

## Morning Briefing

### Top Stories:

- **BNCOM Coverage Commences**
- **PH 2025 Balance of Payments**
- **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>
6,353	6.032%	48,489	6,797	22,954	4.295%	4,760	59.580
-1.32	+0.023	-1.76%	-2.06%	-2.39%	+0.064	+1.77%	+0.40%

### US Markets

US markets dropped after US President Trump threatened to impose tariffs on countries opposing the sale of Greenland to the US. With the US markets' drop, the average discount of the Mag 7 to their latest consensus target prices jumped from 11.49% to **13.84%** (connoting a higher market ceiling), while the S&P 500's PER fell from 31.34x to **30.69x** (still 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 dropped by 1.32% to 6,353 at 10.55x PER yesterday. This was led by index stocks **ALI** (-4.68% to PHP22.40), **ACEN** (-3.92% to PHP2.94), and **SMPH** (-3.80% to PHP22.80). Heavy profit-taking hit the PSEi. Asian markets were down. Our **PSEi forecast is currently 8,444 at 14.03x PER**. The PSEi has a **33% upside** to our forecast.

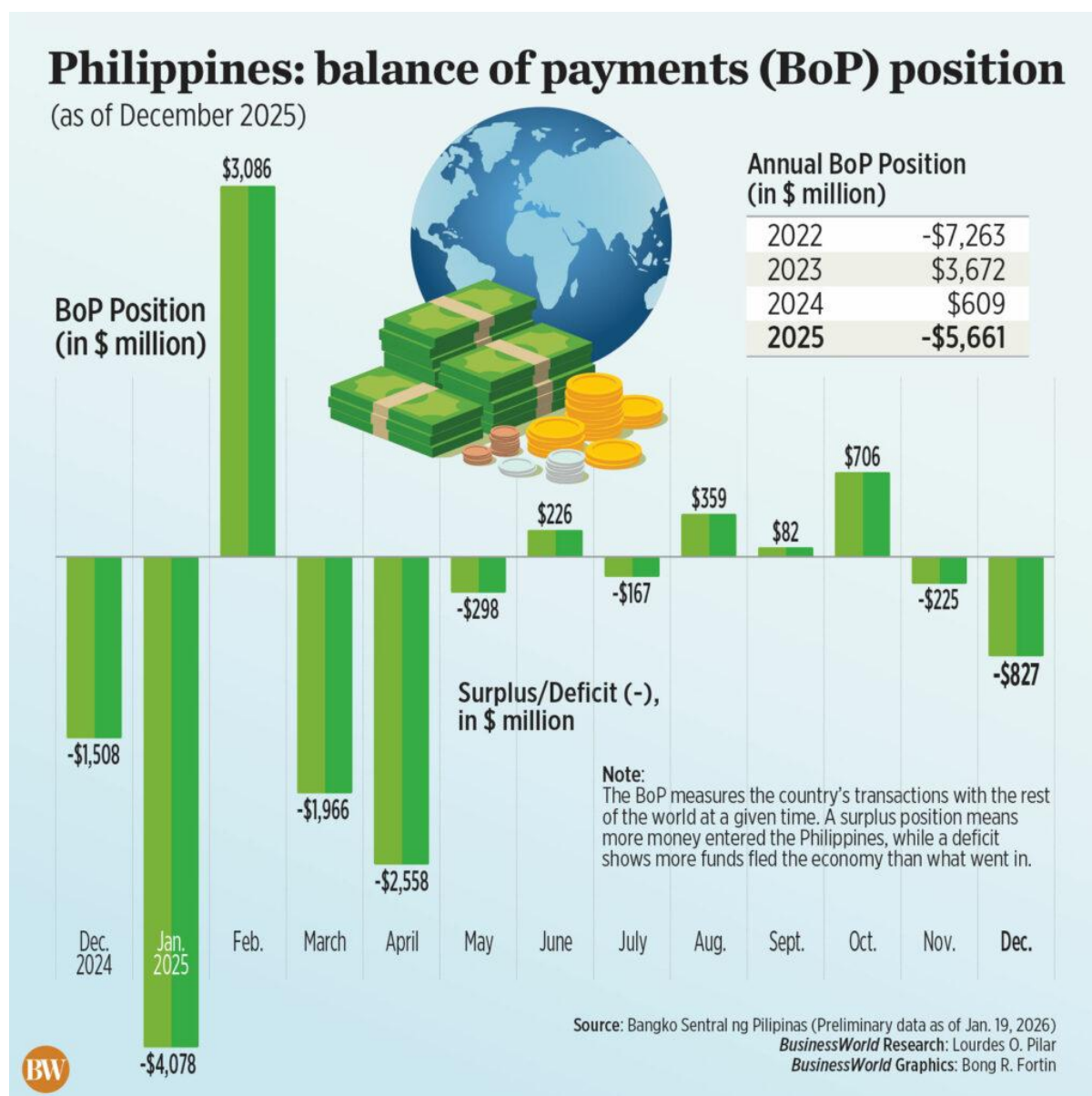


Source: CNBC, Trading Economics, PSE, multpl.com, and Asiasec Equities Research

## Economic News

### Philippines' BoP position swings to deficit in 2025

THE PHILIPPINES' balance of payments (BoP) deficit in 2025 settled below the central bank's full-year forecast despite posting a wider deficit in December. Data from the Bangko Sentral ng Pilipinas (BSP) showed that the country's BoP position swung to a **USD5.661B deficit**, a reversal from the USD609M surplus seen in 2024. This was narrower than the central bank's projection of a USD6.2B gap or -1.3% of the country's gross domestic product (GDP).



Source: Businessworld

## 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	15.64	1.20	7.67%
TEL	1,332.00	98.00	7.36%
MBT	71.80	5.00	6.96%
GLO	1,619.00	100.00	6.18%
FB	55.70	3.25	5.83%
URC	70.80	3.80	5.37%

Source: PSE and Asiasec Equities Research

Notes:

1. With equal weighting, the average cash dividend yield from this portfolio is currently **6.6% 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 6.032%. 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.

## New Coverage

### Bank of Commerce **Bank of Commerce** An affiliate of San Miguel Corporation (PM:BNCOM)

We just commenced our coverage on BNCOM, a smaller sized bank compared to most banks in our 13-bank coverage with assets of PHP3.2B. The bank is heavy on term, agri-agra\*, housing, and auto loans and has big loan exposure in electricity, gas, steam, aircon supply, real estate, construction, and manufacturing.

