



ASIASEC EQUITIES, INC.

Market Wrap

Monday, Nov 22, 2021

PSEi breaks slide

A plan to tax the super-rich could lead to aggressive tax avoidance schemes and drive investment out of the country, according to the Department of Finance (DoF). In a letter to House Speaker Velasco, Finance Secretary Dominguez said the proposal is unlikely to boost government revenue. House Bill 10253 or the proposed Super-Rich Tax Act of 2021 will impose a tax of 1-3% on rich people. Under the bill filed by a minority bloc at the House of Representatives, the tax would be used to fund for medical assistance, education, employment, social protection and housing for the poor. The DoF estimated the bill would generate P57.6bn in revenue each year, while some congressmen said the government could collect P236.7bn from just 50 of the richest. But DoF said lost investments caused by the tax would cut the country's revenue in the long run and reduce new jobs. Only four countries continue to implement the wealth tax — Belgium, Norway, Spain and Switzerland. Think tank IBON Foundation said the measure would generate P467.1bn from 2,919 people who have taxable assets exceeding P1 billion. These super-rich account for 0.003% of the population and control 16% of the country's wealth. Dominguez said the proposed tax would discourage businesses from taking on riskier ventures that could benefit the public. They will be subject to tax liabilities on the high capital value of their assets while they generate low profits at the start of operations. He also expressed concerns about enforcement, citing the need to relax the Bank Secrecy Law and develop exchange of information agreements with other countries to assess wealth in the absence of a reliable database identifying the country's richest.

The PSEi broke a 3-day decline to open the trading week marginally up. Late buying propelled the main index to gain 2 points to close at 7,282.67 on value turnover of P8.5bn. Net foreign activity ended with a selling bias of P462mn. Investors are looking at the slew of new listings (IPO, FOO, etc.) as possible catalysts now that the interim earnings results have mostly been disclosed. MONDE gained 3% to P18.62 as the counter continues to rise following its inclusion in the recent MSCI rebalancing this month. The counter may also be up for inclusion in the FTSE when their re-weights are announced in December. Other notable increases today include BDO (P128, +1.9%), URC (134, +1.1%), ICT (193, +2.1%), and RRHI (65, +1.6%). SGP also increased 2.5% to P15.06 on the back of the company announcing P1.05bn dividend payout. This translates to 20 cents per share that will become payable in Jan 2022 (ex-date Dec 9, 2021). Officials said that the dividend payout is proof of the company's commitment to finance the future capex for NGCP. Finally, today marks the start of the IPO period for Medilines (MEDIC), which is going to be the first pure-play health care listing for the mart.

Top Foreign Buys- GLO (P46M), MONDE (160M)

Top Foreign Sells- BPI (107M), CNVRG (496M), TEL (107M)

Daily Advances & Declines

Day	Mon	Tue	Wed	Thu	Fri
PSEi	7,282.67				
Change in PSEi	+2.10				
Cumulative change	+2.10				
Value turnover (Pm)	8,469.4				
Issues traded	239				
Advances	71				
Declines	117				
Unchanged	51				
Net advances	-46				
Cumulative net advances	-46				
Net Foreign Buying/ (Selling) (Pm)	(461.9)				

Top Ten Actives	Close	% Change	Value (PhPmn)
MONDE	18.62	+2.99	1.30B
CNVRG	30.80	-1.44	1.03B
KEEPR	1.62	-4.14	364.51
TEL	1670.00	-1.76	290.11
BDO	128.00	+1.91	268.82
SMPH	35.90	-0.14	260.30
ACEN	11.90	+0.68	243.03
SGP	15.06	+2.45	189.17
GLO	3620.00	+0.47	186.33
URC	134.00	+1.13	179.08

Asian Markets			Asian Currencies		
	Last	% Change		Last	% Change
Japan	29786.41	+0.14	Yen	114.14	-0.13
Hongkong	24962.11	-0.35	HK\$	7.76	0.00
Singapore	3240.34	+0.25	Sing\$	1.361	+0.02
Philippines	7282.67	+0.03	Peso	50.61	-0.23
Malaysia	1527.69	+0.14	Ringgit	4.183	+0.01
Thailand	1646.66	+0.10	Baht	32.845	-0.15
Indonesia	6692.273	-0.42	Rupiah	14240	-0.02
Australia	7356.699	-0.54	Aus\$	0.7252	+0.23
Korea	3006.50	+1.19	Won	1187.03	+0.29

Peso/Dollar Update			
PDS Weighted Ave.	50.674	High	50.80
Change	-0.23 %	Low	50.53
Volume	1.0459B	Close	50.61

As of 2pm

Overnight Foreign Quote	Close	Change
Dow Jones	35601.98	-268.97
NASDAQ	16057.44	+63.73
S&P 500	4697.96	-6.58
PHI (PLDT-US)	US\$33.44 (P1692.06)	-\$0.33
Manulife (MFC-US)	US\$19.31 (P977.09)	-\$0.51
Sun Life (SLC-US)	US\$55.85 (P2826.01)	-\$0.02
NY Gold Spot	US\$1846.50	+\$0.70
NY Copper	US\$436.80	-\$2.80
LME Nickel	\$20044	+\$410
LME Nickel WH Level	123444	-0.13%
Nymex	\$75.52	-\$0.42
Crude (Dubai)	\$80.33	-\$0.77