectively. The Russell 2000 increased by 0.35%. All eyes are on the US Federal Reserve (Fed)'s policy meeting, where an announcement about interest rates and a subsequent press conference with Fed Chairman Jerome Powell scheduled today (US time). Economic data on private payrolls, employment costs, and pending home sales will also be closely watched. As July draws to a close, the S&P500 and Nasdaq are set to finish the month down 0.4% and 3.3%, respectively, while the Dow and Russell 2000 are on track to end the month up more than 4% and 9%, respectively. In Europe, markets showed mixed results. The Stoxx600 rose by 0.45%, while the FTSE100 fell by 0.22%. Earnings reports continued to be the main driver, as investors braced for central bank decisions in the US and UK. On the economic front, the eurozone's second-quarter GDP grew by 0.3%, exceeding expectations. Meanwhile, German inflation unexpectedly increased. In the Asia-Pacific region, markets mostly fell. South Korea's Kospi dropped by 0.99%, Australia's ASX200 by 0.46%, Hong Kong's Hang Seng by 1.43%, and China's CSI300 by 0.63%. Japan's Nikkei bucked the trend with a 0.15% gain. The Bank of Japan (BOJ) is expected to raise its benchmark interest rate and trim its Japanese government bond purchases. In the local bourse, Financial (-1.62%), Property (-1.29%), Holding Firms (-0.65%), and Mining&Oil (-0.82%) fell. Industrial (+0.05%) saw a modest gain of 0.05%, and Services (+0.55%) also rose. Among the main index constituents, AGI (+3.13%), CNVRG (+2.84%), and MER (+1.30%) were the biggest gainers. On the other hand, ALI (-2.91%), BDO (-2.85%), and MONDE (-2.70%) were the worst performers. Market turnover decreased by 8% to ₱4.63 billion, with foreigners recording a net outflow of ₱607.78 million compared to the ₱500.34 million net outflow on Monday. The Philippine Peso weakened further, closing at ₱58.645 against the US dollar, marking its weakest close in almost a month. Looking ahead, signals from the BSP that it could start cutting interest rates in August, ahead of the Fed, which is expected to do so in September, could add more pressure on the local currency and equities. With the "ghost" month approaching, pronouncements from the Fed and the Bangko Sentral ng Pilipinas (BSP), along with corporate earnings, will be key in helping buoy the market.

Stock Picks

Stock	Date	Initial Price	Current Price	Return since Recommendation	
				Stock	PSEi
TEL	3/13/20	1,029.00	1,493.00	45.09%	14.02%
CNPF	3/13/20	13.10	34.45	162.98%	14.02%
FGEN	9/23/20	24.80	17.40	-29.84%	12.11%
AP	9/23/20	25.55	33.00	29.16%	12.11%
BDO	11/17/20	92.60	136.50	47.41%	-4.51%
BPI	11/17/20	83.00	122.10	47.11%	-4.51%
MBT	11/17/20	44.35	68.00	53.33%	-4.51%
SECB	11/17/20	103.90	63.85	-38.55%	-4.51%
CNVRG	6/13/22	22.50	11.20	-50.22%	2.15%
ALI	6/13/22	30.05	30.05	0.00%	2.15%
SGP	6/13/22	12.06	9.24	-23.38%	2.15%
Ave. Return				22.10%	3.70%

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PSEI INTRADAY



INDICES

Index	Prev	Last	% Chg
PSEi	6,649.23	6,606.36	-0.64%
All Shares	3,605.33	3,587.77	-0.49%
Financial	2,021.37	1,988.72	-1.62%
Industrial	9,174.50	9,179.14	0.05%
Holding Firms	5,792.24	5,754.57	-0.65%
Property	2,640.56	2,606.62	-1.29%
Services	1,990.23	2,001.15	0.55%
Mining & Oil	8,253.27	8,185.86	-0.82%

