

Morning Briefing

Top Stories:

- DD Bonds
- MWC Solar Systems

Markets

<u>PSEi</u>	<u>PH10Y</u>	<u>DJIA</u>	<u>S&P500</u>	<u>NASDAQ</u>	<u>US10Y</u>	<u>Gold</u>	<u>Oil</u>
7,425	5.745%	42,512	5,792	18,292	4.014%	2,609	73.355
-1.50%	-0.085	+1.03%	+0.71%	+0.60%	+0.0614	-0.50%	-0.29%

US Markets

US markets rose with the Dow and S&P 500 reaching **record highs**. This followed after the release of the minutes of the last Fed meeting showing that majority of the participants favor the 50-bps rate cut. The average discount of the Mag7 to their consensus target prices is at **6.27%** indicating a low ceiling for the surging US markets.

PSEi

The PSEi dropped by 1.50% to 7,425 yesterday. This was led by index stocks NIKL (-3.05% to PHP3.81), WLCON (-2.96% to PHP16.42), and JGS (-2.76% to PHP26.40). The PSEi was mainly down throughout the trading day. Asian markets were also mixed. The PH10YTN rate has remained depressed in the vicinity of 2024 lows. With this, we expect the PSEi to rise in an uptrend towards

our estimate of **7,748 at 14.69x PER.**



Source: [CNBC](#), [Trading Economics](#), [PSE/TradingView](#), and Asiasec Research

Economic Calendar

Day / Time	Previous	Consensus	Forecast
Thursday October 10 2024			
9:00 am Balance of Trade AUG	\$-4.868B		
9:00 am Exports YoY AUG	0.10%		
9:00 am Imports YoY AUG	7.20%		
Friday October 11 2024			
9:00 am Foreign Direct Investment JUL			
Wednesday October 16 2024			
Cash Remittances AUG	\$3.08B		
Thursday October 17 2024			
3:00 pm Interest Rate Decision	6.25%		

Source: [Trading Economics](#)

H2-2024 Market Events Timeline and Outlook

July	August	September	October	November	December
Q2 earnings (late Jul-Aug)		US Fed 50 bps	Q3 earnings (late Oct-Nov)		Yearend window
- post-pandemic growth momentum	BSP 0.25% Rate Cut to 6.25%	Rate Cut Sep. 18	- post-pandemic growth momentum	Nov. 2 Fed Policy Meeting	dressing Dec. 18 Fed Policy Meeting
- Ave rev +5.1%	- Flattish	- US markets up	Oct. 17 BSP Policy Meeting	- likely rate cut	Dec. 19 BSP Policy Meeting
- Ave net inc +4.9%	PH10YTN rate	decline	- likely rate cut	US Presidential Elections Nov. 5	- likely rate cuts
	- Month long PSEi increase	- PH10YTN rate decline		- US markets up	- markets up
		- PSEi increase			

Source: Asiasec Research

Company News

DD Bonds

DD is setting up a PHP30B multi-year shelf registration Retail Bonds program to be issued in at least three tranches at five to seven years tenor with rates expected at around 8% p.a. for 2024, around 7% p.a. for 2025, and around 6% p.a. for 2026. An initial PHP5B

Retail Bond Offering is also intended to be offered in Q4-2024. At PHP10.12 per share, DD is trading at 2.80x ttm PER, a discount to the Property Index's 12.53x PER. DD is a **BUY**.

Source: [PSE/DD](#)

MWC Solar Systems

MWC is expanding its renewable energy portfolio as it begins the installation of solar power systems with a total capacity of 2.5 MWp in its three facilities.

MWC will set up solar energy systems in Cardona Treatment Plant, East La Mesa Treatment Plant, and the San Juan Compound.

The company partnered with Ditrolic Energy last year for a 15-year solar facility power purchase agreement worth PHP217M. The three facilities are set for installation by Q4-2024.

At PHP27.90 per share, MWC is trading at 10.80x ttm PER, a discount to the Industrial Index's 14.70x PER. MWC is a **BUY**.

Source: PSE/MWC

Oher Economic, Sector, and Corporate News

Inflation now on a 'target-consistent path,' says Remolona

"With inflation now on a target-consistent path, we have room for a calibrated shift to a less restrictive monetary policy stance," Bangko Sentral ng Pilipinas (BSP) Governor Eli M. Remolona, Jr. said in an interview with *Global Finance* magazine.

Source: Businessworld

Recto sees 6% growth in 3rd quarter

THE PHILIPPINE ECONOMY likely grew by 6% in the third quarter as declining inflation may have fueled a rebound in consumer spending, Finance Secretary Ralph G. Recto said.

Source: Businessworld

Rate cuts may boost demand amid condo oversupply in Metro Manila

In its third-quarter property market report, Leechiu Property Consultants (LPC) said the inventory level of condominium units in Metro Manila has reached 67,600 units across 510 buildings — “the highest since the pandemic.”

