

Market Commentary

➔ **The View.** The PSEi dipped by 13.05 points (-0.18%) to close at 7,411.47 yesterday, as investors continued to lock in profits from recent market gains. The depreciation of the peso, which fell further to the ₱57-level, also contributed to the market's decline. In the US, Wall Street saw a slight pullback, with the Dow Jones dropping 0.14%, the S&P500 declining 0.21%, and the Nasdaq Composite losing 0.05%. The market reaction followed the release of inflation data showing a 0.2% rise in the consumer price index (CPI) for September, bringing the annual inflation rate to 2.4%, slightly above the 2.3% forecast. Although it marks the lowest inflation rate since February 2021, underlying data showed persistent inflationary pressures, prompting investors to offload small and mid-cap stocks, which are more sensitive to interest rate changes. Meanwhile, European markets mirrored Wall Street's cautious stance, with the Stoxx50 and Stoxx600 both posting modest losses of 0.25% and 0.18%, respectively. Investors grappled with US inflation data and forecasts of a prolonged recession in Germany, which is expected to experience its first two-year economic contraction in almost 20 years. In APAC, markets generally performed well, buoyed by gains in China and Hong Kong. The Hang Seng led the region with a 2.98% rise, while the CSI 300 gained 1.06%, bolstered by the announcement that China's central bank would provide liquidity support through a 500-billion-yuan facility aimed at easing access to capital. Japan's Nikkei added 0.26%, South Korea's Kospi advanced 0.34%, and Australia's ASX 200 rose 0.43%. Locally, sectoral performances were mixed. Property (+0.55%) led gains, while Services (-1.55%) and Mining & Oil (-0.99%) posted notable declines. In the PSEi, JGS (+2.27%) and SMPH (+1.10%) emerged as top gainers, while BLOOM (-2.97%) and CNVRG (-2.53%) were the worst performers. Market turnover improved to ₱5.59 billion, up by 5% from the previous session, while net foreign selling eased to ₱73.58 million, a significant reduction from Wednesday's ₱402.75 million outflow. The Philippine Peso, however, continued its slide, closing at ₱57.36 against the dollar, its lowest level in two months due to pressure from rising US bond yields. Despite recent market consolidation, the outlook remains positive. Expectations of further monetary easing from the Bangko Sentral ng Pilipinas (BSP) provide a supportive backdrop, although investors are likely to remain cautious until more definitive policy moves are made. The market may continue to experience short-term fluctuations, but the broader trend points toward recovery as favorable monetary conditions come into play.

Stock Picks

Stock	Date	Initial Price	Current Price	Return since Recommendation	
				Stock	PSEi
TEL	3/13/20	1,029.00	1,517.00	47.42%	27.92%
CNPF	3/13/20	13.10	38.20	191.60%	27.92%
FGEN	9/23/20	24.80	17.88	-27.90%	25.77%
AP	9/23/20	25.55	38.15	49.32%	25.77%
BDO	11/17/20	92.60	156.80	69.33%	7.13%
BPI	11/17/20	83.00	141.00	69.88%	7.13%
MBT	11/17/20	44.35	79.05	78.24%	7.13%
SECB	11/17/20	103.90	94.90	-8.66%	7.13%
CNVRG	6/13/22	22.50	16.16	-28.18%	14.60%
ALI	6/13/22	30.05	36.50	21.46%	14.60%
SGP	6/13/22	12.06	9.63	-20.15%	14.60%
Ave. Return				40.22%	16.34%

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PSEI INTRADAY



INDICES

Index	Prev	Last	% Chg
PSEi	7,424.52	7,411.47	-0.18%
All Shares	4,033.36	4,037.52	0.10%
Financial	2,359.54	2,363.97	0.19%
Industrial	9,965.01	9,935.63	-0.29%
Holding Firms	6,281.47	6,299.15	0.28%
Property	2,934.74	2,950.95	0.55%
Services	2,318.38	2,282.36	-1.55%
Mining & Oil	8,823.72	8,736.51	-0.99%

TOP 10

JGS	2.27%	BLOOM	-2.97%
MONDE	1.16%	CNVRG	-2.53%
SMPH	1.10%	ICT	-2.19%
BPI	0.71%	WLCON	-1.95%
GTCPAP	0.56%	DMC	-1.86%
SM	0.41%	AGI	-1.37%
TEL	0.40%	MER	-1.25%
URC	0.39%	GLO	-1.24%
LTG	0.30%	MBT	-1.06%
ALI	0.27%	CNPF	-0.78%