TOP 10

AGI	3.13%	ALI	-2.91%
CNPF	2.84%	BDO	-2.85%
MER	1.30%	MONDE	-2.70%
LTG	1.24%	JGS	-2.52%
DMC	0.90%	GTCAP	-2.46%
ICT	0.86%	MBT	-1.59%
GLO	0.85%	ACEN	-1.50%
URC	0.85%	SM	-1.09%
SMC	0.83%	BPI	-0.73%
WLCON	0.56%	SMPH	-0.51%

BOTTOM 10

MARKET DATA

Market Volume	739,534,988
Market Turnover (Value)	4,633,528,925
Foreign Buying	1,927,778,055
Foreign Selling	2,535,561,078
Net Foreign Buy / (Sell)	(607,783,023)

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Economic Developments

- ➔ **Government debt hits record ₱15.48 trillion in June.** The Philippines' national debt reached a new high of ₱15.48 trillion in June, driven by the issuance of domestic securities and the continued weakening of the peso, according to the Bureau of the Treasury. This marks a 9.4% increase from ₱14.15 trillion in June of the previous year. In June alone, the debt increased by ₱135.9 billion due to the net issuance of both domestic and external debt and the impact of the peso's depreciation on foreign currency-denominated debt. The peso weakened against the US dollar in May and further depreciated in June, trading at 58.658 versus 58.524 the previous month. The Bangko Sentral ng Pilipinas (BSP) attributed this depreciation to temporary market sentiment regarding potential monetary policy changes by the US Federal Reserve (Fed). As of June, the debt level was 96.3% of the 2024 expectation of ₱16.06 trillion, which was revised upward from ₱15.84 trillion following the government's record ₱6.352-trillion budget proposal for 2025. Of the total debt, 68.29% was from domestic borrowings, amounting to ₱10.57 trillion, while 31.71% was sourced externally, totaling ₱4.91 trillion. The increase in domestic debt was primarily due to the net issuance of government securities and the peso's depreciation. External obligations were nearly flat month-on-month but grew by 10.5% year-on-year, attributed to net foreign loan avilment and the revaluation of US dollar-denominated debt. The government's guaranteed obligations decreased by 1.9% to ₱343.65 billion, with net repayments on both domestic and external guarantees offsetting the effects of third-currency adjustments and peso depreciation. *(Philstar)*
- ➔ **'Metro Manila office demand in H1 tops 2023 take-up'.** Office space demand in Metro Manila experienced a significant surge in the first half of 2024, surpassing the net absorption for the entire previous year, as reported by consultancy firm Santos Knight Frank (SKF). From January to June, office take-up more than doubled to 281,000 square meters, compared to 125,000 sqm in 2023. SKF Chairman and CEO Rick Santos attributed this robust demand to "return-to-office mandates and office expansions, supported by offshoring operations." The government and information technology-business process management sectors were key drivers of this increase. The improvement in office vacancies in Metro Manila during the first half of 2024 indicates a commitment to long-term workplace strategies by companies. Taguig emerged as the most preferred location, with a vacancy rate of 14.5%, lower than the metropolitan average of 18.9%. Meanwhile, Makati continued to command the highest average asking rent at ₱1,256 per sqm per month, compared to the overall average of ₱1,022 per sqm per month. Approximately 127,000 sqm of office space was delivered in the first half, with an additional 299,000 sqm expected later in the year and 360,000 sqm projected through 2027. Santos expressed optimism that the property market would soon reach pre-pandemic levels, anticipating significant growth across all asset classes in 2024. *(Philstar)*