Source: [Businessworld](#)

Banking system’s total assets jump by 11% to PHP26T

Preliminary data from the BSP showed banks’ combined assets rose to PHP25.99T as of end-August from PHP23.46T in the same period a year ago. Month on month, total assets inched up by 0.2% from PHP25.93T as of end-July.

Source: [Businessworld](#)

MPTC-SMC tollways merger seen to finalize this month

THE MERGER between Metro Pacific Tollways Corp. (MPTC) and San Miguel Corp. (SMC) is expected to be finalized this month, according to MPTC President Rogelio L. Singson.

Source: [Businessworld](#)

PAL to recover PHP6.89M in excise taxes, CTA rules

THE COURT of Tax Appeals (CTA) has partially granted Philippine Airlines, Inc.’s (PAL) petition for a tax refund, ruling that the airline is entitled to recover PHP6.89M in excise taxes erroneously paid on the importation of liquors and wines intended for international flight consumption.

Source: [Businessworld](#)

SEC clears PHP2.87B Topline IPO; Nov. 22 listing eyed

THE SECURITIES and Exchange Commission (SEC) has approved the planned PHP2.87B initial public offering (IPO) of Cebu-based fuel retailer Top Line Business Development Corp. (Topline).

Source: [Businessworld](#)

Commodities

Significant Commodities Biggest Daily Movers: Iron Ore (-5.42%), Naphta (-3.61%), Natural Gas (-3.17%), Cheese (+9.03%), Rubber (-4.93%)

Source: [Trading Economics](#)

Dividends & Rights Calendar

Company Name	Type of Security	Type of Dividend	Dividend Rate	Ex-Dividend Date	Record Date	Payment Date
Megawide Construction Corporation	MWP4	Cash	1.325	Oct 11, 2024	Oct 14, 2024	Oct 29, 2024
COL Financial Group, Inc.	COMMON	Stock	25% of the Corporation's outstanding capital stock of 4,760,000,000	Oct 22, 2024	Oct 23, 2024	Nov 14, 2024
Century Properties Group, Inc.	CPGPB	Cash	1.8858	Oct 25, 2024	Oct 28, 2024	Nov 22, 2024
DDMP REIT, Inc.	COMMON	Cash	Php 0.0235610	Oct 30, 2024	Oct 31, 2024	Nov 26, 2024

Source: [PSE Edge](#)

Asiasec Equities Stocks Table

Stocks	Share Price (PHP/share)	Target Price (PHP/share)	Discount/ (Premium)	2024F PER (x)	2024F PBV (x)	Dividend per Share (PHP)	Dividend Yield	Reco
AC	731.50	820.76	10.9%	8.44	0.65	7.60	1.0%	BUY
ACEN	5.20	7.42	29.9%	18.49	1.38	0.05	1.0%	BUY
AEV	37.20	63.39	41.3%	7.16	0.61	1.40	3.8%	BUY
AGI	9.48	19.76	52.0%	3.15	0.22	0.15	1.6%	BUY
ALI	36.40	46.09	21.0%	1.32	0.89	0.08	0.2%	BUY
AP	38.65	63.23	38.9%	8.43	1.57	2.30	5.9%	BUY
APX	3.99	16.52	75.8%	5.36	1.33	0.08	2.0%	BUY
BDO	157.80	190.63	17.2%	8.86	1.35	3.90	2.5%	BUY
BLOOM	8.09	14.68	44.9%	11.72	1.65	-	0.0%	BUY
BPI	140.00	124.45	-12.5%	12.07	1.85	3.96	2.8%	SELL
CBC	59.65	79.17	24.7%	5.62	0.95	2.20	3.7%	BUY
CEB	35.30	41.09	14.1%	3.12	1.86	-	0.0%	LT BUY
CNPF	38.50	34.53	-11.5%	19.28	4.17	0.48	1.2%	SELL
CNVRG	16.58	20.02	17.2%	10.79	2.27	0.18	1.1%	STRONG BUY
DMC	11.84	11.73	-1.0%	7.82	1.06	1.44	12.2%	SELL
DNL	6.65	6.66	0.1%	19.50	2.04	0.21	3.1%	BUY
EMI	18.76	12.05	-55.7%	39.11	4.27	0.24	1.3%	SELL
FB	53.60	96.98	44.7%	7.95	1.48	1.80	3.4%	BUY
GLO	2,420.00	2,589.13	6.5%	14.97	2.33	99.87	4.1%	BUY
GTCAP	708.00	1,030.66	31.3%	4.59	0.55	5.00	0.7%	BUY
ICT	429.80	359.12	-19.7%	23.87	7.11	11.39	2.6%	SELL
JFC	274.80	368.67	25.5%	32.64	6.76	3.13	1.1%	BUY
JGS	26.40	48.04	45.1%	7.69	0.43	0.40	1.5%	BUY
KEEPR	2.11	3.19	33.8%	9.69	1.80	0.10	4.7%	BUY
LTG	9.95	10.98	9.4%	3.81	0.35	1.20	12.1%	BUY
MBT	79.90	72.11	-10.8%	8.17	0.91	3.50	4.4%	SELL
MEG	2.18	2.60	16.1%	3.29	0.25	0.07	3.0%	BUY
MER	481.00	476.75	-0.9%	11.00	3.12	21.53	4.5%	SELL
MONDE	10.36	12.18	14.9%	21.32	2.98	0.12	1.2%	BUY
NIKL	3.81	4.39	13.2%	60.48	1.26	0.20	5.2%	LT BUY
PCOR	2.82	4.68	39.8%	1.67	0.22	0.10	3.5%	BUY
PGOLD	32.80	53.34	38.5%	10.94	1.26	0.90	2.7%	BUY
PNB	26.45	33.22	20.4%	1.92	0.19	-	0.0%	BUY
RLC	16.00	21.45	25.4%	5.77	0.50	0.65	4.1%	BUY
SCC	34.05	32.74	-4.0%	7.90	2.20	3.50	10.3%	SELL
SM	975.00	1,292.69	24.6%	14.56	1.41	9.45	1.0%	BUY
SMC	88.95	108.20	17.8%	NA	0.94	1.40	1.6%	LT BUY
SMPH	31.90	42.89	25.6%	22.13	2.13	0.35	1.1%	BUY
TEL	1,511.00	2,067.12	26.9%	11.32	5.99	92.00	6.1%	BUY
UBP	39.20	31.31	-25.2%	13.12	0.75	0.80	2.0%	SELL
URC	103.00	149.59	31.1%	14.23	2.11	3.80	3.7%	BUY
WLCON	16.42	24.81	33.8%	18.68	2.69	0.26	1.6%	BUY
Averages			18.4%	12.73	1.85		3.1%	

