

## Market Commentary

➔ **The View.** The PSEi declined by 17.43 points (-0.23%) to close at 7,537.25, snapping its two-day rally as investors cashed in profits after Monday's surge. Weaker sentiment from Wall Street, where rising US Treasury yields pressured markets, spilled over into the local bourse. Additionally, the continued depreciation of the Philippine Peso against the US dollar, along with lingering concerns about escalating tensions in the Middle East, further weighed on investor sentiment. Investors are closely monitoring potential responses from Israel following Iran's missile attacks, adding to the cautious mood. In the US, Wall Street rebounded after Monday's losses, with the Dow Jones gaining 0.30%, the S&P 500 rising 0.97%, and the Nasdaq Composite climbing 1.45%. Technology shares led the recovery, buoyed by Nvidia and Broadcom's gains of 4% and 3%, respectively. Oil prices also eased, with West Texas Intermediate futures dropping 4.6%, as investors continued to assess the risk of a wider regional conflict in the Middle East. The decline in oil prices helped relieve some pressure on the market. In contrast, European markets struggled on Tuesday. The Stoxx50 and Stoxx600 fell by 0.42% and 0.54%, respectively, as investors digested a slowdown in China's stimulus efforts. Sentiment turned negative, especially in the luxury and mining sectors, as hopes for a substantial demand boost from Chinese stimulus measures dimmed. APAC markets were similarly down, with China's rally losing steam despite a strong start. The CSI 300 surged over 10% at the open after the Golden Week holiday but pared gains to close 5.93% higher. Meanwhile, Hong Kong's Hang Seng Index plunged over 10% before trimming losses to 9%. Other regional markets followed suit, with Japan's Nikkei down 1%, South Korea's Kospi falling 0.61%, and Australia's ASX 200 slipping 0.35%. Locally, sectoral performances were mixed, with Financials (+0.72%) and Services (+0.86%) posting gains. Property (-2.48%) was the biggest laggard. In the PSEi, MER (+2.95%), ICT (+2.10%), and GTCAP (+1.54%) led the gainers, while ALI (-4.84%), MONDE (-3.11%), and JGS (-2.34%) posted the steepest declines. Market turnover decreased by 6% to ₱7.39 billion, and net foreign buying slowed to ₱428.08 million. The peso weakened further to ₱56.905 against the US dollar. Looking ahead, the market faces increased volatility as concerns over the Middle East conflict persist, and bond yields continue to rise. These could push the PSEi toward the 7,400-level due to continued profit-taking. However, the positive session on Wall Street overnight may help temper any significant pullback in the local market.

## Stock Picks

Stock	Date	Initial Price	Current Price	Return since Recommendation	
				Stock	PSEi
TEL	3/13/20	1,029.00	1,530.00	48.69%	30.09%
CNPF	3/13/20	13.10	39.00	197.71%	30.09%
FGEN	9/23/20	24.80	18.08	-27.10%	27.91%
AP	9/23/20	25.55	38.80	51.86%	27.91%
BDO	11/17/20	92.60	161.60	74.51%	8.95%
BPI	11/17/20	83.00	143.00	72.29%	8.95%
MBT	11/17/20	44.35	80.00	80.38%	8.95%
SECB	11/17/20	103.90	95.30	-8.28%	8.95%
CNVRG	6/13/22	22.50	16.72	-25.69%	16.55%
ALI	6/13/22	30.05	36.40	21.13%	16.55%
SGP	6/13/22	12.06	9.80	-18.74%	16.55%
<b>Ave. Return</b>				<b>42.43%</b>	<b>18.31%</b>

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## PSEI INTRADAY



### INDICES

Index	Prev	Last	% Chg
PSEi	7,554.68	7,537.25	-0.23%
All Shares	4,082.97	4,077.41	-0.14%
Financial	2,382.77	2,399.92	0.72%
Industrial	10,054.26	10,035.22	-0.19%
Holding Firms	6,405.78	6,394.91	-0.17%
Property	3,025.70	2,950.60	-2.48%
Services	2,337.06	2,357.07	0.86%
Mining & Oil	9,042.29	8,977.38	-0.72%

### TOP 10

MER	2.95%	ALI	-4.84%
ICT	2.10%	MONDE	-3.11%
GTCAP	1.54%	JGS	-2.34%
MBT	1.14%	CNVRG	-2.22%
BDO	1.00%	ACEN	-1.86%
AEV	0.94%	SMPH	-1.82%
SMC	0.79%	CNPF	-1.39%
BLOOM	0.49%	PGOLD	-1.33%
BPI	0.42%	TEL	-1.29%
EMI	0.21%	NIKl	-1.26%