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Corporate Developments

- ➔ **Robinsons Retail Holdings, Inc. (RRHI).** RRHI core net earnings rose by 15.3% in the second quarter of 2024 to ₱1.5 billion, driven by higher gross profit and operating efficiencies. For the first half, core net earnings grew by 12.1% to ₱2.6 billion. Net income attributable to equity holders (NIAP) increased by 36.2% to ₱1.7 billion in the second quarter, aided by higher dividend income from the Bank of the Philippine Islands (BPI) and lower losses from associates. First-half NIAP reached ₱6.8 billion, 3.8 times higher than the prior year due to a one-time gain from the BPI-Robinsons Bank merger in the first quarter. Net sales increased by 3.1% in the second quarter to ₱47.8 billion, with first-half net sales amounting to ₱93.7 billion, up by 3.0%. Key revenue growth segments for the quarter were food, drugstores, and department stores. Blended same-store sales growth (SSSG) rose by 0.5% in the second quarter and by 0.7% in the first half despite persistent inflation. Operating income grew by 7.3% to ₱2.2 billion in the second quarter and by 5.5% to ₱4.1 billion in the first half, attributed to improvements in the sales mix, higher vendor support, and optimized costs. Robinsons Retail operated 2,401 stores as of June 30, 2024, including 755 food stores, 1,082 drugstores, 49 department stores, 224 DIY stores, and 291 specialty stores, along with over 2,100 franchised stores of TGP. *(RRHI Disclosure)*
- ➔ **PAL Holdings, Inc. (PAL).** PAL is negotiating with financial institutions to secure approximately \$500 million in funding for the acquisition of three additional Airbus aircraft. "These three that we ordered are just options. It is for our buffer," PAL President and Chief Operating Officer Stanley K. Ng told BusinessWorld on Tuesday. This purchase is in addition to the nine A350-1000s already planned by the company, bringing PAL's total aircraft orders to 25. Ng indicated that the funding discussions with banks are ongoing, with the expected arrival of the additional three Airbus A350s by 2025. Deliveries for the nine A350-1000s are scheduled until 2027 and will be used for nonstop services from Manila to North America, including the East Coast and Canada. PAL is also targeting the purchase of 13 A321 New Engine Options (NEOs), which will start arriving next year and continue through 2028. For 2024, PAL has allocated \$450 million, or over ₱25 billion, for its capital expenditure, which includes fleet expansion amid growing demand. Ng expressed optimism about achieving a 20% rise in passenger volume by year-end. Last year, PAL carried 14.7 million passengers, a 58% increase from 2022, and operated 105,294 flights, up 35.8% from the previous year. PAL also plans to launch nonstop Manila-Seattle flights thrice weekly starting October 2, while exploring more Asian and domestic destinations. *(BusinessWorld)*

