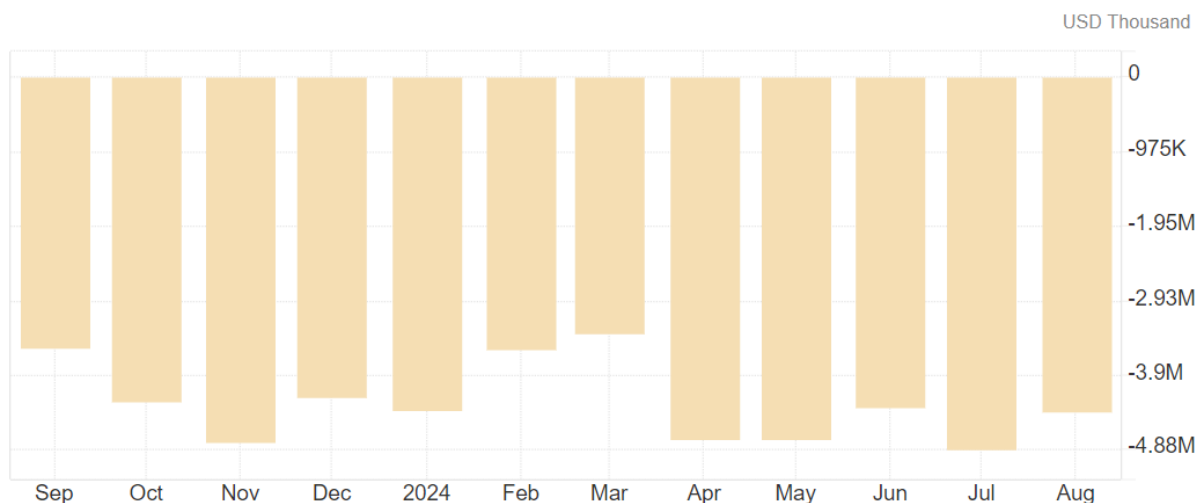


Economic News

Philippine Balance of Trade

The trade deficit in the Philippines **widened to USD4.4B** in August 2024 from USD4.1B in the corresponding month of the previous year. **Imports increased by 2.7%** from a year earlier to USD11.1B, mainly attributed to higher purchases of electronic products (9%), transport equipment (7.6%), and plastics in primary and non-primary (27.3%). The biggest share of **purchases came from China** (25.1%), followed by Indonesia (8.7%) and South Korea (8.3%). Meanwhile, **exports rose at a softer 0.3%** year-on-year to USD6.7B, mainly due to increased sales of other manufactured goods (49.6%), copper concentrates (163.6%), and machinery and transport equipment (30.1%). Among main trading partners, the largest share in exports was **accounted to the USA** (18.1%), followed by Hong Kong (14%) and Japan (13.9%). For the first eight months of 2024, the country posted a gap of USD34.3B.

Source: [Philippine Statistics Authority](#)



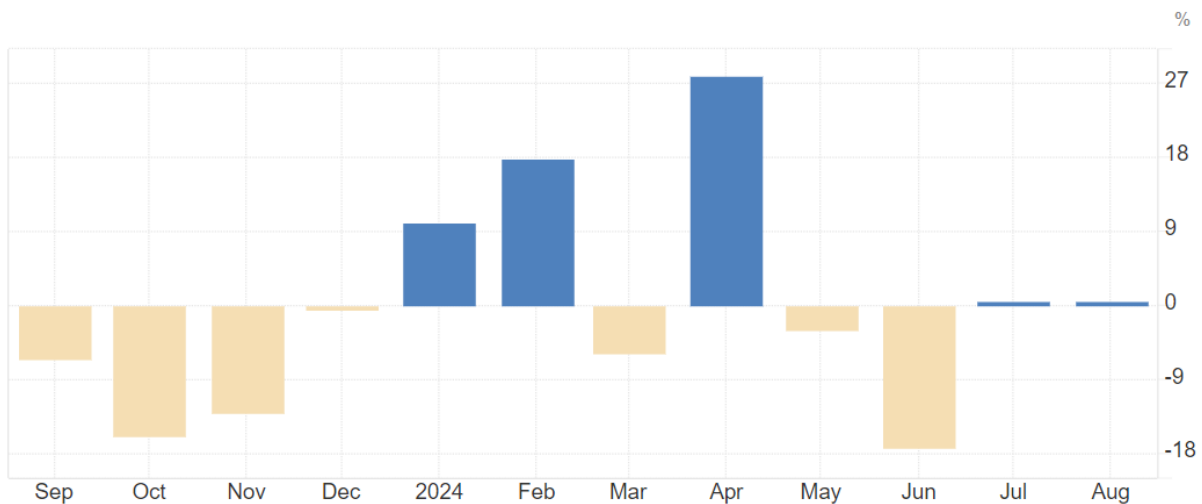
Philippine Statistics Authority

Source: [Trading Economics](#)

