

## Market Commentary

➔ **The View.** The PSEi slid by 30.44 points or 0.41% and settled at 7,428.30 last Friday. The local bourse cooled anew due to another round of profit taking but remained at the 7,400-level. The PSEi still maintained a strong performance overall last week, posting a 2.43% uptick. In the US, the Dow went up by 0.33% to a new closing record. The S&P500 and the Nasdaq Composite inched lower by 0.13% and 0.39%, respectively. The 2% drop in Nvidia's stock price was one of the main catalysts for the declines. On the economic data front, August's personal consumption expenditure, the US Federal Reserve (Fed)'s preferred inflation measure, sped up by 0.1% compared to the previous month, which is line with expectations. The annual figure stood at 2.2%, below the 2.3% consensus estimate. Inflation remains on track to be reined in below the Fed's target of 2%. Meanwhile, European markets sustained their respective rallies with the Stoxx600 and the FTSE100 gaining 0.47% and 0.43%, respectively. Preliminary data from France and Spain on Friday showed a significant decline in harmonized inflation for September, heightening expectations that the euro zone's overall inflation rate will fall sharply below the European Central Bank (ECB)'s 2% target. In the Asia-Pacific, most markets rose anew and finished the week on a high note. China's CSI300 continued to lead the gains with 4.47%, rounding up its best week since 2008, up 15.7% overall. Boosted by a series of economic stimulus measures, China's markets rallied after the People's Bank of China lowered its 7-day reverse repurchase rate and reduced the reserve requirement ratio for financial institutions by 0.5 percentage points. Hong Kong's Hang Seng also had a great week, capped off by a 3.55% gain last Friday. South Korea's KOSPI bucked the trend with a 0.82% contraction. Locally, sectors had mixed results. Financial (-1.90%) and Industrial (-0.03%) inched down. The rest went up led by Mining&Oil (+0.55%) and Services (+0.24%). In the PSEi, JGS (+2.73%), CNVRG (+2.32%), and WLCON (+2.11%) were the top gainers, while BDO (-3.41%), CNPF (-2.53%), and ALI (-2.23%) were the main laggards. Market turnover amounted to ₱6.97 billion, while net foreign buying stood at ₱175.76 million. With the annual print of the Fed's preferred inflation gauge, PCE, going lower than estimates, emerging markets may continue their rise. China's fresh batch of stimulus appears to have partly alleviated some of the concerns, at least in the short-term. The PSEi will look to make a run at the fresh resistance level of 7,500, but profit taking could delay this upward trend.

## Stock Picks

Stock	Date	Initial Price	Current Price	Return since Recommendation	
				Stock	PSEi
TEL	3/13/20	1,029.00	1,515.00	47.23%	28.21%
CNPF	3/13/20	13.10	38.50	193.89%	28.21%
FGEN	9/23/20	24.80	17.58	-29.11%	26.06%
AP	9/23/20	25.55	38.50	50.68%	26.06%
BDO	11/17/20	92.60	161.40	74.30%	7.38%
BPI	11/17/20	83.00	137.00	65.06%	7.38%
MBT	11/17/20	44.35	81.05	82.75%	7.38%
SECB	11/17/20	103.90	96.35	-7.27%	7.38%
CNVRG	6/13/22	22.50	16.78	-25.42%	14.86%
ALI	6/13/22	30.05	37.20	23.79%	14.86%
SGP	6/13/22	12.06	9.35	-22.47%	14.86%
<b>Ave. Return</b>				<b>41.22%</b>	<b>16.60%</b>

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## PSEI INTRADAY



### INDICES

Index	Prev	Last	% Chg
PSEi	7,458.74	7,428.30	-0.41%
All Shares	3,978.10	3,970.43	-0.19%
Financial	2,384.69	2,339.38	-1.90%
Industrial	9,821.05	9,817.69	-0.03%
Holding Firms	6,328.70	6,330.21	0.02%
Property	2,988.45	2,989.00	0.02%
Services	2,255.78	2,261.21	0.24%
Mining & Oil	8,743.01	8,791.38	0.55%

### TOP 10

JGS	2.73%	BDO	-3.41%
CNVRG	2.32%	CNPF	-2.53%
WLCON	2.11%	ALI	-2.23%
ACEN	1.72%	AC	-1.56%
GLO	1.71%	SCC	-1.20%
AGI	1.59%	MBT	-1.16%
SMPH	1.52%	NIKL	-1.06%
SMC	0.67%	DMC	-0.85%
URC	0.48%	BPI	-0.72%
AEV	0.40%	JFC	-0.37%

### BOTTOM 10

### MARKET DATA

Market Volume	1,371,954,164
Market Turnover ( Value)	6,965,058,399
Foreign Buying	3,871,662,513
Foreign Selling	3,695,906,376
Net Foreign Buy / (Sell)	175,756,136