Since its March 2022 IPO, it registered a strong net income **CAGR of 19%** and also posted a YoY net income growth of 24% to PHP2.75B in 9M-2025. Aside from double-digit growth, BNCOM also has strong capital adequacy, asset quality, financial condition. (Reference: BNCOM Company Report dated January 16, 2026).

The bank has a good amount of investment properties which we utilized to compute its NAV at PHP31.12 per share. We are also valuing BNCOM with a **target price of PHP34.16 per share**. At PHP9.20 per share, it has a sizeable 73% discount. With a 21% cash dividend payout, **dividend yield could reach 6.06%** this year. **BNCOM is a Buy**.

\*Republic Act 11901 (Agri-Agra Law) seeks to improve rural development by enhancing access of rural communities and agricultural and fisheries households to financial services and programs. The Agri-Agra Law imposes a credit quota of a minimum mandatory agricultural and fisheries financing requirement of at least 25% of their banks' loanable funds.

## Other Economic, Sector, and Corporate News

### Airline fuel surcharge stays steady for February

THE Civil Aeronautics Board (CAB) said the passenger fuel surcharge will remain at Level 4 for February, keeping charges steady for the seventh consecutive month. At Level 4, the surcharge will range from PHP117-342

for domestic flights and from PHP385.70-2,867.82 for international flights originating from the Philippines.

Source: [Businessworld](#)

### **ACEN to invest PHP60B in PHL solar, wind, and battery projects**

ACEN Corp. is expected to allocate the bulk of its PHP80B capital expenditure (capex) this year to the development of its major renewable energy projects in the Philippines.

Source: [Businessworld](#)

### **Hotel101 to build 766-room condotel in Melbourne as part of global expansion**

The company said it signed definitive agreements to develop the condotel, which is slated for completion in 2029.

Source: [Businessworld](#)

### **No more 'spaghetti wires': Converge CEO pushes for underground cables**

Converge ICT Solutions Inc. is calling for a shift towards underground conduit systems, where internet cables are buried, to protect telco assets and ensure more reliable connectivity.

