



Market Commentary



➔ The PSEi surged by 143.46 points or 2.16% week-on-week and closed at 6,791.69. The local barometer finished just a little bit below the 6,800-level. The strengthening of the Peso and the good start to the Q2 earnings season continued to push the local bourse higher. Services (-0.93%) was the lone sector to decline last week. Property (+4.09%) and Financial (+3.35%) led the gains among the sectors. In the PSEi, ALI (+7.09%) and ACEN (+6.69%) were the best performers, while BLOOM (-5.81%) and TEL (-4.86%) fell the most. Net foreign buying also jumped to ₱2.80 billion. The Philippine Peso appreciated to ₱58.335 from ₱58.38. Meanwhile, some developments last week were:

- Philippine Amusement and Gaming Corp. (PAGCOR) reported a 121% increase in net income to ₱6.56 billion in the first half of the year, driven by a 40% revenue surge to ₱51.76 billion. Gaming operations contributed ₱45.39 billion, with the online gaming sector (e-games, e-bingo, and bingo) accounting for ₱20.66 billion. Licensed casinos and integrated resorts added ₱16.06 billion, while PAGCOR-operated Casino Filipino casinos contributed ₱6.93 billion. PAGCOR chairman Alejandro Tengco is confident of meeting or surpassing the ₱100-billion revenue target for the year, thanks to the strong performance of the e-games sector and new investments.
- The International Monetary Fund's (IMF) latest World Economic Outlook projects the Philippines to be the fastest-growing economy in Southeast Asia and the second fastest in Asia over the next two years. The IMF maintained its forecast of a 6% GDP growth for the Philippines in 2024, positioning it ahead of ASEAN peers and second only to India, which is expected to grow by 7%. The Philippines is set to outpace major economies such as China (5%), Indonesia (5%), and Malaysia (4.4%) this year, as well as Thailand (2.9%), South Korea (2.5%), and Japan (0.7%). For 2025, the IMF anticipates the Philippine economy to grow by 6.2%, continuing to lead ASEAN growth and remain second in Asia behind India's 6.5%.

INDICES

| Index | Prev | Last | % Chg |
|---------------|----------|----------|--------|
| PSEi | 6,648.23 | 6,791.69 | 2.16% |
| All Shares | 3,576.22 | 3,627.83 | 1.44% |
| Financial | 2,029.07 | 2,096.99 | 3.35% |
| Industrial | 9,131.23 | 9,239.08 | 1.18% |
| Holding Firms | 5,686.47 | 5,811.44 | 2.20% |
| Property | 2,601.60 | 2,708.06 | 4.09% |
| Services | 2,068.77 | 2,049.62 | -0.93% |
| Mining & Oil | 8,554.50 | 8,697.25 | 1.67% |

PSEi

TOP 10

BOTTOM 10

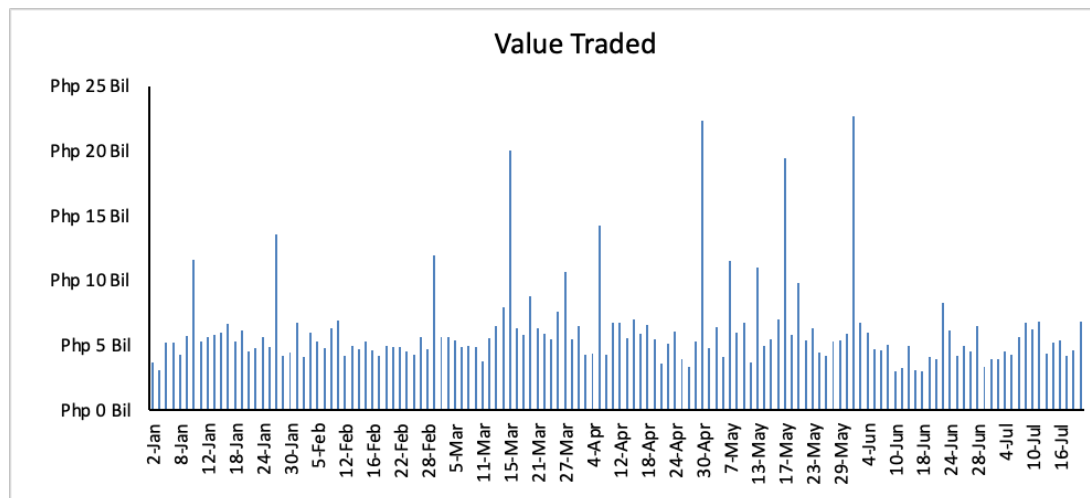
| ALI | 7.09% | BLOOM | -5.81% |
|-------|-------|-------|--------|
| ACEN | 6.49% | TEL | -4.86% |
| BPI | 4.16% | CNPF | -3.16% |
| URC | 4.07% | CNVRG | -2.10% |
| PGOLD | 3.56% | GLO | -1.79% |
| BDO | 3.55% | NIKL | -1.09% |
| SM | 3.52% | SMC | -0.90% |
| SMPH | 3.24% | WLCON | -0.56% |
| MBT | 3.09% | DMC | -0.54% |
| AC | 2.23% | GTCAP | -0.08% |