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## Economic Developments

- ➔ **Infrastructure spending hits ₱125 billion in July.** The Marcos administration increased infrastructure spending by 13% to P125 billion in July 2024, primarily for road and defense projects, according to the Department of Budget and Management (DBM). This rise was driven by the Department of Public Works and Highways' (DPWH) projects, including roads, bridges, flood control, and hospital buildings. The Department of National Defense also saw significant disbursements for the Armed Forces of the Philippines Modernization Program. For the first seven months of 2024, infrastructure spending surged by nearly 20% to P736.7 billion. The increase reflects the timely completion of ongoing projects and a prioritization of pending payments. Overall government spending in July rose by 5.8% to P486.2 billion, with higher expenditures on social, health, and education programs. Transfers to local government units also grew by 12.2% due to increased tax shares and grants. However, subsidy support to state corporations decreased, and net lending dropped by P5.4 billion due to shifts in the National Food Authority's debt obligations. While disbursements in August were muted due to the scheduling of payments, the DBM expects spending to rise in September as agencies aim to meet their budget allocations. *(Philstar)*
- ➔ **Growth in home prices eased in Q2 as high rates bit.** Home prices in the Philippines rose at a slower pace in the second quarter of 2024, as high interest rates curbed demand for housing loans, according to the Bangko Sentral ng Pilipinas (BSP). The residential real estate price index (RREPI) showed a 2.7% year-on-year increase, easing from the 6.1% growth in the first quarter. However, quarter-on-quarter growth was slightly higher at 1.8%. Condominium prices surged by 10.6% year-on-year, while single-detached homes grew by 1.7%. Townhouses saw a price contraction of 0.8%. Meanwhile, housing loans granted by banks dropped by 3.5% year-on-year, reflecting the economy's ongoing absorption of BSP's previous rate hikes. Following a rate cut in August, analysts expect further reductions, potentially lowering mortgage rates and reviving housing demand. *(Inquirer)*
- ➔ **Filipino consumers, businesses more upbeat about Q4.** Consumer and business sentiment in the Philippines has turned positive for the fourth quarter of 2024, driven by expectations of easing inflation and increased income, according to a Bangko Sentral ng Pilipinas (BSP) survey. The consumer confidence index (CCI) rose to 0.7% from -0.4%, signaling that more households expect salary hikes, additional income, and better job availability. However, long-term consumer optimism for the next 12 months declined to 9.9%, weighed down by concerns about faster inflation, fewer jobs, lower income, and government corruption. On the business side, the CCI surged to 56.8% for Q4, up from 43.7%, buoyed by expectations of higher demand during the holiday season, business expansions, and easing inflation. Companies are also optimistic about the next 12 months, with hopes of sustained demand and new product launches. *(Inquirer)*

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## Corporate Developments

- ➔ **Ayala Corporation (AC).** AC is set to raise ₱15 billion from the re-issuance of 7.5 million perpetual preferred shares, priced at ₱2,000 each. This includes 5 million cumulative, non-convertible, non-participating, non-voting, redeemable preferred B shares, with an additional 2.5 million as an oversubscription option. The proceeds will be used primarily to redeem the existing ₱15 billion class B preferred shares callable on November 29, with the balance funded through internal resources. The offering, set between October 1 to 7, will have an initial dividend rate of 6.0538% per annum, and shares will be listed on October 15. In a separate deal, AC raised ₱2.21 billion from the sale of 3.07 million treasury shares through a block sale at ₱720 per share, with proceeds earmarked for general corporate purposes. AC increased its capital expenditure budget by 14% to ₱284 billion for 2024, underscoring confidence in surpassing last year's financial performance. *(BusinessMirror)*
- ➔ **Ayala Land, Inc. (ALI).** ALI has achieved a significant milestone by becoming the first publicly listed property development company in the Philippines to have its net-zero targets validated by the Science Based Targets Initiative (SBTi). The validation, which includes ALI's near-term and net-zero greenhouse gas (GHG) emission reduction targets, underscores the company's commitment to sustainability and climate action, aligning its strategies with the global objective of limiting temperature increases to 1.5 degrees Celsius above pre-industrial levels. ALI aims to reach net-zero GHG emissions across its value chain by 2050, committing to reduce absolute scope 1 and 2 GHG emissions by 42% by 2030 from a 2021 baseline and scope 3 emissions by 29.4% within the same period. In addition to its ambitious near-term targets, ALI plans to reduce absolute scope 1 and 2 GHG emissions by 90% by 2050, alongside a similar reduction in scope 3 emissions. The company has initiated its net-zero journey in collaboration with the Ayala Group, following a comprehensive assessment of its operational and supply chain emissions. A high-level net-zero roadmap was established in 2022, which includes action plans such as transitioning its commercial properties to renewable energy sources through power purchase agreements and leveraging quality renewable energy certificates to meet its science-based targets. This proactive approach highlights ALI's dedication to transparency and accountability in sustainability reporting, setting a benchmark for the industry. *(Philstar)*