Philippine Exports YoY

Exports from the Philippines **rose 0.3%** year-on-year to USD6.75B in August 2024, following a 0.1% advance in July. This marked the second consecutive month of growth, mainly driven by higher sales for other manufactured goods (49.6%), copper concentrates (163.5%), and machinery & transport equipment (30.1%). Additionally, exports of chemicals (16.7%), coconut oil (54.6%), and electronic equipment & parts (2.4%) increased. On the other hand, declines were observed in sales for electronic products (-8.2%), other mineral products (-12.3%), ignition wiring set & other wiring sets used in vehicles, aircraft, and ships (-12.3%), and gold (-15.8%). Among key trading partners, exports rose to the US (10.7%), Hong Kong (8.1%), Japan (1.7%), China (0.9%), Taiwan (5.4%), and Germany (10.1%), while dropped to South Korea (-2.4%), Netherlands (-5.4%), Singapore (-25.4%), and Thailand (-22.6%). Considering January to August, exports grew 2.3% from a year earlier to USD49.41B.

Source: [Philippine Statistics Authority](#)



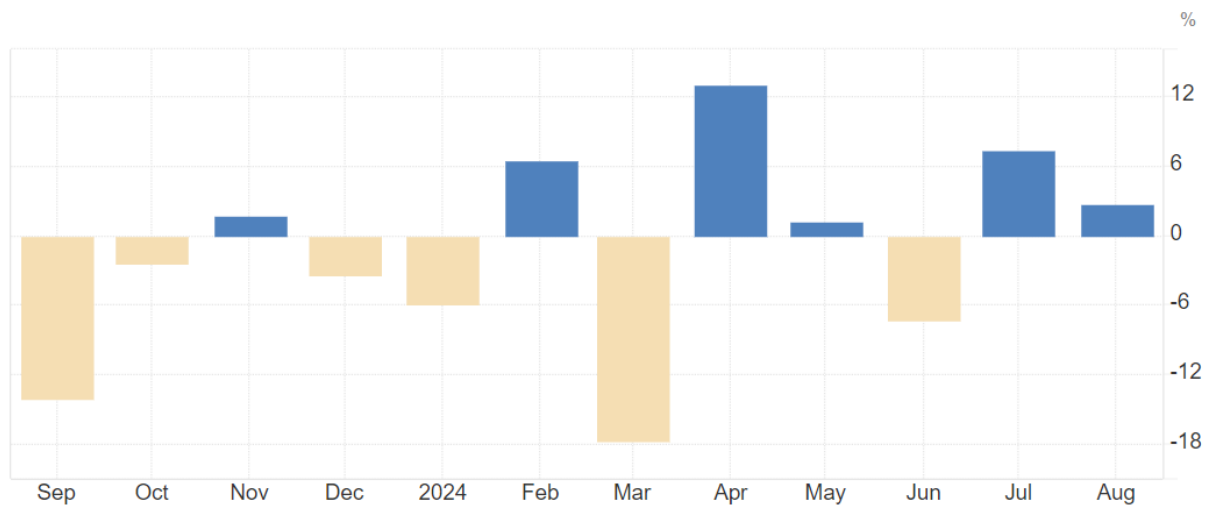
Philippine Statistics Authority

Source: [Trading Economics](#)

Philippine Imports YoY

Imports to the Philippines **rose 2.7%** year-on-year in August 2024, easing from an upwardly revised 16-month high of 7.3% growth in the previous month. Among commodity groups, purchases increased for electronic products (9%), transport equipment (7.6%), miscellaneous manufactured articles (6.1%), iron & steel (9.6%), and plastics (27.3%). Meanwhile, imports fell for mineral fuels, lubricants & related materials (-9.1%) and other food and live animals (-13.9%). Among top trading partners, arrivals increased from China (12%), South Korea (10.4%), Vietnam (12.6%), and Malaysia (3.7%). In contrast, imports dropped from Indonesia (-11.8%), Japan (-4.2%), US (-3.7%), Thailand (-3.9%), Singapore (-19.3%), and Taiwan (-23.6%). For the first eight months of the year, imports were down 0.5% compared to the same period last year.