Disclaimer:

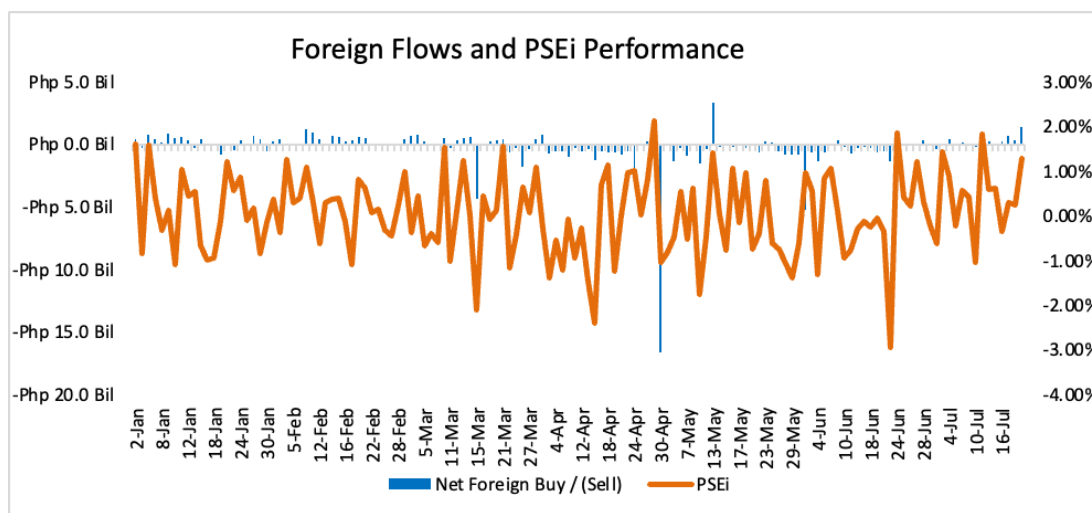
Information and opinions presented represent the judgment of the author and securities offered and sold by Mandarin Securities Corp. are subject to price movements and possible loss of amount invested. The information is based upon sources we believe to be reliable and has been obtained from public sources. Opinions and estimates are subject to change without notice. Mandarin Securities, and/or its employees may act or take a view in a different and inconsistent way contained in this report. This report is for informational purposes only, and is not an offer or solicitation to buy or sell any financial instrument or product or financial security.



➔ Market turnover averaged ₱5.25 billion last week, lower than the ₱5.95 billion recorded in the previous week.



➔ A net foreign inflow of ₱2.80 billion was recorded last week, a notable spike from the ₱249.75 million in the week of July 8-12.