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## Other Developments

- ➔ **Key Fed inflation gauge at 2.2% in August, lower than expected.** Inflation in the U.S. moved closer to the US Federal Reserve (Fed)'s 2% target in August, with the personal consumption expenditures (PCE) price index rising by 0.1%, bringing the 12-month inflation rate down to 2.2%, its lowest since February 2021. Core PCE, which excludes volatile food and energy prices, also rose by 0.1% for the month and stood at 2.7% year-over-year, consistent with economists' expectations. The data signals further progress toward stabilizing inflation, easing concerns about the need for future rate hikes and paving the way for potential interest rate cuts. Despite these positive inflation trends, personal income and spending figures came in lower than anticipated, both increasing by just 0.2%. The recent data comes shortly after the Federal Reserve reduced its benchmark rate by half a percentage point to a range of 4.75%-5%, marking the first rate cut since early 2020. While housing-related costs continue to put pressure on inflation, Fed officials are increasingly focusing on supporting the labor market, which has shown signs of softening. Markets anticipate more aggressive rate cuts ahead, with a possible full point reduction by 2025. *(CNBC)*
- ➔ **Hezbollah confirms leader Hassan Nasrallah was killed in Israeli airstrike.** Hezbollah's leader, Hassan Nasrallah, was confirmed dead following an Israeli airstrike on the group's headquarters in Beirut. Hezbollah acknowledged Nasrallah's death, describing him as a martyr, a day after the Israeli army reported his killing during a large-scale attack. Nasrallah, who led Hezbollah for over 30 years, was seen as the organization's strategic leader. His death, along with that of other senior commanders like Ali Karki, marks a critical blow to Hezbollah's leadership and operations. Nasrallah's assassination is likely to have significant regional repercussions, potentially intensifying the conflict between Israel and Iran over the future of Lebanon and the broader region. While Hezbollah remains a potent force, analysts suggest the group's future without Nasrallah will be fundamentally altered. Locally, his death leaves a void within Lebanon's Shia community, raising concerns about increased political polarization and instability in the already fragile nation. The development also opens the possibility of further escalation or a potential cease-fire in the region. *(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
BKR	Bright Kindle Resources & Investments Inc.	Php0.0037	Cash	Common	10/13/23	10/16/23	TBA
AUB	Asia United Bank Corporation	Php1.00	Cash	Common	09/05/24	09/06/24	09/30/24
CREIT	Citicore Energy REIT Corp.	Php0.049	Cash	Common	09/09/24	09/10/24	10/04/24
VREIT	VistaREIT, Inc.	Php0.04523	Cash	Common	09/11/24	09/12/24	10/03/24
PRF4A	Petron Corporation	Php16.76975	Cash	Preferred	09/12/24	09/13/24	10/07/24
PRF4B	Petron Corporation	Php16.99300	Cash	Preferred	09/12/24	09/13/24	10/07/24
PRF4C	Petron Corporation	Php17.71525	Cash	Preferred	09/12/24	09/13/24	10/07/24
BDO	BDO Unibank, Inc.	Php1.00	Cash	Common	09/16/24	09/17/24	09/30/24
SMC2F	San Miguel Corporation	Php1.27635	Cash	Preferred	09/19/24	09/20/24	10/04/24
SMC2I	San Miguel Corporation	Php1.18790625	Cash	Preferred	09/19/24	09/20/24	10/04/24
SMC2J	San Miguel Corporation	Php0.890625	Cash	Preferred	09/19/24	09/20/24	10/04/24
SMC2K	San Miguel Corporation	Php0.84375	Cash	Preferred	09/19/24	09/20/24	10/04/24
SMC2L	San Miguel Corporation	Php1.48396875	Cash	Preferred	09/19/24	09/20/24	10/04/24
SMC2M	San Miguel Corporation	Php1.5703125	Cash	Preferred	09/19/24	09/20/24	10/04/24
SMC2N	San Miguel Corporation	Php1.5649875	Cash	Preferred	09/19/24	09/20/24	10/04/24
SMC2O	San Miguel Corporation	Php1.611300	Cash	Preferred	09/19/24	09/20/24	10/04/24
CNVRG	Converge ICT Solutions, Inc.	Php0.18	Cash	Common	09/23/24	09/24/24	10/10/24
CPG	Century Properties Group, Inc.	Php0.015989	Special Cash	Common	09/27/24	09/30/24	10/14/24
JFCPB	Jollibee Foods Corporation	Php10.60125	Cash	Preferred	09/27/24	09/30/24	10/15/24
FEU	Far Eastern University, Incorporated	Php16.00	Cash	Common	09/30/24	10/01/24	10/17/24
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
MWP5	Megawide Construction Corporation	Php1.97605	Cash	Preferred	10/01/24	10/02/24	10/17/24
DDPR	DoubleDragon Corporation	Php2.42125	Cash	Common	10/02/24	10/03/24	10/14/24
GTPPB	GT Capital Holdings, Inc.	Php12.73725	Cash	Preferred	10/04/24	10/07/24	10/28/24
MWP4	Megawide Construction Corporation	Php1.325	Cash	Preferred	10/11/24	10/14/24	10/29/24
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
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) 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
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	09/16/24	09/17/24	10/11/24
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	08/21/24	08/22/24	09/18/24
COL	COL Financial Group, Inc.	25%	Stock	Common	10/22/24	10/23/24	11/14/24

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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