BOTTOM 10

MARKET DATA

Market Volume	1,072,384,028
Market Turnover (Value)	5,586,225,581
Foreign Buying	2,123,559,345
Foreign Selling	2,197,135,668
Net Foreign Buy / (Sell)	(73,576,324)

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Economic Developments

- ➔ **FDI net inflow reached \$820 million in July, the highest in 5 months.** In July, the Philippines saw a significant surge in net foreign direct investments (FDI), reaching \$820 million, a 5.5% increase from \$778 million in the same month last year, according to data from the Bangko Sentral ng Pilipinas (BSP). This marked the highest FDI inflow in five months, reversing a four-month contraction and showing the strongest figures since the \$1.37 billion recorded in February. The rise was driven by higher net inflows across all components, with investments in debt instruments increasing by 2.7% to \$610 million and non-residents' reinvestment of earnings rising by 12.8% to \$135 million. Equity capital investments also saw strong growth, increasing by 16.8% to \$76 million, with significant inflows from Japan, the US, and Singapore, primarily directed into the manufacturing and real estate sectors. However, equity withdrawals surged over threefold to \$59 million from \$16 million. Despite global uncertainties and elevated borrowing costs affecting FDI inflows earlier in the year, net FDI for the first seven months of 2024 grew by 7.5% to \$5.26 billion. The BSP expects total FDI net inflows to reach \$10 billion by the end of the year. (*Philstar*)
- ➔ **Trade gap widened to \$4.38 billion in August.** The Philippines' trade deficit expanded by 6.6% year-on-year in August, reaching \$4.375 billion, driven by imports growing at a faster pace than exports. However, on a month-on-month basis, the trade gap narrowed by 10.25% from July's \$4.88 billion deficit. Total external trade in goods increased by 1.8% to \$17.87 billion, with imports accounting for 62.2% of this figure and exports making up the remaining 37.8%. Export sales rose marginally by 0.3% to \$6.75 billion, marking the highest value in 11 months. Exports have rebounded in the past two months, with demand from nontraditional markets and slight recoveries in shipments to the U.S. and Japan. However, exports to China and Hong Kong remained flat. On the other hand, imports rose by 2.7% year-on-year to \$11.12 billion, largely driven by raw materials and intermediate goods, which grew by 5.2%. The rise in imports was partly attributed to the stronger peso, which made imports cheaper for locals, increasing demand. Year-to-date, the trade deficit narrowed by 4.35% to \$34.3 billion. Key export categories, such as electronic products, declined, with semiconductor exports dropping by 13.8% to \$2.69 billion. The U.S. remained the top destination for Philippine goods, accounting for 18.1% of the total export value. Meanwhile, China continued to be the largest source of imports, contributing 25% of the total import bill. (*BusinessWorld*)

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Corporate Developments

- ➔ **International Container Terminal Services, Inc. (ICT).** ICT has acquired a 27-hectare property in Batangas, marking a key step in its \$800-million expansion plan for its Bauan Port facilities. The newly acquired land, located in San Roque and San Andres, is adjacent to ICT's existing Bauan Port and will support the development of a 900-meter berth terminal. This investment is part of the company's broader efforts to capitalize on regional growth opportunities in Southern Luzon, positioning the terminal to become a significant international gateway for the Calabarzon region. Construction of the terminal is slated to begin in the first quarter of 2025 and will enhance ICT's port services with a capacity of over two million twenty-foot equivalent units. Meanwhile, ICT's plans in South Africa have encountered legal obstacles, as the Kwazulu Natal High Court has temporarily halted the privatization of Durban Container Terminal Pier 2, where ICTSI was selected as the preferred partner for Transnet's upgrade project. Despite the court ruling in response to a petition from Maersk, ICT expressed strong disagreement and emphasized that it had met all tender requirements. The company remains committed to addressing the case through legal avenues. This project is critical for Transnet, with ICT having been declared the "best operating partner" based on its international tender bid. *(ICT Disclosure)*
- ➔ **SP New Energy Corporation (SPNEC).** SPNEC is injecting approximately ₱8.9 billion into its subsidiaries, Terra Solar Philippines Inc. (TSPI) and Terra Nueva Inc. (TNI), to support their working capital needs. The company's board approved a ₱6.03-billion subscription to TSPI shares, alongside the assignment of receivables to partially finance the transaction. SPNEC is also investing around ₱2.9 billion in TNI shares. This capital infusion will help fund TSPI's application for increased authorized capital stock, which is essential for new investors and the continued development of SPNEC's massive solar farm project. The capital provided to TNI will focus on acquiring land, right-of-way, and conversion costs for the Terra Solar project, which spans 3,500 hectares across Nueva Ecija and Bulacan. The ₱213-billion project, comprising 3,500 megawatts of solar panels and 4,500 megawatt-hours of battery storage, is slated to be the world's largest solar farm once completed. SPNEC's partnership with UK-based Actis and the ₱600-million deal with Manila Electric Company (MER) will provide further financial backing for this ambitious development, targeted for completion between 2026 and 2027. *(SPNEC Disclosure)*

