

## Market Wrap

Wednesday, Oct 9, 2024

### PSEi declines 1.5% on foreign selling

Oil has risen above US\$80 a barrel this week on Middle East tensions, the highest level in more than a month. Oil futures have experienced recent volatility, with Brent slumping under \$70 last month on concerns about weak demand before intensified conflict in the Middle East sent prices soaring 10% last week. Israel is preparing its retaliation against Iran over its missile attacks, raising fears of a regional war that could involve strikes on oil facilities. Beyond Middle East tensions, oil is also being supported by hopes of stronger Chinese demand after Beijing recently announced major stimulus measures to boost its flagging economy.

The World Bank (WB) revised up its growth forecasts for the Philippines for 2024 and 2025 on expectations of “more robust” domestic demand, while also seeing a big drop in the poverty rate. That is according to their latest “East Asia and the Pacific Economic Update,” which, however, also flagged the PHL’s vulnerability to the labor displacement effect of AI, something that may affect the relationship between growth and job dynamics. WB now projects that GDP will grow by 6% this year, better than the previous forecast of 5.8%. The growth projection for next year was also upgraded to 6.1%, from 5.9%. For 2026, the bank expects the local economy to expand by 6% also. Moving forward, WB said further improvements in the local job market and easing of inflation would boost family incomes and help lick poverty. However, WB said the PHL along with Thailand and Malaysia are “relatively more exposed” to AI-induced job losses compared with others in the region due to their higher engagement in cognitive services sectors like customer service.

Local shares ended lower for the second day as the Peso moved towards the P57-level anew. The main index plummeted 1.5% to 7,424.52 as investors understandably are taking profits from the recent rise. Value turnover reached P5.3bn. Notable data today is that the market turned to a net foreign selling bias of P403mn, after 27 consecutive days of NFB---which was the longest in the past decade. BDO topped the activity as it dropped 2.4% to P157.80. MER (481, -1.6%) said that its sales rose by 7% for the 9M24, which was within their guidance. Sept-24 increase stood at +3.3% with the cooler weather tempering demand. We rate MER a Sell as the counter is now trading at above our TP of P477/share. CNVRG (16.58, -0.8%) announced that it had tied-up with Netflix as it now offers internet along with Netflix plan. This could provide a boost to subscribers for the telecom given the popularity of the streaming platform. FRUIT managed to buck the weakness as it increased 1.4% to P0.73 after indicating that it is likely to acquire another legacy brand this time engaged in Lechon Manok segment. The multi-brand F&B unit said this is their next investment pursuit to be added to their portfolio.

### Daily Advances & Declines

Day	Mon	Tue	Wed	Thu	Fri
PSEi	7,554.68	7,537.25	<b>7,424.52</b>		
Change in PSEi	+86.76	-17.43	<b>-112.73</b>		
Cumulative change	+86.76	+69.33	<b>-43.40</b>		
Value turnover (Pm)	7,873.4	7,393.8	<b>5,300.8</b>		
Issues traded	257	260	<b>258</b>		
Advances	129	109	<b>72</b>		
Declines	79	97	<b>122</b>		
Unchanged	49	54	<b>64</b>		
Net advances	+50	+12	<b>-50</b>		
Cumulative net advances	+50	+62	<b>+12</b>		
Net Foreign Buying/ (Selling) (Pm)	1,355.3	428.1	<b>(403.1)</b>		

Top Ten Actives	Close	% Change	Value (PhPmn)
BDO	157.80	-2.35	628.76
ICT	429.80	-1.87	509.52
ALI	36.40	0.00	336.07
BPI	140.00	-2.10	318.32
JGS	26.40	-2.76	253.39
SMPH	31.90	-1.54	227.57
AC	731.50	-0.75	210.04
JFC	274.80	+0.66	199.80
SM	975.00	-2.30	195.32
SECB	91.00	-4.51	172.35

Asian Markets			Asian Currencies		
	Last	% Change		Last	% Change
Japan	39277.96	+0.87	Yen	148.51	+0.21
Hongkong	20704.89	-1.06	HK\$	7.80	0.00
Singapore	3595.58	+0.56	Sing\$	1.3027	-0.10
Philippines	7424.52	-1.50	Peso	57.00	+0.15
Malaysia	1637.58	+0.12	Ringgit	4.283	-0.10
Thailand	1457.06	+0.29	Baht	33.357	-0.59
Indonesia	7547.200	-0.13	Rupiah	15582	-0.47
Korea	2594.36	-0.61	Won	1341.29	-0.37
Australia	8187.38	+0.13	Euro	1.0972	-0.07

Peso/Dollar Update			
PDS Weighted Ave.	56.998	High	57.06
Change	+0.15 %	Low	56.87
Volume	1.56B	Last	57.00

*As of 3pm*

Overnight Foreign Quote		
	Close	Change
Dow Jones	42080.37	+126.13
NASDAQ	18182.92	+259.02
S&P 500	5751.13	+55.19
PHI (PLDT-US)	US\$27.30 (P1556.10)	\$0.00
Manulife (MFC-US)	US\$29.82 (P1699.74)	-\$0.07
Sun Life (SLC-US)	US\$57.33 (P3267.81)	-\$0.20
NY Gold Spot	US\$2616.50	-\$5.30
NY Copper	US\$445.80	+\$0.10
LME Nickel	\$17780	-\$280
LME Nickel WH Level	131850	-0.07%
Nymex	\$73.86	+\$0.31
Crude (Dubai)	\$79.23	-\$0.22