

## Market Commentary

➔ **The View.** The PSEi extended its decline, shedding 112.73 points or -1.50% to close at 7,424.52. The market's drop marked a continuation of profit-taking, which had started earlier in the week. Investor sentiment was further dampened by the weakening of the Philippine Peso against the US dollar, which added to the selling pressure. In the US, Wall Street had a strong session, with the Dow Jones climbing 1.03%, the S&P 500 rising 0.71%, and the Nasdaq Composite increasing 0.60%. Technology stocks once again led the gains as investors brushed off geopolitical concerns and took comfort in minutes from the US Federal Reserve's September meeting, which revealed that a "substantial majority" of officials supported a larger 50-bps rate cut. This news fueled optimism that the US economy could achieve a soft landing, with inflation data set to be released Thursday further shaping market expectations. European markets followed suit, with the Stoxx50 and Stoxx600 both gaining 0.68% and 0.66%, respectively. Technology stocks were among the strongest performers. In the Asia-Pacific region, trading was more mixed. Chinese stocks saw a significant sell-off, with the CSI 300 plunging 7.05%, snapping a 10-day winning streak. Meanwhile, Hong Kong's Hang Seng dropped 1.7%. However, Japan's Nikkei advanced by 0.87%, and Australia's ASX 200 edged up by 0.13%. South Korean markets were closed for a public holiday. Locally, all sectors closed in the red, reflecting the market's broad-based weakness. Holding Firms (-1.77%) and Mining & Oil (-1.71%) were among the hardest hit, while Financials (-1.68%) and Services (-1.64%) also posted sharp declines. In the PSEi, JFC (+0.66%) and EMI (+0.11%) were the only gainers, while NIKL (-3.05%), WLCON (-2.96%), and JGS (-2.76%) led the list of laggards. Market turnover was significantly lower at ₱5.30 billion, down 28% from the previous session, as foreign investors turned net sellers after 27 days of net inflows. Net foreign selling amounted to ₱402.75 million, reversing the ₱428.08 million net inflow seen on Tuesday. The peso weakened further, closing at ₱57.02 against the dollar, its lowest level in nearly two months, as rising U.S. bond yields and a strong dollar pressured the local currency. Looking ahead, the PSEi may be poised for a recovery following Wednesday's steep drop, buoyed by Wall Street's strength after the release of the Fed's minutes. However, the peso's continued weakness could still weigh on investor sentiment, limiting potential gains.

## Stock Picks

Stock	Date	Initial Price	Current Price	Return since Recommendation	
				Stock	PSEi
TEL	3/13/20	1,029.00	1,511.00	46.84%	28.14%
CNPF	3/13/20	13.10	38.50	193.89%	28.14%
FGEN	9/23/20	24.80	17.98	-27.50%	25.99%
AP	9/23/20	25.55	38.65	51.27%	25.99%
BDO	11/17/20	92.60	157.80	70.41%	7.32%
BPI	11/17/20	83.00	140.00	68.67%	7.32%
MBT	11/17/20	44.35	79.90	80.16%	7.32%
SECB	11/17/20	103.90	91.00	-12.42%	7.32%
CNVRG	6/13/22	22.50	16.58	-26.31%	14.81%
ALI	6/13/22	30.05	36.40	21.13%	14.81%
SGP	6/13/22	12.06	9.64	-20.07%	14.81%
<b>Ave. Return</b>				<b>40.55%</b>	<b>16.54%</b>

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## PSEI INTRADAY



### INDICES

Index	Prev	Last	% Chg
PSEi	7,537.25	7,424.52	-1.50%
All Shares	4,077.41	4,033.36	-1.08%
Financial	2,399.92	2,359.54	-1.68%
Industrial	10,035.22	9,965.01	-0.70%
Holding Firms	6,394.91	6,281.47	-1.77%
Property	2,950.60	2,934.74	-0.54%
Services	2,357.07	2,318.38	-1.64%
Mining & Oil	8,977.38	8,823.72	-1.71%

### TOP 10

JFC	0.66%	NIKL	-3.05%
EMI	0.11%	WLCON	-2.96%
URC	0.00%	JGS	-2.76%
ALI	0.00%	BDO	-2.35%
MBT	-0.12%	SM	-2.30%
DMC	-0.50%	MONDE	-2.26%
SMC	-0.61%	BPI	-2.10%
AC	-0.75%	GTAP	-2.07%
CNVRG	-0.84%	BLOOM	-1.94%
SCC	-0.87%	ICT	-1.87%