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Other Developments

- ➔ **Bank of Japan to outline bond taper plan, debate rate hike.** The Bank of Japan (BOJ) is expected to announce plans to taper its substantial bond-buying program on Wednesday and may discuss raising interest rates, highlighting its intent to gradually unwind a decade of significant monetary stimulus. This comes as the U.S. Federal Reserve looks to potentially cut interest rates as early as September, which could reverse an aggressive rate-hike cycle that has bolstered the dollar and weakened the yen. The BOJ is anticipated to halve its monthly bond buying over the next 1-1/2 to two years and may consider raising short-term rates to 0.25% from the current 0-0.1%, though policymakers remain divided on the timing. Japan's economy is at a pivotal point with inflation consistently above the BOJ's 2% target for over two years and significant wage increases for workers. However, rising living costs have dampened consumption, leading to economic contraction in the first quarter. While many expect the BOJ to hike rates to 0.25% this year, the exact timing remains uncertain. The BOJ ended negative rates and bond yield control in March and may provide further guidance on its rate hike path through 2026 in Governor Kazuo Ueda's post-meeting briefing. The yen's recent strength, driven by expectations of a narrowing U.S.-Japan interest rate gap, may also impact the BOJ's decisions. *(Reuters)*
- ➔ **US job openings fall marginally, consumers less upbeat on the labor market.** U.S. job openings fell modestly in June, while data for the previous month was revised higher, indicating a gradual slowdown in the labor market without a rapid weakening. Consumers' perceptions of the labor market are deteriorating, with a Conference Board survey showing an increase in the share of consumers who view jobs as "hard-to-get" to the highest level in over three years. Despite this, Federal Reserve officials, who started a two-day policy meeting on Tuesday, are expected to maintain the central bank's benchmark overnight interest rate in the 5.25%-5.50% range. The Labor Department's Job Openings and Labor Turnover Survey (JOLTS) report showed job openings decreased by 46,000 to 8.184 million at the end of June, with May's data revised higher to 8.230 million. Job openings have been declining since hitting a record 12.182 million in March 2022 due to the Fed's aggressive interest rate hikes. There were 1.20 job openings for every unemployed person in June, down from 1.24 in May. Hiring declined by 314,000 to 5.341 million, with the hires rate falling to 3.4%, the lowest since April 2020. Layoffs decreased to 1.498 million, driven by reduced hiring rather than layoffs. A steady quits rate at 2.1% suggests subsiding wage pressures and overall inflation, supporting the case for a potential rate cut by the Fed in September. *(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
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
AUB	Asia United Bank Corporation	Php1.33	Cash	Common	07/11/24	07/12/24	07/31/24
SGI	Solid Group, Inc.	Php0.10	Cash	Common	07/12/24	07/15/24	08/08/24
ALCO	Arthaland Corporation	Php0.012	Cash	Common	07/18/24	07/19/24	08/09/24
AREIT	AREIT, Inc.	Php0.56	Cash	Common	07/25/24	07/26/24	08/11/24
CPG	Century Properties Group, Inc.	Php0.023983	Cash	Common	07/26/24	07/29/24	08/12/24
CPGPB	Century Properties Group, Inc.	Php1.8858000	Cash	Preferred	07/26/24	07/29/24	08/22/24
CNPF	Century Pacific Food, Inc.	Php0.48	Special Cash	Common	07/30/24	07/31/24	08/16/24
BRN	A Brown Company, Inc.	Php0.025	Cash	Common	07/31/24	08/01/24	08/15/24
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
MWP2B	Megawide Construction Corporation	Php1.4375	Cash	Preferred	08/07/24	08/08/24	08/27/24
PERC	PetroEnergy Resources Corporation	Php0.05	Cash	Common	08/07/24	08/08/24	08/30/24
PSB	Philippine Savings Bank	Php0.75	Cash	Common	08/08/24	08/09/24	08/27/24
ACPAR	Ayala Corporation	Php39.741875	Cash	Preferred	08/12/24	08/13/24	08/29/24
APB2R	Ayala Corporation	Php6.02675	Cash	Preferred	08/12/24	08/13/24	08/29/24
ROCK	Rockwell Land Corporation	Php0.1018	Cash	Common	08/15/24	08/16/24	09/11/24
MFIN	Makati Finance Corporation	Php0.00712796268355	Cash	Common	08/20/24	08/22/24	09/18/24
TCB2A	Cirtek Holdings Philippines Corporation	US\$0.0228125	Cash	Preferred	08/22/24	08/23/24	09/09/24
MER	Manila Electric Company	Php10.295	Cash	Common	08/27/24	08/28/24	09/23/24
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
AUB	Asia United Bank Corporation	Php1.00	Cash	Common	09/05/24	09/06/24	09/30/24
CPG	Century Properties Group, Inc.	Php0.015989	Special Cash	Common	09/27/24	09/30/24	10/14/24
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
CPGPB	Century Properties Group, Inc.	Php1.8858000	Cash	Preferred	10/25/24	10/28/24	11/22/24
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

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CASH DIVIDEND SCHEDULE

*Arranged by ex-date

Ticker	Company	Amount/ Rate	Dividend Type	Share	Ex-date	Record Date	Payment Date
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
MFIN	Makati Finance Corporation	0.7127962684%	Stock	Common	08/20/24	08/22/24	09/18/24

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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