

Market Commentary

➔ **The View.** The PSEi edged down by 19.31 points or 0.26% on Wednesday, closing at 7,437.00. The slight decline came ahead of the anticipated 25-basis point rate cut by the Bangko Sentral ng Pilipinas (BSP). Despite expectations of monetary easing, the peso's continued weakness against the US dollar weighed on the market, reflecting broader concerns. Additionally, the local bourse was influenced by spillovers from Wall Street's overnight decline, where investors reassessed the outlook after recent volatility. In the US, Wall Street bounced back on Wednesday, with the Dow Jones rising 0.79%, the S&P 500 up 0.47%, and the Nasdaq Composite gaining 0.28%. Positive corporate earnings reports fueled this recovery, particularly from Morgan Stanley and United Airlines. Despite the rebound, market participants remained cautious ahead of the upcoming US presidential election, which could introduce new volatility in the markets. In Europe, markets closed lower as luxury goods and chip stocks led the decline amid cautious earnings outlooks. The Stoxx50 dipped by 0.77%, while the Stoxx600 slipped by 0.19%. However, the UK's FTSE 100 gained 0.97%, buoyed by a sharp drop in inflation to 1.7% in September. In APAC, markets traded lower, mirroring Wall Street's earlier losses. Japan's Nikkei led regional declines, falling 1.83%, followed by South Korea's Kospi, which dropped 0.88%. Meanwhile, China's CSI 300 slid 0.63%, and Hong Kong's Hang Seng lost 0.16%. Australia's S&P/ASX 200 also fell by 0.41%, as investors kept a close watch on upcoming announcements of stimulus measures for China's struggling real estate sector. Locally, sectoral performance was mostly in the red. Mining & Oil (-1.08%) and Property (-0.83%) led the declines. Industrial (+0.32%) and Financial (+0.02%) bucked the trend. In the PSEi, DMC (+5.80), PGOLD (+4.39%), and LTG (+3.35%) were the top performers. On the other hand, NIKL (-2.39%), URC (-2.03%), and SM (-1.82%) were the main laggards. Market turnover reached ₱6.95 billion, while foreign investors were net buyers for the second consecutive day, recording a net foreign inflow of ₱841.27 million. The Philippine Peso regained some ground against the US dollar, strengthening to ₱57.70 from ₱57.865 the day before. Looking ahead, geopolitical risks, particularly in the Middle East, continue to pose a significant challenge for investors, with fluctuating oil prices adding further uncertainty. However, the BSP's recent rate cut could provide long-term support for the local market, potentially improving sentiment and driving renewed optimism despite external risks.

Stock Picks

Stock	Date	Initial Price	Current Price	Return since Recommendation	
				Stock	PSEi
TEL	3/13/20	1,029.00	1,520.00	47.72%	28.36%
CNPF	3/13/20	13.10	40.70	210.69%	28.36%
FGEN	9/23/20	24.80	18.06	-27.18%	26.21%
AP	9/23/20	25.55	39.75	55.58%	26.21%
BDO	11/17/20	92.60	162.00	74.95%	7.50%
BPI	11/17/20	83.00	140.60	69.40%	7.50%
MBT	11/17/20	44.35	81.50	83.77%	7.50%
SECB	11/17/20	103.90	97.00	-6.64%	7.50%
CNVRG	6/13/22	22.50	17.24	-23.38%	15.00%
ALI	6/13/22	30.05	36.50	21.46%	15.00%
SGP	6/13/22	12.06	9.84	-18.41%	15.00%
Ave. Return				44.36%	16.74%

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PSEI INTRADAY



INDICES

Index	Prev	Last	% Chg
PSEi	7,456.31	7,437.00	-0.26%
All Shares	4,086.45	4,097.56	0.27%
Financial	2,400.80	2,401.74	0.04%
Industrial	10,070.51	10,102.59	0.32%
Holding Firms	6,326.71	6,291.19	-0.56%
Property	2,969.20	2,944.57	-0.83%
Services	2,263.13	2,262.06	-0.05%
Mining & Oil	8,764.54	8,669.49	-1.08%

TOP 10

DMC	5.80%	NIKL	-2.39%
PGOLD	4.39%	URC	-2.03%
LTG	3.35%	SM	-1.82%
CNPF	3.17%	ALI	-1.62%
MER	1.72%	GLO	-1.22%
MONDE	0.94%	SMPH	-1.09%
WLCON	0.83%	ACEN	-0.56%
AEV	0.67%	ICT	-0.34%
BDO	0.62%	SMC	-0.34%
CNVRG	0.47%	JGS	-0.19%

BOTTOM 10

MARKET DATA

Market Volume	831,761,544
Market Turnover (Value)	6,951,606,971
Foreign Buying	4,215,935,177
Foreign Selling	3,374,668,277
Net Foreign Buy / (Sell)	841,266,900

