

Market Commentary

➔ **The View.** The PSEi extended its losses, shedding 36.67 points or -0.49% to close at 7,400.33. Profit-taking weighed on the market following recent gains, as lingering weakness in the local currency contributed to a negative sentiment. Despite a strong start to the earnings season, the local bourse remained under pressure due to geopolitical headwinds. On Wall Street, the Dow Jones gained 0.37% and the Nasdaq Composite eked out a 0.04% rise, while the S&P 500 slipped slightly by 0.02%. Semiconductor stocks led the gains in the tech-heavy Nasdaq, with Nvidia climbing 2% to reach a new all-time high. Additionally, better-than-expected retail sales data for September pointed to continued consumer spending strength, easing some concerns over a potential recession. Weekly jobless claims also came in lower than expected. European markets closed higher as the European Central Bank (ECB) delivered its third interest rate cut of the year. The Stoxx50 surged 0.79%, while the broader Stoxx600 gained 0.83%. The ECB's decision to lower the deposit rate by 25 basis points came as inflation in the eurozone cooled to 1.8% in September, well below the central bank's 2% target. In APAC, most markets closed lower after China's housing ministry briefing failed to inspire confidence among investors, leading to a steep drop in the country's property stocks. The CSI 300 fell 1.13%, while Hong Kong's Hang Seng declined 1.02%. Japan's Nikkei slipped 0.69%, while South Korea's Kospi saw marginal losses of 0.04%. In contrast, Australia's ASX 200 bucked the trend, rising 0.86% amidst optimism over domestic corporate earnings. Locally, sectoral performance was mixed, with Financials posting the only gain, up 0.38%, led by the Bank of the Philippine Islands (BPI), which rose 1.35%. On the downside, Holding Firms (-1.17%) and Mining & Oil (-1.05%) led sectoral declines. In the PSEi, CNPF (+3.69%), BPI (+1.35%), and SM (+0.95%) were the best performers. Meanwhile, NIKL (-4.63%), DMC (-4.19%), and PGOLD (-3.63%) were the worst laggards. Market turnover was subdued, falling 15% to ₱5.91 billion, while foreign investors were net sellers, with a net outflow of ₱47.87 million, reversing the previous day's ₱841.27 million inflow. The Philippine Peso weakened further, closing at ₱57.80 against the US dollar, reflecting the currency's ongoing struggle. Looking ahead, the market faces several uncertainties, including the continued weakness of the peso and risks from global geopolitical tensions. Investors will continue monitoring developments in China's real estate sector and the ongoing geopolitical risks in the Middle East, which could have further implications for global oil prices and inflation trends.

Stock Picks

Stock	Date	Initial Price	Current Price	Return since Recommendation	
				Stock	PSEi
TEL	3/13/20	1,029.00	1,490.00	44.80%	28.36%
CNPF	3/13/20	13.10	42.20	222.14%	28.36%
FGEN	9/23/20	24.80	18.00	-27.42%	26.21%
AP	9/23/20	25.55	38.10	49.12%	26.21%
BDO	11/17/20	92.60	162.50	75.49%	7.50%
BPI	11/17/20	83.00	142.50	71.69%	7.50%
MBT	11/17/20	44.35	80.10	80.61%	7.50%
SECB	11/17/20	103.90	99.15	-4.57%	7.50%
CNVRG	6/13/22	22.50	17.38	-22.76%	15.00%
ALI	6/13/22	30.05	35.65	18.64%	15.00%
SGP	6/13/22	12.06	9.77	-18.99%	15.00%
Ave. Return				44.43%	16.74%

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PSEI INTRADAY



INDICES

Index	Prev	Last	% Chg
PSEi	7,437.00	7,400.33	-0.49%
All Shares	4,097.56	4,076.24	-0.52%
Financial	2,401.74	2,410.91	0.38%
Industrial	10,102.59	10,047.79	-0.54%
Holding Firms	6,291.19	6,217.34	-1.17%
Property	2,944.57	2,929.32	-0.52%
Services	2,262.06	2,256.37	-0.25%
Mining & Oil	8,669.49	8,578.30	-1.05%

TOP 10

CNPF	3.69%	NIKL	-4.63%
BPI	1.35%	DMC	-4.19%
SMPH	0.95%	PGOLD	-3.63%
CNVRG	0.81%	LTG	-3.05%
SCC	0.59%	MONDE	-2.43%
GLO	0.41%	ALI	-2.33%
ICT	0.34%	TEL	-1.97%
BDO	0.31%	MER	-1.85%
JFC	0.22%	MBT	-1.72%
WLCON	0.12%	AC	-1.71%