### BOTTOM 10

### MARKET DATA

Market Volume	917,058,637
Market Turnover ( Value)	5,300,837,169
Foreign Buying	1,914,939,364
Foreign Selling	2,317,685,637
Net Foreign Buy / (Sell)	(402,746,273)

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## Economic Developments

- ➔ **Banking system's total assets jump by 11% to ₱26 trillion.** The Philippine banking industry's total assets surged by 10.8% year on year, reaching ₱25.99 trillion as of end-August, supported by robust growth in deposits, loans, and investments, according to the Bangko Sentral ng Pilipinas (BSP). This asset expansion reflects a continued rise in bank lending, which climbed 10.7% to ₱12.25 trillion during the same period. Banks' net investments also grew by 6.6% to ₱7.41 trillion, while cash and due from banks increased by 3.9% to ₱2.65 trillion. The banking sector's total loan portfolio, inclusive of interbank loans and reverse repurchase agreements, similarly rose by 10.5%. Liabilities also increased by 10.8%, totaling ₱22.73 trillion, further reflecting the banking sector's overall growth. The strong asset performance is attributed to continued lending activity, buoyed by the positive domestic economic environment, with the country's GDP growing by 6.3% in the second quarter. Economists, including Michael Ricafort, noted that potential rate cuts by the BSP and US Federal Reserve, as well as future reductions in banks' reserve requirement ratios, will likely support further growth in the sector's loans and assets. The BSP's recent move to lower the reserve requirement ratio to 7%, effective this month, is expected to be another catalyst for growth. (*BusinessWorld*)
- ➔ **Philippines, South Korea ink P60 billion infrastructure financing deals.** The Philippines and South Korea have signed financing agreements totaling ₱60.16 billion for three major infrastructure projects aimed at improving mobility in Luzon and Visayas. These agreements were sealed during South Korean President Yoon Suk Yeo's visit to the Philippines, with the exchange led by Finance Secretary Ralph Recto and South Korea's Deputy Prime Minister Choi Sang-mok. The first project, the Laguna Lakeshore Road Network, will receive ₱50.61 billion from the Export-Import Bank of Korea (KEXIM), which will cover the construction of a 37.6-kilometer viaduct and eight interchanges. Once completed in 2028, it will significantly reduce travel time between key cities in Laguna and Metro Manila. Two other projects are also part of the deal: the Samar Pacific Coastal Road II Project, which involves building two marine bridges to enhance connectivity in Northern Samar, and the Panay-Guimaras-Negros Island Bridges Project, which includes the detailed engineering design for sea-crossing bridges that will drastically cut travel time between the islands. These projects are expected to create jobs, boost local economies, and reduce poverty, particularly in the Luzon and Visayas regions. South Korea remains one of the Philippines' largest development partners, with a total commitment of ₱54.33 billion in loans and grants. (*Philstar*)

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## Economic Developments

➔ **Philippines growth to average 6% until 2026 - World Bank.** The World Bank projects the Philippine economy to grow at an average rate of 6% from 2023 to 2026, driven by robust domestic demand, private consumption, and a favorable monetary policy. In its October East Asia and Pacific Economic Update, the World Bank revised its 2023 growth forecast for the Philippines from 5.8% to 6%, aligning with the lower end of the government's 6-7% target. The 2025 forecast was also raised to 6.1%, though this remains below the government's goal of 6.5-7.5%. Growth in the medium term is expected to benefit from strong remittances, a healthy labor market, and declining inflation rates, with the Philippines maintaining resilience against external and domestic risks such as global economic slowdowns and climate-related challenges. Additionally, the World Bank forecasts a significant reduction in poverty levels, anticipating a drop from 17.8% in 2021 to 11.3% by 2026. This improvement is supported by economic growth and lower inflation. However, risks remain, particularly in agriculture, where food security challenges persist, and external risks like geopolitical tensions and commodity price shocks could affect the outlook. The World Bank's projections highlight the importance of sustained public investment and addressing structural weaknesses in key sectors to ensure steady long-term growth. *(Philstar)*