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Economic Developments

- ➔ **BSP delivers another quarter point rate cut as inflation cools.** The Bangko Sentral ng Pilipinas (BSP) cut its policy rate by 25 basis points to 6%, marking a further easing of monetary policy as inflation continues to cool. This move, anticipated by economists, follows a significant drop in inflation to 1.9% in September, the lowest in four years. The decline was largely driven by softer food price growth, which slowed to 1.4%. With year-to-date inflation at 3.4%, comfortably within the BSP's 2% to 4% target range, the central bank saw an opportunity for further rate reductions. The next policy review is set for December 19. (*Inquirer*)
- ➔ **Social services, food security to get ₱292-billion boost in 2025 budget.** The House of Representatives' Small Committee has proposed an additional ₱292.23 billion to the 2025 General Appropriations Bill, aimed at boosting social services, food security, and safety nets amid slower-than-expected economic growth. This adjustment brings the total allocation for cash assistance to poor families to ₱591.8 billion. Key allocations include ₱39.8 billion each for the Assistance to Individuals in Crisis Situations (AICS) and Ayuda sa Kapos ang Kita Program (AKAP), a 206% increase for AKAP compared to the 2024 budget. The proposal also includes increased funding for the Department of Education, scholarships, food security programs, and military support amid tensions in the South China Sea. Economists and labor leaders have voiced concerns regarding implementation challenges. Benjamin Velasco from UP School of Labor warns that social aid distribution risks being entangled in local politics, advocating for a national database to better allocate resources. Meanwhile, Ateneo economist Leonardo Lanzona cautions that increased social spending might fuel inflation without boosting production, keeping people dependent on government aid. Upcoming economic data and potential legal issues surrounding constitutional violations in the budget amendment process add complexity to the government's 2025 fiscal plan. (*BusinessWorld*)
- ➔ **Five more PPP projects to be awarded this year, early 2025.** The Philippine government is set to award five new public-private partnership (PPP) projects valued at ₱28 billion by late 2024 or early 2025, as part of its ongoing efforts to modernize infrastructure and boost tourism. Among the key projects are the ₱27.95-billion upgrade of the New Bohol International Airport in Panglao, for which Aboitiz InfraCapital, Inc. has secured original proponent status, and a ₱9.49-billion state-of-the-art cancer hospital to be built at UP-Philippine General Hospital. Additional projects include bulk water supply, septage management in Bislig City, and a dialysis center at Baguio General Hospital. In 2025, the government is expected to award eight more PPP projects worth ₱270.65 billion, covering major upgrades to Iloilo, Kalibo, and Puerto Princesa airports, as well as rail systems like the Metro Manila Subway and MRT Line 3. The administration, under Republic Act No. 11966, has committed to climate-resilient and sustainable PPPs, embedding environmental performance standards and incentivizing green financing. These initiatives form part of the Marcos administration's goal to complete 350 airport and seaport projects by 2028. (*BusinessWorld*)

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Corporate Developments

- ➔ **Semirara Mining and Power Corporation (SCC)**. SCC has declared a special cash dividend of ₱2.50 per outstanding common share, approved during today's Board of Directors meeting. Shareholders on record by October 29, 2024, will be entitled to the dividend, with the ex-dividend date set for October 28, 2024, and payment scheduled for November 14, 2024. This follows the ₱14.88 billion payout last April, bringing SCC's total 2024 dividend distribution to ₱25.50 billion, or a 91% payout ratio—well above its 20% minimum policy. With an annual dividend of ₱6.00 per share, SCC's dividend yield reaches nearly 18%, based on the October 15 closing price of ₱34.00. *(SCC Disclosure)*
- ➔ **DMCI Holdings Inc. (DMC)**. DMC has approved the issuance of ₱10 billion in preferred shares to its parent company, Dacon Corp., to fund its acquisition of Cemex Holdings Philippines Inc. (CHP). DMC Chairman Isidro A. Consunji clarified that the preferred shares will not dilute voting rights of common shareholders and will enhance the company's balance sheet. The preferred shares come with a 4% dividend rate, and Dacon has the option to convert these shares into common shares at a 30% premium, based on a 30-day volume weighted average price. The funds raised will support DMC's earlier-announced acquisition of Cemex Asian South East Corp. (CASEC), the majority shareholder of Cemex Philippines, for \$305.6 million. As part of the deal, Dacon initiated a tender offer for Cemex's publicly owned shares at ₱1.42 each, with the intent to maintain Cemex's listing on the Philippine Stock Exchange (PSE). Should the public float fall below the minimum 10% threshold, Dacon plans to sell a portion of its CHP shares within six months of completing the acquisition, which is expected by the end of November. *(DMC Disclosure)*