Source: Asiasec Research



Asiasec Equities Banks Table

Banks	Share Price (PHP/share)	Target Price (PHP/share)	Discount/ (Premium)	2024F/ttm PER (x)	2024F/H1 Dividend per PBV (x)	Dividend per Share (PHP)	Dividend Yield	Reco
AUB	57.00	127.64	55.3%	4.44	0.81	2.33	4.7%	BUY
BDO	157.80	190.63	17.2%	10.71	1.52	1.75	2.2%	BUY
BNCOM	8.41	26.83	68.7%	4.48	0.38	0.25	0.0%	BUY
BPI	140.00	124.45	-12.5%	12.93	1.81	1.98	-3.2%	SELL
CBC	59.65	79.17	24.7%	7.10	1.06	2.20	3.7%	BUY
EW	9.70	22.04	56.0%	3.48	0.32	0.54	5.6%	BUY
MBT	79.90	72.11	-10.8%	8.00	0.98	5.00	6.3%	SELL
PBB	8.40	25.77	67.4%	3.46	0.37	0.45	10.7%	BUY
PNB	26.45	33.22	20.4%	2.19	0.20	-	0.0%	BUY
PSB	58.65	108.78	46.1%	5.08	0.60	3.00	5.1%	BUY
RCB	26.35	54.58	51.7%	6.10	0.42	1.01	5.6%	BUY
SECB	91.00	119.51	23.9%	7.12	0.50	1.50	3.3%	BUY
UBP	39.20	31.31	-25.2%	16.18	0.69	0.80	1.8%	SELL
Averages			29.4%	7.02	0.74		3.5%	

Source: Asiasec Research

Asiasec Equities REITs Table

REITs	Share Price (PHP/share)	NAV (PHP/share)	Discount/ (Premium)	Dividend per Share (PHP)	Dividend Yield	Reco
AREIT	38.45	48.22	20.3%	2.04	5.2%	BUY
CREIT	3.05	2.66	-14.6%	0.20	8.1%	SELL
DDMPR	1.05	1.07	2.3%	0.10	9.5%	BUY
FILRT	3.07	3.79	19.0%	0.26	8.8%	BUY
MREIT	13.70	18.39	25.5%	0.99	7.2%	BUY
PREIT	2.15	2.14	-0.6%	0.15	7.3%	SELL
RCR	6.15	7.64	19.5%	0.52	6.3%	BUY
VREIT	1.79	3.19	43.9%	0.18	4.1%	BUY
Averages			14.4%		7.1%	

Source: Asiasec Research

Disclaimer

This publication has been prepared from information obtained from sources believed to be reliable. Asiasec Equities, Inc. does not accept any liability for errors or omissions in the information and opinions contained in this report. Also, this report should not be construed as an offer to buy or sell any securities mentioned herein. You can contact us at Tel.# 88453421 to 26, Fax # 88453418