BOTTOM 10

MARKET DATA

Market Volume	938,004,172
Market Turnover (Value)	5,908,663,048
Foreign Buying	2,736,820,111
Foreign Selling	2,784,694,092
Net Foreign Buy / (Sell)	(47,873,981)

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Economic Developments

- ➔ **CAB, local carriers to discuss proposed fees.** The Civil Aeronautics Board (CAB) is set to meet with local carriers on October 18 to discuss the airlines' proposal to collect terminal enhancement fees from passengers, in response to rising operational costs at Ninoy Aquino International Airport (NAIA). The proposal, which suggests an additional fee of ₱300 per flight, has been submitted by Philippine Airlines, Cebu Pacific, and Philippines AirAsia, with the possibility of foreign carriers seeking similar relief. While the Manila International Airport Authority (MIAA) is serving as a consultative body, the final decision lies with CAB, which is currently evaluating the request. The fee hike follows NAIA's transition to its new operator, New NAIA Infra Corp. (NNIC), which raised landing and take-off fees starting in September, and plans to increase passenger service charges by 2025. Industry experts are divided on the justification for the proposed fees. Airline representatives and public-private partnership advisors argue that the charges are necessary to cover the rising costs associated with the new operator's planned airport enhancements. However, critics, including public analysts and advocacy groups, deem the fee increases premature and unjustified, noting that passengers are being charged before any visible improvements at NAIA. NNIC has defended the fee increases as aligned with the terms set by the Department of Transportation and Asian Development Bank during the bidding of NAIA's public-private partnership project. (*BusinessWorld*)
- ➔ **Car sales up 2.4% in September.** Vehicle sales in the Philippines rose by 2.4% year-on-year in September, reaching 39,542 units, as reported by the Chamber of Automotive Manufacturers of the Philippines Inc. (CAMPI) and the Truck Manufacturers Association (TMA). This increase from the previous year's 38,628 units was driven by improved promotional activities and new stock arrivals. The commercial vehicle segment dominated with 73.6% of sales, totaling 29,104 units, while passenger car sales grew by 9.2%, reaching 10,438 units. CAMPI noted no new models were launched in September, with companies likely preparing for the Philippine International Motor Show in October. From January to September, total vehicle sales accelerated by 9.4% to 344,307 units compared to the same period last year. Commercial vehicle sales increased by 8% to 253,542 units, while passenger cars saw a stronger 13.4% growth to 90,765 units. Toyota Motor Philippines remained the top market player with a commanding 46.21% share, followed by Mitsubishi Motors Philippines Corp. at 19.18%, and Ford Motor Co. Philippines Inc. at 6.23%. Nissan Philippines Inc. and Suzuki Philippines Inc. rounded out the top five with 5.9% and 4.35% shares, respectively. (*Philstar*)

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Corporate Developments

- ➔ **Bank of the Philippine Islands (BPI).** BPI reported a record net income of ₱48.0 billion for the first nine months of 2024, a 24.3% increase from the previous year, driven by strong revenue growth and positive operating leverage. Total revenues surged 24.7% to ₱125.8 billion, bolstered by a 22.2% rise in net interest income, which reached ₱93.8 billion. The bank's net interest margin widened to 4.29%, with average loans growing 18.9%. Non-interest income grew 32.4% to ₱31.9 billion, supported by securities trading gains of ₱3.0 billion and a 28.0% increase in fee income. Despite a 22.1% rise in operating expenses to ₱59.4 billion, BPI maintained a cost-to-income ratio of 47.2%. For the third quarter of 2024, BPI posted its highest quarterly income to date, earning ₱17.4 billion, up 29.4% year-on-year. Gross loans grew to ₱2.1 trillion, reflecting an 18.9% increase, led by strong performances in personal loans, business banking, and microfinance. Deposits reached ₱2.5 trillion, with a CASA ratio of 63.0% and a loan-to-deposit ratio of 85.9%. The bank's total assets rose to ₱3.2 trillion, while capital levels remained robust, with a Common Equity Tier 1 ratio of 14.8% and a Capital Adequacy Ratio of 15.5%, both above regulatory requirements. *(BPI Disclosure)*
- ➔ **Asia United Bank Corporation (AUB).** AUB achieved a record-high consolidated net income of ₱8.6 billion for the first nine months of 2024, marking a 41% increase from the previous year and surpassing its full-year net income of ₱8.3 billion in 2023. This resulted in a return on equity of 22.4% and a return on assets of 3.4%, both improving from last year. The bank's net interest margin rose by 11% to ₱12.5 billion, driven by higher interest income from its loan portfolio and investments, with the net interest margin ratio improving to 5.3% from 4.9%. Non-interest income also grew due to gains in foreign exchange, service fees, and other operating activities, while operating expenses saw a modest 6% increase due to higher staff compensation and capital expenditures. AUB's credit quality significantly improved, with credit and impairment losses dropping by 93% to ₱79 million, and its nonperforming loan (NPL) ratio falling to 0.53% from 0.7%. The bank remains well-covered, with an NPL coverage ratio of 120.7%. Total assets increased by 2% to ₱352.0 billion, while its loan portfolio grew by 6% to ₱198.9 billion, funded by deposits of ₱282.0 billion. AUB's low-cost CASA deposits accounted for 70% of total deposits, up from 66% last year. Total equity surged by 25% to ₱56.6 billion, supported by retained earnings, with a Common Equity Tier 1 Ratio of 19.6% and a Capital Adequacy Ratio of 20.4%, both exceeding regulatory requirements. *(AUB Disclosure)*