Other Developments

- ➔ **Global public debt to top \$100 trillion this year; growth to accelerate — IMF**. Global public debt is projected to surpass \$100 trillion this year for the first time, driven by political sentiment favoring higher spending and slow growth amplifying borrowing needs, according to the IMF's latest Fiscal Monitor report. The report anticipates global public debt will reach 93% of GDP by the end of 2024 and may approach 100% by 2030, exceeding its COVID-19 peak of 99%. Factors such as increased spending pressures on green transitions, aging populations, and security concerns are expected to further push debt levels beyond current projections, with potential adverse scenarios showing debt could rise to 115% of GDP in three years. The IMF emphasized the urgency for fiscal consolidation, noting that despite solid growth and low unemployment, current efforts to stabilize debt remain inadequate. A cumulative tightening of 3.8% of GDP is needed to reduce debt risks, but major economies like the US, China, and several European countries may require substantially greater fiscal adjustments to avoid adverse market reactions. The IMF warned that postponing adjustments could lead to costlier consequences, urging governments to pursue more targeted tax reforms and cut poorly allocated subsidies while avoiding cuts to public investment and social spending, which could stifle growth. *(Reuters)*

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Other Developments

- ➔ **UK inflation falls sharply to 1.7%, below Bank of England's target for first time in over three years.** Inflation in the U.K. sharply declined to 1.7% in September, its first drop below the Bank of England's (BOE) 2% target since April 2021, increasing expectations for a rate cut in November. Core inflation, which excludes volatile items like energy and food, also eased to 3.2% from 3.6% in August. The services sector, a major contributor to U.K. inflation, saw price rises fall to 4.9%, signaling a reduction in underlying price pressures. As a result, market bets on a 25-basis-point BOE rate cut in November surged, with further cuts anticipated by year-end. In response to the inflation data, the British pound weakened, dropping below \$1.30 against the U.S. dollar, while yields on British government bonds also fell. Analysts noted that lower wage growth and declining service inflation support the case for BOE rate cuts, with some projecting rates could eventually fall to 3.00%. However, potential risks remain, including the upcoming increase in the energy price cap and the Labour government's debut budget, which could influence future inflation and monetary policy decisions. (CNBC)
- ➔ **Global chip stocks fall on ASML's disappointing outlook, possible U.S. export cap.** Global semiconductor stocks fell on Wednesday following disappointing sales forecasts from Dutch chip equipment maker ASML, which saw its shares drop 5% in early European trading. The company's stock had already plummeted 16% the day before, erasing €49.2 billion (\$53.6 billion) from its market capitalization. This downturn in ASML dragged down other European chipmakers, including ASMI (-2.3%), BE Semiconductor (-1.9%), and STMicroelectronics (-1.2%). In Asia, Japan's Tokyo Electron saw the steepest loss, tumbling nearly 10%, while Taiwan Semiconductor Manufacturing Company (TSMC) and SK Hynix fell 3.3% and 1.6%, respectively. The semiconductor sector's losses weighed on broader markets, with Japan's Nikkei 225 losing over 2%. ASML's report indicated a lower-than-expected outlook for 2025 net sales, projected between €30 billion and €35 billion, below earlier estimates. Net bookings for the September quarter also significantly missed expectations at €2.6 billion, less than half of the €5.6 billion consensus. CEO Peter Wennink attributed the slower recovery to cautiousness among customers. The semiconductor sector also faced further headwinds as reports emerged that U.S. officials are considering limiting Nvidia's sales of AI chips to certain countries, contributing to declines across global chip stocks. ASML continues to navigate challenges in China due to export restrictions, though it expects China to account for 20% of its revenue next year, down from 49% in the June quarter. (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
FEU	Far Eastern University, Incorporated	Php16.00	Cash	Common	09/30/24	10/01/24	10/17/24
MWP5	Megawide Construction Corporation	Php1.97605	Cash	Preferred	10/01/24	10/02/24	10/17/24
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
BALAI	Balai Ni Fruitas Inc.	Php0.005	Cash	Common	10/23/24	10/24/24	11/08/24
CPGPB	Century Properties Group, Inc.	Php1.8858000	Cash	Preferred	10/25/24	10/28/24	11/22/24
SCC	Semirara Mining and Power Corporation	Php2.50	Special Cash	Common	10/28/24	10/29/24	11/14/24
DMC	DMCI Holdings, Inc.	Php0.48	Special Cash	Common	10/29/24	10/30/24	11/15/24
ASLAG	Raslag Corporation	Php0.05	Cash	Common	10/30/24	10/31/24	11/25/24
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
FCG	Figaro Coffee Group, Inc.	Php0.027	Cash	Common	11/13/24	11/14/24	12/04/24
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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