### BOTTOM 10

### MARKET DATA

Market Volume	1,217,111,946
Market Turnover ( Value)	7,393,757,675
Foreign Buying	4,307,208,717
Foreign Selling	3,879,130,383
Net Foreign Buy / (Sell)	428,078,334

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## Economic Developments

- ➔ **PH unemployment rate drops to 4% in August.** The Philippines' unemployment rate fell to 4% in August 2024, marking an improvement from 4.7% in July and 4.4% in August 2023, as reported by the Philippine Statistics Authority (PSA). This decline in joblessness was attributed to a rise in female labor force participation, which reached 54.7%, up from 52.4% in the previous month. Additionally, the underemployment rate dropped to 11.2%, with 5.48 million Filipinos seeking additional work, down from 12.1% in July. The labor force participation rate overall increased to 64.8%, reflecting the continued recovery of the labor market. With the positive employment figures and inflation easing to a four-year low of 1.9% in September, the National Economic and Development Authority (NEDA) expressed optimism for an improved holiday season. NEDA Secretary Arsenio Balisacan emphasized the need for further reforms and strategic investments, particularly in infrastructure and high-value sectors such as manufacturing and agribusiness, to sustain job creation and economic growth. The government is also set to finalize the Trabaho Para Sa Bayan Plan 2025–2034, aiming to enhance employment opportunities and workforce skills in the coming years. *(Philstar)*
- ➔ **Banks' exposure in real estate down to 4-year low as of end-June.** The exposure of Philippine banks and trust entities to the real estate sector slightly decreased to 19.92% of total loans as of end-June, down from 20.31% in March 2024 and 20.8% in June 2023, reaching its lowest level in more than four years. Despite this, loans and investments to the property sector grew by 3.6% year-on-year to ₱3.16 trillion, with commercial real estate loans increasing by 6.1% and residential real estate loans by 8.9%. Past due real estate loans also rose by 7.1%, led by an increase in past due commercial loans. While non-performing loans (NPLs) from the real estate sector grew by 5% to ₱110.86 billion as of end-June, the gross NPL ratio improved slightly to 3.98%. Economist Michael Ricafort attributed the easing exposure to faster growth in overall bank loans, as credit growth surged to 10.9% in August, marking its highest in 20 months. He also noted that the adoption of credit risk management practices, including regulatory limits on real estate exposures, has contributed to the moderation of banks' property-related risks. *(Philstar)*
- ➔ **Factory output growth slows to 2.8% in August.** The country's factory output growth slowed significantly in August, with the Volume of Production Index (VoPI) for manufacturing expanding by just 2.8%, down from 6.8% in July and 5.6% in August 2023. The Philippine Statistics Authority (PSA) attributed this deceleration to smaller gains in the production of key sectors such as food, electronics, and petroleum products. Notably, food production registered a mere 0.6% increase, sharply lower than the 13.1% growth in July, while the production of computer and electronic products rose by only 4.2%, down from 13.2%. Despite these declines, petroleum product manufacturing grew by 15.5%, although still lower than July's 20.4%. The average capacity utilization rate for manufacturing was 75.5% in August, slightly lower than the previous month's 75.7% but higher than the 74% recorded in August 2023. Industries such as textiles and non-metallic mineral products had the highest capacity utilization rates, exceeding 82%. Additionally, nearly 29% of responding establishments operated at full capacity, while 41.1% were running at 70-89% capacity. This data highlights a broad slowdown in the country's manufacturing activity, impacting both production levels and utilization rates across key sectors. *(Philstar)*