Source: [Philippine Statistics Authority](#)



Philippine Statistics Authority

Source: [Trading Economics](#)

Economic Calendar

Day / Time	Previous	Consensus	Forecast
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	Novemeber	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
- Ave rev +5.1%	- Flattish	- US markets up	Oct. 17 BSP Policy Meeting	- likely rate cut	Dec. 18 Fed Policy Meeting
- Ave net inc +4.9%	PH10YTN rate	- US10YTN rate decline	- likely rate cut	US Presidential Elections Nov. 5	Dec. 19 BSP Policy Meeting
	- Month long PSEi increase	- PH10YTN rate decline		- US markets up	- likely rate cuts
		- PSEi increase			- markets up

Source: Asiasec Research

Company News

Injunction Issued Against Selection of ICT for Durban Port

The Kwazulu Natal Division of the High Court of South Africa has issued an injunction against Transnet’s selection of ICT as operating partner for the Durban Container Terminal Pier 2 (DCT2) due to a **protest filed by a losing bidder**, APM Terminals. The judge has issued the injunction until the case is heard and resolved.

To recall, ICT was **declared the Preferred Bidder** under the international tender process for DCT2 in July 2023. ICT was selected because it was judged the best operating partner for the port and because it submitted the highest financial bid. It was supposed to take over Durban’s operations last April.



Source: Google maps/ICT

DCT2 notably handles 46% of South Africa’s annual port traffic. This averaged 4.4M TEUs annually from 2008-2021 (Source: CEICData). It has six berths with a **capacity of 2.9M TEUs** and serves as a gateway to the neighboring countries of Zimbabwe, Zambia, Malawi, and other landlocked regions like the Kingdoms of Swaziland and Lesotho. It is also the second biggest in capacity after ICT’s Manila International Container Terminal’s (MICT) 3.35M TEUs per year.

We believe that the case poses a risk mainly on the expected earnings from Durban to which ICT’s premium share price hinges on.

In another development, ICT purchased a **27-hectare property**

in Barangay San Roque and San Andres I, Municipality of Bauan, Province of Batangas. The property is adjacent to ICT’s **Bauan, Batangas property** and will be utilized for its expansion plans of its new 900-meter berth terminal. The property is part of the company’s USD800M investment in providing a world-class port facility for Southern Luzon as a key player in global trade.



Source: ICT

At PHP420.40 per share, ICT is trading at a 17% premium to its target price of PHP359.12 per share. It is also trading at 23.35x 2024F PER, a premium to the Services Index’s 16.09x PER. With its target price breached already, ICT is a **SELL**.

Source: PSE/ICT

MER and Doosan Explores Projects for Development

MER entered into an exploratory non-binding and non-exclusive Memorandum of Understanding (MOU) with Doosan Enerbility Co. Ltd of South Korea. The two will **explore development projects** on nuclear power plants, desalination plants, greenhouse gas reduction equipment for thermal plants, and data centers. This includes the possible revival of the Bataan Nuclear Power Plant.

We believe this is a **good prospect** for MER to develop new sources of

earnings as it is confined within its power distribution area of Mega Manila even when its franchise is renewed in 2028.

At PHP475 per share, MER is trading at a slim 0.4% discount to its target price of PHP476.75 per share. It is also trading at 10.87x 2024F PER, a discount to the Industrial Index's 14.70x PER. MER is a **BUY**.

Source: [PSE/MER](#)

AEV and HI Property Development


AEV's subsidiary Aboitiz InfraCapital, Inc. (AIC) and HI is exploring a potential partnership to develop mixed-use property in Tarlac. AIC and HI signed a term sheet covering the preliminary terms of a proposed joint venture to plan, develop, and sell or lease land for a **184-hectare mixed-use real estate development in Tarlac City**. HI will be the majority shareholder at 51% and AIC at 49%. The proposed joint venture

is subject to the negotiation and execution of definitive agreements.

At PHP37.25 per share, AEV is trading at a 41% discount to its target price of PHP63.39 per share. It is also trading at 7.17x 2024F PER, a discount to the Holding Firms Index's 10.56x PER. AEV is a **BUY**.

