

## Morning Briefing

### Top Stories:

- **PX Padcal Mishap Effects on 2026 Forecasts (Separate Report)**
- **Recommended Cash Dividend Stocks Portfolio**

### Markets

<u>PSEi</u>	<u>PH10Y</u>	<u>DJIA</u>	<u>S&amp;P500</u>	<u>NASDAQ</u>	<u>US10Y</u>	<u>Gold</u>	<u>Oil</u>
6,438	6.009%	49,359	6,940	23,515	4.227%	4,678	59.43
-0.42	+0.019	-0.17%	-0.06%	-0.06%	+0.067	+1.81%	unch

### US Markets

US markets were closed for the Martin Luther King Jr. holiday. The average discount of the Mag 7 to their latest consensus target prices was at **11.49%** (connoting adequate market ceiling), while the S&P 500's PER was at **31.34x** (connoting a frothy index). We believe Emerging Markets (EMs) such as the **Philippines may benefit** from a shift of funds to it from the US.

### PSEi

The PSEi fell by 0.42% to 6,438 at 10.70x PER yesterday. This was led by index stocks PLUS (-4.43% to PHP15.10), CNVRG (-1.87% to PHP15.78), and BPI (-1.85% to PHP122.30). After a morning run-up, profit-taking hit the PSEi in the afternoon. Asian markets were mainly down. Our **PSEi forecast is currently 8,476 at 14.08x PER**. The PSEi has a **32% upside** to our forecast.



Source: CNBC, Trading Economics, PSE, multpl.com, and Asiasec Equities Research

## Economic Calendar

Day / Time	Previous	Consensus	Forecast
<b>Tuesday January 27 2026</b>			
9:00 AM Balance of Trade DEC	\$-3.514B		\$ -4.3B
9:00 AM Exports YoY DEC	21.30%		
9:00 AM Imports YoY DEC	-2%		
<b>Thursday January 29 2026</b>			
10:00 AM Full Year GDP Growth 2026			
10:00 AM GDP Growth Rate QoQ Q4			
10:00 AM GDP Growth Rate YoY Q4			
<b>Friday January 30 2026</b>			
9:00 AM PPI YoY DEC	0.10%		
<b>Monday February 02 2026</b>			
8:30 AM S&P Global Manufacturing PMI JAN	50.2		
<b>Thursday February 05 2026</b>			
9:00 AM Inflation Rate YoY JAN	1.80%		
9:00 AM Core Inflation Rate YoY JAN	2.40%		
9:00 AM Inflation Rate MoM JAN	0.90%		
<b>Friday February 06 2026</b>			
9:00 AM Unemployment Rate DEC	4.40%		
9:00 AM Industrial Production YoY DEC	-1.40%		
Foreign Exchange Reserves JAN	\$110.9B		

Source: Trading Economics

## Q4-2025 to Q1-2026 Market Events Timeline and Outlook

October	November	December	January	February	March
9M-2025 Earnings Season, 4.10% net inc rise below PH GDP 4.96% (3% rise in H1-2025)			US Fed Policy Mtg Jan 27-28, 25 bps cut, 65-70% probability	2025 Earnings Season (starts late Feb)	
BSP 0.25% Rate Cut to 4.75%		US Fed cut rates by 25 bps to 3.5-3.75%		BSP Policy Mtg Feb 12, 25 bps cut, 70-80% probability	US Fed Policy Mtg Mar 17-18, 25 bps cut, 50-60% probability
US Fed cut rates by 25 bps to 3.75-4%		BSP 0.25% Rate Cut to 4.50%			

Source: Asiasec Equities Research

## Recommended Cash Dividend Stocks Portfolio

With headwinds hitting the markets, we believe this gives an **opportunity to create a solid cash dividend stocks portfolio** for the long term. As prices fall, yields of stable cash-dividend paying companies increase. Below is our portfolio recommendation:

Stocks	Share Price (PHP per share)	Dividend per Share (PHP)	Dividend Yield
LTG	15.80	1.20	7.59%
TEL	1,336.00	98.00	7.34%
MBT	71.15	5.00	7.03%
GLO	1,625.00	100.00	6.15%
FB	56.00	3.25	5.80%
URC	72.00	3.80	5.28%

Source: PSE and Asiasec Equities Research

Notes:

1. With equal weighting, the average cash dividend yield from this portfolio is currently **6.5% per annum**.
2. This **beats inflation** of 1.6% this year from the IMF and 2-4% from the government.
3. This also beats the yield of the PH10YTN rate of 6.009%. We believe this proves that **stocks are still better than bonds**.
4. The yield from this portfolio from an investment of PHP5M notably **covers** the annual food (PHP20k minimum) and utilities (PHP5k minimum) **expenses of a typical Filipino family** (Source: NEDA and Numbeo).
5. The companies' businesses are deemed stable and **have a suitable degree of resistance from the US tariffs** with LTG mainly tobacco and banking, TEL with telecommunications and digibanking, MBT with banking, FB with beer and food, AP with power, and GLO with telecommunications and fintech.
6. Banking may encounter additional NPLs as an effect of the US tariffs from affected clientele from manufacturing. The industrial sector (including manufacturing, utilities, and construction) comprise 20-30% of banks' total loans.

## Other Economic, Sector, and Corporate News

### **New gas field at Malampaya East to boost Philippine energy independence**

Businessman Enrique Razon Jr.'s Prime Energy Resources Development B.V., operator of Service Contract No. 38, hailed the discovery of a new natural gas field at Malampaya East-1 as a breakthrough for Philippine energy independence.

Source: [ManilaStandard](#)

### **ACEN strengthens Northern Luzon presence with Pangasinan solar project**

ACEN continues to expand its renewable energy footprint in Northern Luzon through San Manuel Solar, its first solar project in Pangasinan, reinforcing the company's commitment to supporting the Philippines' transition to a low-carbon future.

Source: [PSE/ACEN](#)

### **The Jollibee Group today reported positive developments across its Coffee and Tea and Chinese Cuisine segments**

Compose Coffee's gross store network has surpassed 3,000 locations, while Yonghe King, one of the Jollibee Group's wholly owned Chinese cuisine brands in China, reached a milestone with the opening of 35 new franchised store openings.

Source: [PSE/JFC](#)

### **ICTSI advances USD800M South Luzon Container Terminal**

INTERNATIONAL CONTAINER Terminal Services, Inc. (ICTSI) is progressing with the construction of its USD800M (around PHP47.6B) South Luzon Container Terminal (SLCT) in Bauan, Batangas, which is projected to begin commercial operations by 2028.

Source: [Businessworld](#)

### Haus Talk seeks SEC nod for PHP2B bond offering

Haus Talk, Inc. (HTI) has filed a registration statement with the Securities and Exchange Commission (SEC) for a proposed fixed-rate bond issuance of up to PHP1B, with an oversubscription option of up to PHP1B.

Source: [Businessworld](#)

### Property, power investors to buy 21% of MRC Allied for PHP315M

MRC Allied Inc. has agreed to sell a 21% stake to two private investors for PHP315M to help pay down debt and fund corporate obligations.

Source: [ManilaBulletin](#)

### Commodities

Biggest Daily Movers: Natural Gas (+15.30%), Heating Oil (+2.09%), Silver (+5.27%), Lithium (-4.43%), Platinum (+2.54%), Silicon (+2.69%), Orange Juice (+4.51%), Oat (-1.58%), Tea (-9.75%), Butter (-2.41%), Tin (-7.78%), Palladium (+3.24%)

Source: [Trading Economics](#)