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## Corporate Developments

- ➔ **Ayala Corporation (AC)**. AC has secured a \$200-million long-term loan from Metropolitan Bank & Trust Company (MBT) to support the expansion of its investments in emerging sectors. The loan, signed on September 16, will be used to finance AC's ongoing projects in technology, payments, health, logistics, and mobility, aligning with the company's strategic focus on high-potential business areas. AC's Chief Finance Officer, Alberto M. de Larrazabal, emphasized that this agreement strengthens the company's capital allocation efforts in sectors poised for growth. MBT has been a long-time partner of the Ayala Group, providing financing for various ventures, including real estate, renewable energy, and data centers. This loan further deepens the decades-long relationship between the two institutions. *(BusinessWorld)*
- ➔ **Converge ICT Solutions Inc. (CNVRG)**. CNVRG has launched the Converge Netflix Bundle, offering FiberX internet plans alongside a Netflix subscription in one convenient package. This new collaboration aims to enhance the streaming experience for FiberX customers by providing internet speeds of 325 Mbps, a Netflix subscription, a WiFi-6 Next Gen Modem, and the Converge Xperience Box, which includes Freemium Channels. The bundle is available starting at ₱1,798 per month, delivering a comprehensive entertainment solution with seamless connectivity. Existing Converge subscribers can add the Netflix Bundle to their plans starting at ₱298 per month. The Converge Xperience Box, an Android TV box, supports 4K streaming, while the WiFi-6 Modem offers improved speed and coverage, ideal for densely populated areas. The package is designed to provide both enhanced internet performance and a wide range of entertainment options from Netflix, making it a flexible and budget-friendly offering. With CNVRG being recognized as the fastest internet provider in the Philippines, the partnership aims to deliver high-quality, uninterrupted streaming experiences to its customers. *(CNVRG Disclosure)*
- ➔ **Filinvest Land, Inc. (FLI)**. FLI has expanded its mall portfolio with the recent opening of its fifth mall, Filinvest Malls Dumaguete, located in Negros Oriental. The new shopping center adds 3,759 square meters (sq.m.) of gross leasable area (GLA) to FLI's portfolio, which includes other malls in Luzon and Visayas. Situated along Dumaguete Bay at the corner of Flores Avenue and E.J. Blanco Street, this mall aims to enhance the local shopping experience by offering a diverse selection of national and local brands tailored to the preferences of Dumagueteños. Mitch A. Dumlao, First Vice-President and Retail Business Unit Head of Filinvest Malls, expressed excitement about integrating into Dumaguete's culture and contributing to the city's growth. He highlighted the mall's role in fostering community engagement through shopping, dining, and leisure activities, as well as boosting local tourism and job creation while supporting local businesses. This opening reflects FLI's commitment to developing spaces that enhance the local economy and community well-being. *(BusinessWorld)*

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## Other Developments

- ➔ **Crude oil futures sell off after surging on Middle East war risk.** Crude oil futures fell by over 4% on Tuesday as the market paused following a recent rally fueled by escalating geopolitical tensions between Israel and Iran. This decline comes after oil prices surged approximately 13% after Iran launched about 180 ballistic missiles at Israel last week, raising fears of potential Israeli retaliation targeting Iran's oil infrastructure. However, President Biden has advised against such actions, suggesting that Israel would likely focus on military and intelligence sites first. (CNBC)
- ➔ **China takes swing at European Union with brandy duties after EV tariff vote.** China is set to impose provisional anti-dumping measures on brandy imported from the European Union (EU), effective this Friday. According to a notice from the Ministry of Commerce, customs officials will collect security deposits ranging from 30.6% to 39% of the total value of the imported brandy. This decision marks a reversal from a preliminary ruling in August, where China had initially decided against imposing such measures despite finding that European distillers were selling brandy at significant margins that threatened the local industry. The Chinese government emphasized that the domestic brandy sector has been substantially harmed. This move follows the EU's decision to adopt definitive tariffs of up to 45% on Chinese-made electric vehicles, which has drawn criticism from Beijing. Chinese officials expressed strong dissatisfaction with the EU's actions, labeling them as protectionist and unjust. The European Commission has announced plans to challenge China's measures at the World Trade Organization (WTO), asserting that the imposition of anti-dumping duties is unfounded. The news has negatively impacted European spirits manufacturers, with shares of companies like Pernod Ricard and Remy Cointreau declining in response to the announcement. (CNBC)
- ➔ **Smaller US trade deficit supports strong economic growth estimates for third quarter.** The U.S. trade deficit narrowed sharply in August, decreasing by 10.8% to \$70.4 billion, primarily driven by a record increase in exports. This uptick in exports, which rose by 2.0% to reach \$271.8 billion, marks the highest level recorded, bolstered by a significant surge in capital goods. Notably, the trade report suggests that trade may not adversely impact economic growth in the third quarter, aligning with positive signals from the labor market and consumer spending. The narrowing of the trade gap supports expectations that the Federal Reserve may not need to pursue further rate cuts, even as the central bank recently lowered rates by 50 basis points to a range of 4.75% to 5.00%. Despite the positive export data, some economists express concerns about the sustainability of this growth, especially amid global economic challenges, including a slowdown in China and fragility in the eurozone. While domestic demand remains strong, the import of goods decreased by 0.9% to \$342.2 billion, suggesting that the recent decline in imports may be temporary. The politically sensitive goods trade deficit with China also narrowed, indicating a slight shift in trade dynamics. (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
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
DDMPR	DDMP REIT, Inc.	Php0.0235610	Cash	Common	10/30/24	10/31/24	11/26/24
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
DD	DoubleDragon Corporation	Php0.2648000	Cash	Common	11/05/24	11/06/24	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	10/25/24
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
CEU	Centro Escolar University	20%	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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