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Corporate Developments

➔ **Philex Mining Corporation (PX).** PX is awaiting approval for an exploration permit for a potential nickel mining site in Pangasinan as part of its strategy to diversify its mineral portfolio. PX President and CEO Eulalio B. Austin, Jr. mentioned the long-standing application during a forum, adding that the company is also conducting exploratory studies at another nickel site in Zambales, with technical evaluations expected to conclude next year. This move aligns with the company's aim to meet the increasing global demand for nickel, particularly due to its importance in electric vehicle battery production and stainless-steel manufacturing. PX remains committed to expanding its operations, with commercial production at its Silangan gold and copper mine projected to start by early 2025. However, delays in equipment delivery, largely from Europe, Canada, and Australia, have posed some challenges to the project's timeline. Despite these setbacks, the company continues to focus on expediting the project. PX currently operates the Padcal gold and copper mine in Benguet and the Silangan Project in Surigao del Norte. *(BusinessWorld)*

Other Developments

➔ **ECB lowers rates and eyes more cuts as economy sags.** The European Central Bank (ECB) cut interest rates for the third time this year, bringing the deposit rate to 3.25%, as inflation within the eurozone appears under control. ECB President Christine Lagarde cited significant progress in the disinflationary process but noted concerns about worsening economic growth, which has lagged the U.S. for two consecutive years. The rate cut marks a shift in focus from tackling inflation to supporting economic growth. Sources indicate a possible fourth rate cut in December unless economic or inflation data improves. Lagarde acknowledged potential risks from the upcoming U.S. elections and possible trade barriers, while also remaining cautious about oil prices amid the Middle East conflict. Despite these concerns, she maintained that the ECB does not foresee a recession and anticipates a "soft landing" for the eurozone's economy. Inflation fell to 1.7% in September, slightly below the ECB's 2% target, although wage growth continues to drive domestic inflation. The ECB hinted at further rate reductions through March, as structural issues like high energy costs and Germany's industrial competitiveness pose ongoing challenges. *(Reuters)*

➔ **Retail sales rose 0.4% in September, better than expected; jobless claims dip.** Consumer spending in the U.S. showed resilience in September, with retail sales rising by 0.4% on a seasonally adjusted basis, surpassing expectations of a 0.3% increase. Excluding autos, sales grew by 0.5%, reflecting stronger consumer activity. Key areas of spending included miscellaneous retailers (+4%), clothing stores (+1.5%), and bars and restaurants (+1%), while gas stations (-1.6%) and electronics stores (-3.3%) saw declines, driven by falling fuel prices. Despite inflation rising by 0.2% during the month, sales were 1.7% higher compared to a year ago. In addition, initial unemployment claims fell to 241,000, below the forecast of 260,000, indicating a stable labor market despite recent hurricanes. This data comes amid the Federal Reserve's decision to cut its benchmark interest rate by half a percentage point, signaling further reductions through 2025 as inflation remains on track to hit the 2% target. Meanwhile, the Philadelphia Fed reported stronger-than-expected manufacturing growth, with its October index rising to 10.3, signaling economic expansion. *(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
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
PRC	Philippine Racing Club, Inc.	Php0.08	Cash	Common	10/29/24	10/30/24	11/21/24
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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