### Dividends Calendar

Company Name	Type of Security	Type of Dividend	Dividend Rate	Ex-Dividend Date	Record Date	Payment Date
Filinvest Development Corporation	FDCPB	Cash	FDCPB – Php17.7720	22-Jan-26	23-Jan-26	8-Feb-26
Filinvest Development Corporation	FDCPA	Cash	FDCPA – Php16.5630	22-Jan-26	23-Jan-26	8-Feb-26
Century Properties Group, Inc.	CPGPB	Cash	PHP 1.8858 per share	26-Jan-26	27-Jan-26	23-Feb-26
RFM Corporation	COMMON	Cash	Php0.08903	28-Jan-26	29-Jan-26	24-Feb-26
DDMP REIT, Inc.	COMMON	Cash	Php 0.024043000	29-Jan-26	30-Jan-26	26-Feb-26
Philippine Savings Bank	COMMON	Cash	Php0.75	29-Jan-26	30-Jan-26	16-Feb-26
A Brown Company, Inc.	BRNPC Series C	Cash	Php 2.1875 per share	6-Feb-26	9-Feb-26	23-Feb-26
A Brown Company, Inc.	BRNPB Series B	Cash	Php 2.0625 per share	6-Feb-26	9-Feb-26	23-Feb-26
In Coverage						

Source: [PSE Edge](#)



## Asiasec Equities Stocks Table

Stocks	Share Price (PHP/share)	Target Price (PHP/share)	Discount/ (Premium)	2025F PER (x)	2025F PBV (x)	Dividend per Share (PHP)	Dividend Yield	Reco
AC	544.00	923.41	41.1%	6.01	0.44	8.32	1.5%	BUY
ACEN	3.06	2.06	-48.6%	51.48	1.04	0.05	1.5%	TRDG SELL
AEV	30.55	56.60	46.0%	9.67	0.60	1.54	5.0%	BUY
AGI	7.84	16.76	53.2%	1.69	0.15	0.16	2.1%	BUY
ALI	23.50	43.63	46.1%	10.14	0.90	0.57	2.4%	BUY
AP	44.90	53.79	16.5%	9.73	1.79	2.35	5.2%	BUY
APX	14.24	21.67	34.3%	12.00	3.55	0.14	1.0%	BUY
BDO	141.30	173.43	18.5%	7.99	1.18	4.00	2.8%	BUY
BLOOM	2.75	5.78	52.4%	136.16	0.50	-	0.0%	LT BUY
BPI	122.30	162.02	24.5%	10.41	1.49	4.74	3.9%	BUY
CBC	63.00	102.19	38.4%	6.79	0.93	2.50	4.0%	BUY
CEB	33.40	60.08	44.4%	3.49	1.04	-	0.0%	LT BUY
CNPF	40.20	40.37	0.4%	19.19	4.27	1.10	2.7%	BUY
CNVRG	15.78	27.44	42.5%	8.36	1.87	0.43	2.7%	STRONG BUY
DMC	10.80	14.21	24.0%	8.53	0.97	1.08	10.0%	HOLD
EMI	16.02	12.05	-33.0%	33.40	3.65	0.24	1.5%	SELL
FB	56.00	96.98	42.3%	8.09	1.54	3.25	5.8%	BUY
GLO	1,625.00	1,978.23	17.9%	12.13	1.53	100.00	6.2%	BUY
GTCAP	635.00	1,133.99	44.0%	3.61	0.43	9.70	1.5%	BUY
ICT	620.00	629.44	1.5%	21.94	7.45	14.44	2.3%	BUY
JFC	212.80	283.74	25.0%	23.66	20.15	3.68	1.7%	BUY
JGS	25.90	40.04	35.3%	8.85	0.43	0.40	1.5%	LT BUY
KEEPR	2.42	3.80	36.3%	9.57	1.82	0.12	5.0%	BUY
LTG	15.80	32.95	52.0%	5.91	0.56	1.20	7.6%	BUY
MBT	71.15	88.80	19.9%	6.27	0.75	5.00	7.0%	BUY
MEG	2.21	2.60	15.0%	3.34	0.25	0.07	3.0%	BUY
MER	587.50	630.89	6.9%	14.44	4.59	21.53	3.7%	BUY
MONDE	6.09	9.13	33.3%	12.47	1.99	0.31	5.1%	LT BUY
NIKL	4.54	6.14	26.0%	10.19	1.24	0.11	2.4%	BUY
PCOR	2.77	3.52	21.2%	3.07	0.23	0.10	3.6%	LT BUY
PGOLD	39.50	64.14	38.4%	10.16	1.38	1.81	4.6%	BUY
PLUS	15.10	18.67	19.1%	6.80	1.90	0.86	5.7%	LT BUY
PNB	61.90	134.56	54.0%	3.60	0.41	2.76	4.5%	BUY
RLC	17.96	33.82	46.9%	6.55	0.54	0.65	3.6%	BUY
SCC	31.80	37.68	15.6%	10.80	2.71	4.50	14.2%	SELL
SM	730.00	1,489.14	51.0%	11.29	1.06	9.45	1.3%	BUY
SMC	84.30	103.12	18.3%	5.48	1.01	1.40	1.7%	LT BUY
SMPH	23.70	42.06	43.6%	13.08	1.44	0.48	2.0%	BUY
TEL	1,336.00	2,073.48	35.6%	7.79	4.25	98.00	7.3%	BUY
UBP	26.95	25.39	-6.1%	7.45	0.46	1.00	3.7%	TRDG SELL
URC	72.00	97.59	26.2%	12.33	1.56	3.80	5.3%	BUY
WLCON	7.49	15.89	52.9%	14.69	1.26	0.36	4.8%	LT BUY
<b>Averages</b>			<b>27.9%</b>	<b>14.01</b>	<b>2.03</b>		<b>3.85%</b>	