Source: [PSE/AEV](#)

BSP Approves BPI Sale of Stake in GoTyme Bank

(June 2024, PHPM)	GoTyme
	
Google Play Downloads (M+)	5.00
Mother Company	Gokongwei Group
(PHPM)	
Net Loans	1,907
Total Assets	23,375
Deposits	17,248
Total Liabilities	21,766
Stockholders' Equity	1,609
Gross NPL Ratio	0.00%
ROE	-202.96%
Capital Adequacy Ratio	30.21%

BPI sold 752.06 million common shares in GoTyme Bank at PHP1.20 per share, or **PHP902.47M in cash**. 744.1 million common shares in GoTyme were sold to JGS' 51%-owned GoTyme Financial, while 7.96 million common shares went to Giga Investment. The shares sold by BPI accounted for 15% of the outstanding capital stock of GoTyme Bank. To recall, the merger between BPI and Robinsons Bank took effect on January 1, with BPI as the surviving entity. GoTyme Bank began commercial operations in October 2022 and is targeting five million customers by yearend

from about three million now. It also expects to turn a profit within the next three years.

We believe the transaction benefits both parties with BPI realizing sale of shares proceeds of PHP902.47M and JGS establishing a new and growing source of earnings. It is significant to note that Google Play downloads of the GoTyme app **surged to 5M plus** from just 1M plus a year ago.

At PHP141 per share, BPI is trading at a 13% premium to its target price of PHP124.45 per share. It is also trading at 12.16x 2024F PER,



a premium to the Financials Index's 9.77x PER. With its target price breached, BPI is a **SELL**.

At PHP27 per share, JGS is trading at a 44% discount to its target

price of PHP48.04 per share. It is also trading at 7.86x 2024F PER, a discount to the Holding Firms Index's 10.56x PER. JGS is a **BUY**.

Source: [Businessworld, BSP](#)

Oher Economic, Sector, and Corporate News

FDI net inflows rise to five-month high in July

NET INFLOWS of foreign direct investments (FDIs) into the Philippines rose by 5.5% year on year in July to hit a five-month high, the Bangko Sentral ng Pilipinas (BSP) said on Thursday. Data from the central bank showed FDI net inflows increased to USD820M in July from USD778M in the same month a year ago. This was the highest FDI inflow in five months or since the \$1.366 billion recorded in February.

Source: [Businessworld](#)

PHL among most exposed to shocks in advanced economies, AMRO says

THE PHILIPPINES is among the countries that are most exposed to spillover effects from economic shocks and volatility in developed markets, the ASEAN+3 Macroeconomic Research Office (AMRO) said.

Source: [Businessworld](#)

Industrial sector still operating below 'normal' capacity

THE PHILIPPINES' industrial sector is still not operating at full capacity, Pantheon Macroeconomics said, though this has helped tame price pressures.

Source: [Businessworld](#)

Transmission rates decrease in October — NGCP

ELECTRICITY CONSUMERS may see a reduction in their bills for October due to a decline in overall transmission charges, according to the National Grid Corporation of the Philippines (NGCP).

Source: [Businessworld](#)

Marcos touts potential of Philippine chemical industry

PRESIDENT Ferdinand R. Marcos, Jr. solicited potential investors in the Philippines' chemical industry, particularly projects involving materials needed for the green transition.

Source: [Businessworld](#)

Commodities

Significant Commodities Biggest Daily Movers: Gasoline (+3.95%), Silver (+2.07%), Orange Juice (-3.92%), Cheese (+9.12%), Palladium (+3.68%)