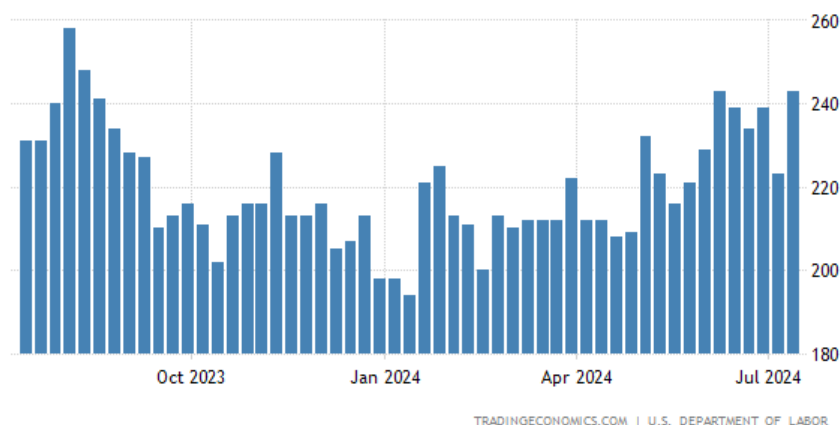


Disclaimer:

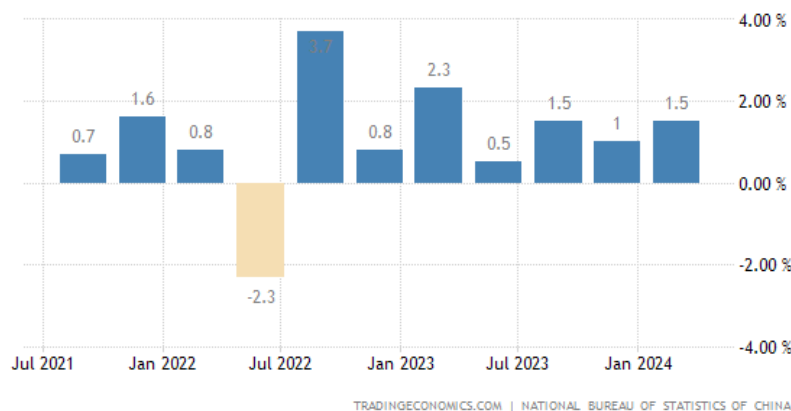
Information and opinions presented represent the judgment of the author and securities offered and sold by Mandarin Securities Corp. are subject to price movements and possible loss of amount invested. The information is based upon sources we believe to be reliable and has been obtained from public sources. Opinions and estimates are subject to change without notice. Mandarin Securities, and/or its employees may act or take a view in a different and inconsistent way contained in this report. This report is for informational purposes only, and is not an offer or solicitation to buy or sell any financial instrument or product or financial security.



Key Economic Figures



➔ **US weekly jobless claims.** The number of people claiming unemployment benefits in the US rose by 10,000 to 243,000 for the week ending July 13th, surpassing market expectations of 230,000 and marking a new weekly high. This increase, along with other key indicators, suggests that the US labor market continued to soften, bolstering expectations that the Federal Reserve may lower benchmark borrowing costs by September. Additionally, the outstanding claim count increased by 20,000 to 1,867,000 for the week ending July 6th. The four-week moving average for initial claims, which smooths out week-to-week volatility, rose by 1,000 to 234,750. On a non-seasonally adjusted basis, claims surged by 36,824 to 279,032. (US Department of Labor)



➔ **China GDP growth.** In Q2 2024, China's economy grew by a seasonally adjusted 0.7%, down from a revised 1.5% increase in Q1. This marked the eighth consecutive quarter of growth, but it was the slowest rate since Q2 2023, reflecting challenges such as extreme weather, weak consumption, high local government debt, and persistent property market issues. Additionally, tensions with the US and its allies have intensified. Premier Li Qiang emphasized a gradual approach to economic recovery, stating that strong measures are not appropriate at this time. The People's Bank of China has committed to maintaining supportive monetary policies, though it is hesitant to lower lending rates further due to concerns about potential capital outflows and pressure on the yuan. (National Bureau of Statistics of China)

Disclaimer:

Information and opinions presented represent the judgment of the author and securities offered and sold by Mandarin Securities Corp. are subject to price movements and possible loss of amount invested. The information is based upon sources we believe to be reliable and has been obtained from public sources. Opinions and estimates are subject to change without notice. Mandarin Securities, and/or its employees may act or take a view in a different and inconsistent way contained in this report. This report is for informational purposes only, and is not an offer or solicitation to buy or sell any financial instrument or product or financial security.