Source: [ManilaBulletin](#)

### **Filinvest Land signs 4,000-square-meter lease with CICC**

The Cybercrime Investigation and Coordinating Center (CICC) signed a lease agreement with Filinvest Land Inc. for more than 4,000 square meters of office and retail space at the Studio 7 development in Quezon City.

Source: [ManilaBulletin](#)

**BDO unloads controlling stake in Dominion to Monte Sur for PHP2.5B**

BDO Unibank Inc. has sold a controlling 70% interest in publicly listed Dominion Holdings Inc. (DHI) to Monte Sur Equity Holdings Inc. for PHP2.54B, ending up as a minority shareholder with an 18.54% stake.

Source: [ManilaBulletin](#)

**20 outlets by 2028: Jollibee eyes major North America push for Tim Ho Wan**

Jollibee Foods Corp. (JFC), one of the largest Asian food service companies, is planning to develop the North American market for its Tim Ho Wan Chinese cuisine brand, with the aim of opening 20 branches by 2028.

Source: [ManilaBulletin](#)

**Citicore, Levanta launch wind project**

Citicore Renewable Energy Corp. (CREC) and partner Levanta Renewables expect to complete their first 45-megawatt onshore wind project in Camarines Sur next year.

Source: [ManilaStandard](#)

**Commodities**

Biggest Daily Movers: Natural Gas (+25.80%), Heating Oil (+3.34%), Ethanol (+2.92%), Coking Coal (-3.90%), Platinum (+4.15%), Orange Juice (-3.43%), Coffee (-2.72%), Cocoa (-8.56%), Tea (-9.75%), Potatoes (-4.76%), Tin (+2.66%), Nickel (-2.12%), Indium (-2.70%)
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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
Megawide Construction Corporation	MWP7B	Cash	1.75175	30-Jan-26	2-Feb-26	19-Feb-26
Megawide Construction Corporation	MWP7A	Cash	1.828275	30-Jan-26	2-Feb-26	19-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	536.00	923.41	42.0%	5.92	0.43	8.32	1.6%	BUY
ACEN	2.94	2.06	-42.8%	49.46	1.00	0.05	1.6%	TRDG SELL
AEV	30.55	56.60	46.0%	9.67	0.60	1.54	5.0%	BUY
AGI	7.77	16.76	53.6%	1.68	0.15	0.16	2.1%	BUY
ALI	22.40	43.63	48.7%	9.67	0.86	0.57	2.6%	BUY
AP	44.45	53.79	17.4%	9.63	1.77	2.35	5.3%	BUY
APX	14.52	21.67	33.0%	12.24	3.62	0.14	1.0%	BUY
BDO	138.00	173.43	20.4%	7.80	1.15	4.00	2.9%	BUY
BLOOM	2.60	5.78	55.0%	128.74	0.48	-	0.0%	LT BUY
BPI	118.60	162.02	26.8%	10.10	1.45	4.74	4.0%	BUY
CBC	63.00	102.19	38.4%	6.79	0.93	2.50	4.0%	BUY
CEB	33.05	60.08	45.0%	3.45	1.03	-	0.0%	LT BUY
CNPF	39.35	40.37	2.5%	18.79	4.18	1.10	2.8%	BUY
CNVRG	15.46	27.44	43.7%	8.19	1.83	0.43	2.8%	STRONG BUY
DMC	10.64	14.21	25.1%	8.40	0.96	1.08	10.2%	HOLD
EMI	16.00	12.05	-32.8%	33.36	3.64	0.24	1.5%	SELL
