

Market Wrap

Monday, Oct 14, 2024

China steps up stimulus

Over the weekend, China said it would issue special bonds to help its sputtering economy, signaling a spending spree to bolster banks, shore up the property market and ease local government debt as part of one of its biggest support packages in years. The plan is part of a series of actions undertaken by Beijing to draw a line under a years-long property sector crisis and chronically low consumption that has plagued the economy. Beijing's planned special bonds are aimed at boosting the capital available to banks — part of a push to get them lending in the hopes of firing up sluggish consumer spending. China is also preparing to allow local governments to borrow more to fund the acquisition of unused land for development, aimed at pulling the property market out of a prolonged slump. No figures were provided on the planned special bonds announced at a press conference by Finance Minister Lan Fo'an, following a series of steps launched in recent weeks that have included interest rate cuts and liquidity for banks. Officials have been battling to reverse China's slowdown and achieve a growth target of 5% this year — enviable for many Western countries but a far cry from the double-digit expansion that for years that boosted China.

Regulators have approved the IPO application of Cebu-based Top Line Business Development, which plans to raise P2.9bn through the sale of 3.68bn primary common shares at P0.78/share. There is also an over-allotment option of 0.368bn secondary shares being sold by the principal shareholders, the Lapasaran-Lim group. Top Line is a fuel retailer, which intends to use proceeds for construction of fuel depot and working capital. Management said they intend to construct the fuel depot by 2025 and finish it after a year.

The PSEi managed to end its 4-day slide as investors are betting that the BSP will continue with its monetary easing when the MB meets this week (Oct 16). The main index increased 0.22% to 7,326.41 on value turnover of P3.9bn. Net foreign activity ended with a selling bias of P520mn, the 4th consecutive NFS after 27 straight NFB. BDO topped the most active as it increased 1.3% to P158.60. SMC (88.95, 0.5%) clarified that the talks for the planned tollways group merger is "ongoing" but may not be completed within the year unlike reports that came out last week that said a deal may be announced by this month. Both groups are still discussing with things still "fluid" at this time. GLO decreased 0.6% to P2406 even as the company is poised to push for local listing for GCash rather than in the US. Management now appears to be hesitant to pursue a Nasdaq-listing due to "too much work needed." Many think that GCash value will be more than the parent due to its growth potential. ICT (402, -1.4%) fell for the 4th straight session---an overhang from the legal issue in Durban port.

Daily Advances & Declines

Day	Mon	Tue	Wed	Thu	Fri
PSEi	7,326.41				
Change in PSEi	+16.09				
Cumulative change	+16.09				
Value turnover (Pm)	3,884.6				
Issues traded	253				
Advances	128				
Declines	73				
Unchanged	52				
Net advances	+55				
Cumulative net advances	+55				
Net Foreign Buying/ (Selling) (Pm)	(519.7)				

Top Ten Actives	Close	% Change	Value (PhPmn)
BDO	158.60	+1.34	581.40
ICT	402.00	-1.42	315.04
ALI	36.00	+1.84	230.58
SM	959.00	-0.62	228.12
AC	720.00	-0.28	144.28
JFC	275.00	+0.36	142.23
JGS	26.30	0.00	138.67
SMPH	31.40	-0.32	128.56
BPI	140.00	+1.01	119.58
MBT	78.40	-0.13	101.33

Asian Markets			Asian Currencies		
	Last	% Change		Last	% Change
Japan	39605.80	+0.57	Yen	149.25	+0.09
Hongkong	21211.04	-0.19	HK\$	7.80	0.00
Singapore	3592.47	+0.52	Sing\$	1.3054	+0.05
Philippines	7326.41	+0.22	Peso	57.38	+0.28
Malaysia	1634.90	+0.08	Ringgit	4.293	+0.10
Thailand	1470.10	+0.11	Baht	33.15	-0.03
Indonesia	7553.560	+0.44	Rupiah	15585	+0.05
Korea	2620.80	+0.92	Won	1354.78	+0.30
Australia	8252.80	+0.47	Euro	1.0924	-0.12

Peso/Dollar Update		
PDS Weighted Ave.	57.322	High 57.44
Change	+0.28 %	Low 57.20
Volume	550Mln	Last 57.38

As of 3pm

Overnight Foreign Quote	Close	Change
Dow Jones	42863.86	+409.74
NASDAQ	18342.94	+60.89
S&P 500	5815.03	+34.98
PHI (PLDT-US)	US\$26.76 (P1533.35)	+\$0.10
Manulife (MFC-US)	US\$30.39 (P1741.35)	+\$0.30
Sun Life (SLC-US)	US\$57.22 (P3278.71)	-\$0.02
NY Gold Spot	US\$2659.30	+\$2.80
NY Copper	US\$445.50	-\$3.90
LME Nickel	\$17860	+\$320
LME Nickel WH Level	132570	+0.19%
Nymex	\$74.65	-\$0.91
Crude (Dubai)	\$78.63	+\$1.45