

Market Commentary

➔ **The View.** The PSEi edged higher on Friday, gaining 15.40 points or 0.21% to close at 7,415.73. Despite the Bangko Sentral ng Pilipinas (BSP) cutting interest rates by 25-bps, the market remained relatively flat, as this move was widely anticipated. Investors appear to be waiting for more definitive signals, with the Q3 earnings season just beginning. In the US, markets posted gains, with the Dow Jones rising by 0.09%, the S&P 500 by 0.40%, and the Nasdaq by 0.63%. This marked the sixth consecutive week of gains for the Dow and S&P 500, the longest winning streak this year. Tech stocks powered the rally, led by a significant 11% jump in Netflix after the company reported better-than-expected earnings. Overall, about 75% of the S&P 500 companies that have reported so far have beaten earnings forecasts according to FactSet. European markets also closed higher, with the Stoxx50 gaining 0.79% and the Stoxx600 up by 0.21%. This marked the second straight week of gains for European equities, driven by a surge in tech and luxury stocks. The European Central Bank (ECB) lowered its deposit rate by 25-bps on Thursday as inflation risks in the eurozone continued to diminish faster than expected, further boosting investor confidence in the region. In APAC, most markets ended higher, driven by optimism around China's better-than-expected economic data. China's Q3 GDP grew by 4.6%, slightly exceeding forecasts, while September retail sales rose 3.2% year on year. The CSI 300 surged 3.62%, and Hong Kong's Hang Seng gained 3.41%. South Korea's Kospi slid 0.59%, and Australia's ASX 200 dipped 0.87%. Locally, sectoral performance was mixed, with gains in Financials (+0.44%), Property (+0.61%), and Mining&Oil (+0.76%). BLOOM (+1.67%), ALI (+1.54%), and MONDE (+1.15%) led the gainers, while CNPF (-2.01%), AEV (-1.99%), and CNVRG (-1.73%) declined the most. Market turnover improved, reaching ₱6.36 billion, an 8% increase from the previous session. Foreign investors returned as net buyers, with ₱173.77 million in net inflows, reversing Thursday's net outflow of ₱47.87 million. The Philippine peso appreciated to ₱57.511 against the US dollar, as a modest recovery in the local currency helped alleviate inflation concerns. Looking ahead, Philippine equities could see further gains this week, as the BSP's interest rate cuts may support market sentiment, and investors await more third-quarter earnings reports. However, the PSEi may continue to face resistance at the 7,400–7,500 range amid ongoing concerns over the peso's weakness and offshore uncertainties. Positive corporate earnings could be the catalyst needed for the market to break through this resistance level and sustain its upward trajectory.

Stock Picks

Stock	Date	Initial Price	Current Price	Return since Recommendation	
				Stock	PSEi
TEL	3/13/20	1,029.00	1,500.00	45.77%	27.99%
CNPF	3/13/20	13.10	41.35	215.65%	27.99%
FGEN	9/23/20	24.80	17.96	-27.58%	25.85%
AP	9/23/20	25.55	37.90	48.34%	25.85%
BDO	11/17/20	92.60	164.00	77.11%	7.19%
BPI	11/17/20	83.00	143.10	72.41%	7.19%
MBT	11/17/20	44.35	80.30	81.06%	7.19%
SECB	11/17/20	103.90	97.60	-6.06%	7.19%
CNVRG	6/13/22	22.50	17.08	-24.09%	14.67%
ALI	6/13/22	30.05	36.20	20.47%	14.67%
SGP	6/13/22	12.06	9.68	-19.73%	14.67%
Ave. Return				43.94%	16.41%

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PSEI INTRADAY



INDICES

Index	Prev	Last	% Chg
PSEi	7,400.33	7,415.73	0.21%
All Shares	4,076.24	4,081.52	0.13%
Financial	2,410.91	2,421.60	0.44%
Industrial	10,047.79	10,028.99	-0.19%
Holding Firms	6,217.34	6,208.99	-0.13%
Property	2,929.32	2,947.08	0.61%
Services	2,256.37	2,258.02	0.07%
Mining & Oil	8,578.30	8,643.23	0.76%

TOP 10

BLOOM	1.67%	CNPF	-2.01%
ALI	1.54%	AEV	-1.99%
MONDE	1.15%	CNVRG	-1.73%
MER	1.05%	URC	-1.50%
BDO	0.92%	ACEN	-1.15%
TEL	0.67%	PGOLD	-0.60%
SCC	0.58%	GTCAP	-0.43%
BPI	0.42%	GLO	-0.41%
SMPH	0.31%	NIKL	-0.29%
MBT	0.25%	SMC	-0.23%

BOTTOM 10

MARKET DATA

Market Volume	1,441,587,080
Market Turnover (Value)	6,358,555,640
Foreign Buying	2,076,843,700
Foreign Selling	1,903,072,746
Net Foreign Buy / (Sell)	173,770,953