Source: Asiasec Equities Research

### Asiasec Equities Banks Table

Banks	Share Price (PHP/share)	Target Price (PHP/share)	Discount/ (Premium)	ttm/2025F PER (x)	9M/2025F PBV (x)	Dividend per Share (PHP)	Dividend Yield	Reco
AUB	43.10	85.77	49.7%	4.62	0.97	2.00	4.6%	BUY
BDO	141.30	173.43	18.5%	7.99	1.18	4.30	3.0%	BUY
BNCOM	9.19	30.88	70.2%	3.72	0.37	0.45	4.9%	BUY
BPI	122.30	162.02	24.5%	10.41	1.49	4.06	3.3%	BUY
CBC	63.00	102.19	38.4%	6.79	0.93	2.50	4.0%	BUY
EW	12.38	29.16	57.5%	3.38	0.37	0.68	5.5%	BUY
MBT	71.15	88.80	19.9%	6.27	0.75	5.00	7.0%	BUY
PBB	7.50	19.48	61.5%	3.38	0.30	0.45	6.0%	BUY
PNB	61.90	134.56	54.0%	3.60	0.41	2.76	4.5%	BUY
PSB	57.50	93.94	38.8%	5.10	0.54	3.00	5.2%	BUY
RCB	25.90	46.75	44.6%	6.02	0.38	0.70	2.7%	BUY
SECB	68.00	111.09	38.8%	4.40	0.35	3.00	4.4%	BUY
UBP	26.95	25.39	-6.1%	8.82	0.46	1.00	3.7%	TRDG SELL
<b>Averages</b>			<b>39.3%</b>	<b>5.73</b>	<b>0.65</b>		<b>4.5%</b>	