## Corporate Developments

➔ **DoubleDragon Corporation (DD).** DD plans to establish a P30-billion multi-year shelf registration for retail bond issuance as part of its strategy to strengthen its financial position. The company's board approved the move on October 8, with the issuance to be conducted in tranches across 2024, 2025, and 2026, offering a tenor of five to seven years. The initial tranche, valued at P5 billion, is set for the fourth quarter of 2024 and will carry an interest rate of 8% per annum, which DD highlights as potentially one of the last long-term retail bond offerings in the Philippines for the year at such an attractive rate. For subsequent tranches in 2025 and 2026, interest rates are expected to be lower, at around 7% and 6% per annum, respectively. The funds raised will be used to boost DD's cash position as the company transitions to a mature stage in its growth. DD has emphasized that it is nearing the completion of its asset development phase, having built a portfolio of 1.3 million square meters of completed gross floor area over the past decade. With these assets fully operational by 2025, the company expects to generate steady revenue without the need for substantial capital expenditure soon. This issuance follows DD's successful P10-billion retail bond offering in July, which was fully subscribed to ahead of schedule. The new shelf registration is part of the company's broader capital-raising efforts to support its long-term financial stability. *(DD Disclosure)*

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## Corporate Developments

➔ **Citicore Renewable Energy Corporation (CREC)**. CREC is accelerating its renewable energy growth by allocating ₱1.22 billion from its IPO proceeds to enhance its solar energy pipeline. This early release of funds, approved by the company's board, is aimed at fast-tracking the development of solar power projects, aligning with CREC's long-term goal of achieving 5 gigawatts (GW) of renewable energy capacity by 2028. This initiative is part of CREC's broader strategy to significantly expand its portfolio, with eight power projects under construction totaling approximately 1 GW. Since its IPO in June 2023, which raised ₱5.3 billion (including a \$12.5-million investment from the UK's MOBILIST program), CREC has been focused on increasing its solar capacity. The company's current projects are expected to be operational by next year, generating substantial power revenues. CREC currently operates 10 solar power facilities with a combined installed capacity of 285 megawatts and continues to explore additional renewable energy opportunities to meet its ambitious targets. *(BusinessWorld)*

## Other Developments

➔ **Fed officials were divided on whether to cut rates by half a point in September, minutes show.** In their September meeting, the Federal Reserve opted for a notable 50 basis point interest rate cut, marking the first such move in over four years. This decision aimed to balance inflation control and labor market concerns. While a substantial majority of policymakers backed the larger cut, some members expressed a preference for a smaller 25 basis point reduction, emphasizing a more gradual approach to monetary easing. Governor Michelle Bowman was the only official who dissented, favoring the smaller adjustment, highlighting divisions within the Federal Open Market Committee (FOMC) on how to proceed. Since the meeting, stronger-than-expected economic data has emerged, with nonfarm payrolls increasing by 254,000 in September and unemployment dropping to 4.1%. These developments suggest the labor market is more robust than anticipated by some officials advocating for the 50-basis point cut. However, while the Fed has entered an easing cycle, future cuts are expected to be more conservative, with projections indicating a further 50 basis points in reductions by the end of 2024. The bond market has reacted to a 40-basis point surge in 10- and 2-year Treasury yields, reflecting shifting expectations. Fed Chair Jerome Powell described the rate cut as a "recalibration" aimed at better aligning monetary policy with inflation and labor market indicators, rather than signaling a deteriorating economic outlook. The FOMC minutes also emphasized that future easing measures would likely be slower and more deliberate, aiming to maintain economic strength and progress on inflation. Markets now expect the fed funds rate to end 2025 in the 3.25%-3.5% range, aligned with the median projection of 3.4%. *(CNBC)*

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## Other Developments

➔ **Mining giant Rio Tinto to acquire Arcadium Lithium in \$6.7 billion deal.** Rio Tinto, the world's second-largest miner, announced it will acquire U.S.-based lithium producer Arcadium for \$6.7 billion in an all-cash transaction. The purchase price of \$5.85 per share represents a significant 90% premium to Arcadium's October 4 closing price of \$3.08 per share. With a market value currently standing at \$4.56 billion, Arcadium's shares have surged 37% this week, including a 30% premarket jump on Wednesday. The acquisition, if finalized, would position Rio Tinto as one of the largest global suppliers of lithium, following closely behind industry leaders Albemarle and SQM. This deal aligns with Rio Tinto's long-term strategy of expanding its supply of essential minerals critical for the global energy transition, as highlighted by Rio Tinto CEO Jakob Stausholm. Lithium prices have been under pressure due to oversupply from China, with benchmark 99.2% lithium carbonate prices falling over 20% year-to-date. Arcadium CEO Paul Graves expressed confidence in the offer, stating it de-risks shareholder exposure to market volatility and execution challenges, while also accelerating the company's growth strategy. The acquisition echoes trends within the mining sector, with companies like Rio Tinto seeking to secure key resources amid rising demand for green energy technologies. (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
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
HTI	Haus Talk, Inc.	Php0.02	Cash	Common	11/07/24	11/08/24	12/02/24
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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