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Economic Developments

- ➔ **BoP surplus hits \$3.5 billion in September.** The Philippines' balance of payments (BoP) surplus surged to \$3.5 billion in September, significantly higher than August's \$88 million and a reversal from the \$414 million deficit a year ago, according to the Bangko Sentral ng Pilipinas (BSP). This improvement was driven by inflows from the national government's foreign currency deposits and income from the BSP's investments abroad. Year-to-date, the BoP surplus reached \$5.1 billion, a notable increase from the \$1.7 billion recorded in the same period in 2023, aided by narrowing trade deficits, remittances, and foreign borrowings. The country's gross international reserves (GIR) also rose to \$112.7 billion by the end of September, providing an external liquidity buffer equivalent to 8.1 months of imports. The BSP attributed the BoP and GIR gains to structural dollar inflows from remittances, BPO revenues, exports, and foreign investments. The central bank projects a BoP surplus of \$2.3 billion for 2024, citing positive outlooks for economic growth, inflation, and world trade, while GIR forecasts were raised to \$106 billion for this year. (*The Manila Times*)
- ➔ **PH to standardize batteries, charging for electric vehicles.** As the adoption of electric vehicles (EVs) grows in the Philippines, the Department of Trade and Industry (DTI) and Japan's Ministry of Economy, Trade and Industry (METI) recently held a workshop on EV Battery and Charging System Standardization. Participants, including members of the Electric Vehicle Association of the Philippines (EVAP) and experts from Japan Automobile Research Institute (JARI), focused on enhancing product quality and local innovation through international standards, leveraging Japan's expertise in EV technology. Acting Trade Secretary Cristina Roque emphasized the importance of meeting high-quality and safety standards to foster a competitive and sustainable EV market. Standardizing battery and charging systems is seen as a key step to increasing the competitiveness of local manufacturers in both domestic and global markets, which could also spur job creation in sectors like manufacturing and infrastructure development. The DTI's Bureau of Philippine Standards (BPS) is committed to aligning EV standards with global environmental practices and has already established standards for EV components, batteries, and charging infrastructure. Through Republic Act 11697, the DTI aims to further support EV industry growth, focusing on innovation and safety. (*The Manila Times*)

Corporate Developments

- ➔ **Megaworld Corporation (MEG).** MEG projects generating ₱3.5 billion in sales from its upcoming Saint-Marcel Residences, a 17-storey residential condominium in San Fernando City, Pampanga, slated for turnover by 2030. This Parisian-inspired property, part of the 35.6-hectare Capital Town township, will feature 361 smart home units, with wireless systems accessible via a mobile app. The units will range from studios (24 to 33 sq.m.) to three-bedroom units (up to 103 sq.m.), catering to various market needs. Sustainability will be a key feature, with low flow rate fixtures, energy-efficient equipment, and rainwater harvesting facilities. The development will also boast numerous amenities, including a bi-level gym, private dining spaces, a game room, and outdoor fitness areas. According to Eugene Em Lozano, Megaworld Pampanga's Senior Vice-President for Sales and Marketing, the project aims to attract young, well-traveled locals with its French-inspired design and community-centered approach. (*BusinessWorld*)

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Corporate Developments

- ➔ **Ayala Corporation (AC).** The recent deal between AC and Japan's Mitsubishi Corp. is expected to significantly boost the valuation of GCash ahead of its potential initial public offering (IPO). Ayala announced the sale of its 50% stake in AC Ventures Holding Corp. (ACV) to Mitsubishi for at least ₱18.4 billion. ACV holds a 13% stake in Globe Fintech Innovations, Inc. (Mynt), the parent company of GCash and Fuse Lending. Analysts like Chinabank Capital's Juan Paolo Colet highlighted that this deal positions Mynt for an IPO with a valuation around \$5 billion. The IPO could happen as early as next year, depending on market conditions. The deal also supports GCash's global expansion plans, particularly into Japan, and may enhance its service offerings. Additionally, Mitsubishi's involvement could bolster other ventures under ACV, like Gogoro and Zalora, while improving Ayala Corp.'s liquidity and reducing its debt. (*BusinessWorld*)

Other Developments

- ➔ **US budget deficit widens to \$1.8 trillion, third highest on record.** The US reported a budget deficit of \$1.8 trillion for the past fiscal year, an increase of \$138 billion from 2023, primarily driven by rising interest expenses on public debt. According to the Treasury Department, this marks the third-largest deficit in U.S. history, following 2021 and 2020, and reflects the impact of higher interest rates, which led to nearly a 30% increase in spending on interest payments. Despite a rise in tax receipts from both individual and corporate income taxes, the deficit represented 6.4% of GDP, slightly higher than the 6.2% recorded in 2023. As the U.S. approaches the presidential election, the growing national debt remains a critical issue for voters. However, Treasury Secretary Janet Yellen emphasized that the U.S. economy has shown resilience in 2024, with the deficit coming in \$76 billion lower than earlier estimates. (*Agence France-Presse*)
- ➔ **China's Q3 GDP hits weakest pace since early 2023, backs calls for more stimulus.** China's economy grew 4.6% in Q3 2024, slightly exceeding the 4.5% forecast but falling short of the previous quarter's 4.7% pace, highlighting persistent challenges from the ailing property sector and weak domestic demand. While September's industrial output and retail sales figures surpassed expectations, the continued decline in the property market remains a key concern, with new home prices falling at their fastest rate since 2015. Exports, once a bright spot, have also shown signs of slowing, raising further doubts about the strength of the recovery. Despite recent stimulus measures, experts like JLL's Bruce Pang caution that these policies will take time to significantly boost growth. Beijing remains confident in achieving its full-year growth target of 5%, supported by additional policy measures and cuts to banks' reserve requirements. However, economists warn that the structural weaknesses in China's economy—such as the sluggish housing market, overcapacity, and high debt levels—remain largely unaddressed. As policymakers focus on stimulating consumption, analysts like Oxford Economics' Betty Wang believe that while recent measures may cushion downside risks, they are unlikely to reverse the broader downturn. Investors are awaiting more clarity on the size and scope of the stimulus package to reinvigorate long-term growth. (*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
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
PSB	Philippine Savings Bank	Php0.75	Cash	Common	10/31/24	11/04/24	11/18/24
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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