28/F LKG TOWER, 6801 AYALA AVENUE, MAKATI CITY : OFFICE: +63 (02) 8884-1271 : FAX +63 (02) 8884-1384

For the Week

| TOP GAINERS | | TOP LOSERS | |
|-------------|--------|------------|---------|
| AB | 17.30% | STR | -14.85% |
| LPC | 13.33% | SSP | -6.25% |
| TUGS | 8.93% | BLOOM | -5.81% |
| RLC | 7.29% | FNI | -5.45% |
| ALI | 7.09% | DD | -5.40% |
| UBP | 6.80% | TEL | -4.86% |
| ACEN | 6.49% | PCOR | -4.78% |
| APX | 6.36% | ION | -3.61% |
| LR | 5.47% | HOME | -3.45% |
| CEB | 4.91% | CNPF | -3.16% |
| SGP | 4.71% | GSMI | -2.50% |
| BPI | 4.16% | CNVRG | -2.10% |
| URC | 4.07% | EEI | -2.00% |
| ABS | 3.97% | GLO | -1.79% |
| PNB | 3.75% | SECB | -1.38% |
| PGOLD | 3.56% | TECH | -1.24% |
| BDO | 3.55% | LPZ | -1.21% |
| SM | 3.52% | MWC | -1.14% |
| PX | 3.35% | NIKL | -1.09% |
| SLI | 3.33% | SHNG | -1.05% |



Market Outlook

What You Need to Know

- ➔ In the US, a big batch of economic data is due this week. The Q2 advance estimate for GDP growth is expected to show a 2% expansion, up from 1.4% in Q1, driven by increased consumer spending. The June personal consumption expenditure (PCE) price index is forecasted to rise slightly by 0.1%, following a flat reading in May, while personal spending is anticipated to increase by 0.3%. Other key indicators to watch include S&P Global PMIs for July, existing and new home sales, and the final estimate for the Michigan consumer sentiment. Major companies such as Microsoft, Alphabet, Tesla, Verizon, Visa, Coca-Cola, Texas Instruments, Danaher, GE, Philip Morris, Comcast, UPS, Lockheed Martin, IBM, AT&T, Union Pacific, Honeywell, and Exxon Mobil will report quarterly results. In Europe, July's flash PMI data will be released for the eurozone, Germany, France, and the UK, with the manufacturing sector expected to contract at a slower pace and the services sector anticipated to expand further. Germany's GfK Consumer Climate Indicator is expected to improve, and the Ifo Business Climate Indicator is predicted to rise after three months of decline. In Asia, the People's Bank of China is expected to maintain its loan prime rates unchanged, with key PMI data for July awaited for Japan, Australia, and India. South Korea will update its Q2 GDP and release July confidence survey results.
- ➔ The PSEi looks poised for a promising week following its fourth consecutive week of gains, having climbed 2.2% last week and significantly outperformed the US markets. The PSEi is up 10.3% from its June 19 low, buoyed by a stabilized peso and optimistic economic prospects. Local market sentiment has been bolstered by the Asian Development Bank (ADB)'s forecast of robust economic growth for the Philippines in 2024 and 2025. Additionally, strong net foreign buying has contributed to the PSEi's resilience. Investors are also optimistic about the upcoming Q2 corporate earnings reports, which kicked off with strong results from the BPI. However, there is a possibility of profit-taking by investors this week, which could temper the upward momentum. Despite this, the overall positive outlook and strong economic fundamentals are likely to sustain the market's general upward trajectory.

Disclaimer:

Information and opinions presented represent the judgment of the author and securities offered and sold by Mandarin Securities Corp. are subject to price movements and possible loss of amount invested. The information is based upon sources we believe to be reliable and has been obtained from public sources. Opinions and estimates are subject to change without notice. Mandarin Securities, and/or its employees may act or take a view in a different and inconsistent way contained in this report. This report is for informational purposes only, and is not an offer or solicitation to buy or sell any financial instrument or product or financial security.