### Asiasec Equities REITs Table

REITs	Share Price (PHP/share)	NAV (PHP/share)	Discount/ (Premium)	Dividend per Share (PHP)	Dividend Yield	Reco	Est Next Div Ex-Date
AREIT	43.50	44.34	1.9%	2.37	5.4%	BUY	04-Mar-26
CREIT	3.54	3.71	4.5%	0.20	5.7%	BUY	23-Apr-26
DDMPR	1.10	1.43	23.1%	0.09	8.4%	SPEC BUY	29-Jan-26
FILRT	3.05	4.21	27.6%	0.24	8.0%	LT BUY	11-Mar-26
MREIT	13.90	19.69	29.4%	1.00	7.2%	BUY	20-Mar-25
PREIT	1.15	1.10	-4.1%	0.09	7.4%	SELL	06-May-25
RCR	7.98	8.14	1.9%	0.46	5.8%	BUY	19-Feb-26
VREIT	1.53	3.37	54.7%	0.20	12.9%	SPEC BUY	14-May-25
<b>Averages</b>			<b>17.4%</b>		<b>7.6%</b>		

Source: Asiasec Equities Research

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**Philex Mining Corp.**

(PM: PX)

Sector/Subsector: Mining &amp; Oil / Mining

**LT BUY**

Current Price: PHP10.66

Target Price: PHP11.46

**Padcal Mine Mishap Effects on 2026 Forecasts**

According to PX, a structural issue occurred last Saturday at the mill plant of PX's Padcal mine that halted daily production. A section of the mill experienced a **structural support failure**, particularly in its tertiary bins at the Secondary and Tertiary Crushing (STC). This affected the vibrating screens of the tertiary crushers and misaligned the connecting conveyors rendering the entire STC system that feeds to the grinding section non-operational.

**Padcal production  
reduced  
significantly**

An **alternative milling process is currently employed** at reduced capacity utilizing the unaffected processing facilities. Engineering works are on assessment, and **repairs are underway to restore normal production level**. There are sufficient ore underground to feed the mill using the unaffected underground Cable Hauled Conveyor (CHC) system. However, the breakdown of the STC system at the mill plant **will significantly impact the current production level**.

There were no injuries, fatalities, and environmental impact as a result of the incident. (Source: [PSE/PX](#))

No official repair timeline has been released yet, but based on PX's life-of-mine extension to December 2028 (announced December 2024), they aim for a quick fix to avoid long-term downtime, as Padcal is Philex's main revenue source until Silangan starts in March 2026.





**Mill/structural failures in mining from the US, Indonesia, and others were worse (1994-2025). Closest was a cement plant silo roof collapse in the US which took 3-6 months repair**

**Above ground repairs likely to be completed in 3-6 months**

#### **Estimated Repair Time for Padcal**

- **Short-Term:** 3–6 months to stabilize and repair the mill structure, resume partial production (based on similar mill/structural failures in mining).
- **Full Resume:** 6–12 months for complete restoration, testing, and regulatory approvals (considering DENR/MGB inspections for safety).
- **Rationale:** PX has a history of quick recoveries such as the 2012 tailings spill which took two years. However, that was environmental; and this **new incident is structural**. The **failure is also above-ground** (mill bins), not underground like a cave-in, so there is **easier access for repairs**. It is estimated at best, that repairs will be done in 3-6 months. If the failure reveals broader issues (e.g., sinking), repairs could be extended to 12 months and more. Ongoing investigations and safety checks could also delay.

In the best-case scenario, which we see as likely, we estimate PX's **2026 forecasts** be affected below:

#### **2026F changes**

- Padcal production reduced 50% from 19,356 oz to 9,678 oz. Silangan output at 20k oz.
- Revenue reduced 30% from PHP14.7B (original) to PHP10.31B
- Net income reduced 45% from PHP1.42B (original) to PHP785M
- At PHP10.66 per share, 2026F PER bloated from 43.31x (original) to 78.56x

Our fair value likewise dips from PHP11.65 to PHP11.57. PX remains as a **Long-Term Buy**.



Sources: PSE disclosures, mining reports (SMM, USGS, CDC), news (Philstar, Business Inquirer), artificial intelligence tools accessed January 19, 2026, Asiasec Equities Research

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