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Other Developments

- ➔ **Inflation rate hit 2.4% in September, topping expectations; jobless claims highest since August 2023.** Inflation rates in the U.S. exceeded forecasts in September, with the consumer price index (CPI) rising by a seasonally adjusted 0.2%, resulting in an annual inflation rate of 2.4%, which is 0.1 percentage point higher than anticipated. Although this marks a 0.1 percentage point decrease from August and the lowest inflation rate since February 2021, core prices, excluding food and energy, rose by 0.3% month-over-month, leading to a core annual inflation rate of 3.3%. The increase in inflation was largely driven by a 0.4% rise in food prices and a 0.2% uptick in shelter costs, offsetting a significant 1.9% drop in energy prices. Simultaneously, weekly jobless claims surged to a 14-month high, reaching 258,000 for the week ending October 5, primarily influenced by Hurricane Helene and a strike involving Boeing workers. This increase suggests potential weaknesses in the labor market, despite strong nonfarm payroll growth reported earlier. Fed officials, while acknowledging the uptick in inflation, expressed confidence that inflation is trending down toward their 2% target, emphasizing the importance of long-term data over monthly fluctuations for monetary policy decisions. Despite the higher-than-expected CPI readings, market analysts increased their bets for a quarter-point rate cut during the Federal Reserve's upcoming policy meeting. *(CNBC)*
- ➔ **Hurricane Milton leaves at least 10 dead, millions without power in Florida.** Hurricane Milton, a Category 3 storm, unleashed widespread destruction across Florida on Wednesday night, causing severe tornado damage that killed at least 10 people and left over 3.2 million homes and businesses without power. While the feared catastrophic storm surge did not materialize in the Tampa Bay area, the storm's winds and tornados devastated several communities, including St. Lucie County, where 27 tornados were reported, and the Fort Myers region. Significant damage was seen across the state, with uprooted trees, toppled cranes, and shattered windows, though many residents heeded evacuation orders, saving lives. Florida's infrastructure remains heavily impacted, with rivers still at risk of flooding following the storm's 18 inches of rainfall. Governor Ron DeSantis acknowledged that while Florida avoided the worst-case scenario, recovery will be long and challenging. President Joe Biden has postponed overseas travel to focus on disaster relief efforts, calling for Congress to return to session to address urgent funding needs. As the state grapples with Milton's aftermath, the focus is on restoring power, assessing damages, and providing aid to those affected by the deadly storm. *(Reuters)*

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Other Developments

➔ **China kicks off 500-billion-yuan swap facility to aid stock market.** China's central bank has introduced a new funding scheme worth 500 billion yuan (\$70.62 billion) to support its capital markets by providing liquidity to non-bank financial institutions. Securities firms, fund companies, and insurers can now apply to use assets like bonds and stock ETFs as collateral to access highly liquid assets such as treasury bonds and central bank bills. This move is part of a broader policy package aimed at reviving the economy and boosting market confidence after a recent market dip following a sharp rally. Analysts see the scheme as a way for the People's Bank of China (PBOC) to influence both the stock and bond markets in a coordinated manner, although some concerns remain about the operational details and participation levels. While the program offers a significant liquidity boost, PBOC officials clarified that it is not intended to increase the money supply or breach regulations that prevent bank loans from entering the stock market. Instead, the swap facility mirrors the U.S. Federal Reserve's approach during the global financial crisis, aiming to ease funding pressures without directly expanding the central bank's balance sheet. The PBOC may expand the program beyond its initial scale if needed to support financial institutions and stabilize market sentiment. *(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
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
MWPS	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
Scripless 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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