FB	55.70	96.98	42.6%	8.05	1.53	3.25	5.8%	BUY
GLO	1,619.00	1,978.23	18.2%	12.09	1.52	100.00	6.2%	BUY
GTCAP	640.00	1,133.99	43.6%	3.64	0.43	9.70	1.5%	BUY
ICT	630.00	629.44	-0.1%	22.29	7.57	14.44	2.3%	TRDG SELL
JFC	209.40	283.74	26.2%	23.29	19.83	3.68	1.8%	BUY
JGS	26.20	40.04	34.6%	8.96	0.43	0.40	1.5%	LT BUY
KEEPR	2.40	3.80	36.8%	9.49	1.80	0.12	5.0%	BUY
LTG	15.64	32.95	52.5%	5.85	0.55	1.20	7.7%	BUY
MBT	71.80	88.80	19.1%	6.33	0.75	5.00	7.0%	BUY
MEG	2.15	2.60	17.3%	3.25	0.24	0.07	3.1%	BUY
MER	585.00	630.89	7.3%	14.38	4.57	21.53	3.7%	BUY
MONDE	5.90	9.13	35.3%	12.08	1.93	0.31	5.3%	LT BUY
NIKL	4.44	6.14	27.6%	9.96	1.21	0.11	2.5%	BUY
PCOR	2.71	3.52	22.9%	3.00	0.23	0.10	3.7%	LT BUY
PGOLD	39.00	64.14	39.2%	10.03	1.36	1.81	4.6%	BUY
PLUS	15.10	18.67	19.1%	6.80	1.90	0.86	5.7%	LT BUY
PNB	60.00	134.56	55.4%	3.49	0.40	2.76	4.6%	BUY
RLC	17.80	33.82	47.4%	6.49	0.53	0.65	3.7%	BUY
SCC	31.50	37.68	16.4%	10.69	2.68	4.50	14.3%	SELL
SM	704.00	1,489.14	52.7%	10.89	1.03	9.45	1.3%	BUY
SMC	82.50	103.12	20.0%	5.36	0.99	1.40	1.7%	LT BUY
SMPH	22.80	42.06	45.8%	12.59	1.38	0.48	2.1%	BUY
TEL	1,332.00	2,073.48	35.8%	7.76	4.24	98.00	7.4%	BUY
UBP	26.65	25.39	-5.0%	7.37	0.45	1.00	3.8%	TRDG SELL
URC	70.80	97.59	27.4%	12.12	1.53	3.80	5.4%	BUY
WLCON	7.17	15.89	54.9%	14.06	1.20	0.36	5.0%	LT BUY
<b>Averages</b>			<b>28.9%</b>	<b>13.67</b>	<b>2.01</b>		<b>3.90%</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	42.90	85.77	50.0%	4.60	0.96	2.00	4.7%	BUY
BDO	138.00	173.43	20.4%	7.80	1.15	4.30	3.1%	BUY
BNCOM	9.20	34.16	70.2%	3.72	0.37	0.45	4.9%	BUY
BPI	118.60	162.02	26.8%	10.10	1.45	4.06	3.4%	BUY
CBC	63.00	102.19	38.4%	6.79	0.93	2.50	4.0%	BUY
EW	12.24	29.16	58.0%	3.34	0.36	0.68	5.6%	BUY
MBT	71.80	88.80	19.1%	6.33	0.75	5.00	7.0%	BUY
PBB	7.54	19.48	61.3%	3.40	0.31	0.45	6.0%	BUY
PNB	60.00	134.56	55.4%	3.49	0.40	2.76	4.6%	BUY
PSB	58.00	93.94	38.3%	5.15	0.54	3.00	5.2%	BUY
RCB	25.90	46.75	44.6%	6.02	0.38	0.70	2.7%	BUY
SECB	67.50	111.09	39.2%	4.37	0.34	3.00	4.4%	BUY
UBP	26.65	25.39	-5.0%	8.72	0.45	1.00	3.8%	TRDG SELL
<b>Averages</b>			<b>39.8%</b>	<b>5.68</b>	<b>0.65</b>		<b>4.6%</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	43.70	44.34	1.4%	2.37	5.4%	BUY	04-Mar-26
CREIT	3.55	3.71	4.2%	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	3.07	4.21	27.1%	0.24	7.9%	LT BUY	11-Mar-26
MREIT	13.88	19.69	29.5%	1.00	7.2%	BUY	20-Mar-25
PREIT	1.21	1.10	-9.5%	0.09	7.1%	SELL	06-May-25
RCR	7.95	8.14	2.3%	0.46	5.8%	BUY	19-Feb-26
VREIT	1.54	3.37	54.4%	0.20	12.9%	SPEC BUY	14-May-25
<b>Averages</b>			<b>16.6%</b>		<b>7.6%</b>		

Source: Asiasec Equities Research

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