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	730.50	820.76	11.0%	8.43	0.65	7.60	1.0%	BUY
ACEN	5.20	7.42	29.9%	18.49	1.38	0.05	1.0%	BUY
AEV	37.25	63.39	41.2%	7.17	0.61	1.40	3.8%	BUY
AGI	9.35	19.76	52.7%	3.10	0.21	0.15	1.6%	BUY
ALI	36.50	46.09	20.8%	1.32	0.89	0.08	0.2%	BUY
AP	38.15	63.23	39.7%	8.32	1.55	2.30	6.0%	BUY
APX	3.88	16.52	76.5%	5.21	1.29	0.08	2.1%	BUY
BDO	156.80	190.63	17.7%	8.80	1.34	3.90	2.5%	BUY
BLOOM	7.85	14.68	46.5%	11.37	1.60	-	0.0%	BUY
BPI	141.00	124.45	-13.3%	12.16	1.86	3.96	2.8%	SELL
CBC	60.70	79.17	23.3%	5.72	0.97	2.20	3.6%	BUY
CEB	34.90	41.09	15.1%	3.09	1.84	-	0.0%	LT BUY
CNPF	38.20	34.53	-10.6%	19.13	4.14	0.48	1.3%	SELL
CNVRG	16.16	20.02	19.3%	10.51	2.22	0.18	1.1%	STRONG BUY
DMC	11.62	11.73	0.9%	7.67	1.04	1.44	12.4%	BUY
DNL	6.59	6.66	1.0%	19.32	2.02	0.21	3.2%	BUY
EMI	18.78	12.05	-55.9%	39.15	4.28	0.24	1.3%	SELL
FB	52.80	96.98	45.6%	7.83	1.46	1.80	3.4%	BUY
GLO	2,390.00	2,589.13	7.7%	14.78	2.30	99.87	4.2%	BUY
GTCAP	712.00	1,030.66	30.9%	4.62	0.55	5.00	0.7%	BUY
ICT	420.40	359.12	-17.1%	23.35	6.96	11.39	2.7%	SELL
JFC	275.00	368.67	25.4%	32.66	6.77	3.13	1.1%	BUY
JGS	27.00	48.04	43.8%	7.86	0.44	0.40	1.5%	BUY
KEEPR	2.10	3.19	34.1%	9.65	1.79	0.10	4.8%	BUY
LTG	9.98	10.98	9.1%	3.82	0.35	1.20	12.0%	BUY
MBT	79.05	72.11	-9.6%	8.08	0.90	3.50	4.4%	SELL
MEG	2.19	2.60	15.8%	3.31	0.25	0.07	3.0%	BUY
MER	475.00	476.75	0.4%	10.87	3.08	21.53	4.5%	BUY
MONDE	10.48	12.18	14.0%	21.57	3.01	0.12	1.1%	BUY
NIKL	3.80	4.39	13.4%	60.32	1.26	0.20	5.3%	LT BUY
PCOR	2.81	4.68	40.0%	1.66	0.22	0.10	3.6%	BUY
PGOLD	32.55	53.34	39.0%	10.86	1.26	0.90	2.8%	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	34.00	32.74	-3.9%	7.89	2.20	3.50	10.3%	SELL
SM	979.00	1,292.69	24.3%	14.62	1.42	9.45	1.0%	BUY
SMC	89.10	108.20	17.7%	NA	0.94	1.40	1.6%	LT BUY
SMPH	32.25	42.89	24.8%	22.38	2.15	0.35	1.1%	BUY
TEL	1,517.00	2,067.12	26.6%	11.36	6.01	92.00	6.1%	BUY
UBP	41.10	31.31	-31.3%	13.76	0.78	0.80	1.9%	SELL
URC	103.40	149.59	30.9%	14.29	2.12	3.80	3.7%	BUY
WLCON	16.10	24.81	35.1%	18.32	2.64	0.26	1.6%	BUY
Averages			18.5%	12.70	1.84		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	58.20	127.64	54.4%	4.53	0.82	2.33	4.6%	BUY
BDO	156.80	190.63	17.7%	10.65	1.51	1.75	2.2%	BUY
BNCOM	8.41	26.83	68.7%	4.48	0.38	0.25	0.0%	BUY
BPI	141.00	124.45	-13.3%	13.02	1.82	1.98	-3.2%	SELL
CBC	60.70	79.17	23.3%	7.22	1.08	2.20	3.6%	BUY
EW	9.79	22.04	55.6%	3.51	0.32	0.54	5.5%	BUY
MBT	79.05	72.11	-9.6%	7.91	0.97	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	58.60	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	94.90	119.51	20.6%	7.42	0.52	1.50	3.2%	BUY
UBP	41.10	31.31	-31.3%	16.97	0.73	0.80	1.8%	SELL
Averages			28.6%	7.12	0.75		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	1.06	1.07	1.4%	0.10	9.4%	BUY
FILRT	3.08	3.79	18.7%	0.26	8.8%	BUY
MREIT	13.76	18.39	25.2%	0.99	7.2%	BUY
PREIT	2.18	2.14	-2.0%	0.15	7.2%	SELL
RCR	6.10	7.64	20.2%	0.52	6.4%	BUY
VREIT	1.80	3.19	43.6%	0.18	4.1%	BUY
Averages			14.1%		7.0%	

Source: Asiasec Research

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