

EXECUTIVE SUMMARY

News Highlights: At the local front, 3rd telco slot bid docs available next week, while Mindanao WESM operational 1H19. Expansion-related news led corporate headlines: MEG prepares Bacolod hotel; LNG proposal submitted by PNX-CNOOC; ROCK gets cleared on JV for Carmelray lot; Cebu ecozone approved for MAC; IMI launched Serbia facility.

INDICATORS

T-Bill 01 Oct '18	Rate %	Bps Chg	Vol (Pbn)	Commodities	02-Oct	Abs. Chg.	% Chg	Forex	Value
91-day	3.549	-	-	Gold Spot (USD)	1,204.69	15.70	+1.32	Close	54.25
182-day	5.206	+60.9	3,200	Copper (USD/lb)	280.35	1.60	+0.57	High	54.29
364-day	5.648	+24.8	6,000	Nickel (USD/ton)	12,542.50	107.50	+0.86	Low	54.18
				WTI Crude (USD/bbl)	75.18	(0.12)	(0.16)	Ave	54.26
Total			8.2					Vol (US\$m)	655.40

MARKET SNAPSHOT

PHILIPPINES

Selling pressure maintained, PSEi lower at 7,132: Players shrugged-off Wall Street's advance in light of the NAFTA accord headline, as selling prevailed throughout the session. The PSEi closed 89 points weaker at 7,132 (-1.24%), after touching an intra-day low of 7,094. All sectoral gauges fell primed by property (-3.7%) & mining/oil (-2.5%). SMPH (-P1.80 at P33.85); ALI (-P1.30 at P39.30); SM (-P5 at P875); BDO (-P0.50 at P119.50); & JFC (-P2 at P250) led actively-traded shares lower. Turnover stood at P5.15bn, with gainers-losers, 72-112. Net foreign selling reached P397mn (-41%).

Extended patience: Buyers may continue their wait-and-see stance for now, following recent sessions' pull-back. Several might also wait until September's inflation is announced later this week prior to positioning, with sentiment likely to have space to absorb the headline. Attention might stay stock-specific, especially those with good day-trade zones. Immediate support is 7,000-7,060, resistance 7,150.

ASIA

Mostly sagged: Thickening trade tension between the US and China drove away enthusiasm in most of Asian equities Tuesday.

WALL STREET

US shares mixed: DJIA rallied 122 points at 26,773 (+0.46%), as trade tensions eased. Nasdaq Comp. fell 37pts, 7,999 (-0.47%) after Amazon.com's wage hike pressured retailers & small caps.

COMMODITIES

Crude down on higher supplies: Oil slightly closed lower as the American Petroleum Institute reported that U.S. crude supplies rose by 907,000 barrels for the week ended Sept. 28. West Texas Intermediate (WTI) dipped \$0.12 to \$75.18/barrel.

	02-Oct	Abs. Chg	% Chg
Philippines			
PSEi	7,132.36	(89.72)	(1.24)
All shares	4,398.80	(43.29)	(0.97)
Financials	1,609.11	(11.57)	(0.71)
Industrial	10,431.80	(43.50)	(0.42)
Holding	7,015.43	(45.14)	(0.64)
Services	1,500.48	(1.74)	(0.12)
Mining and Oil	8,632.92	(221.20)	(2.50)
Property	3,484.28	(132.28)	(3.66)
Total volume-mn	921.40	215.88	+30.60
Total value-Pmn	5,700.59	1,465.86	+34.62
Net foreign Buy (Sell)-Pmn	(397.38)	280.12	N/A
Asia			
Malaysia (KLCI Comp)	1,798.15	5.69	+0.32
Japan (Nikkei 225)	24,270.62	24.86	+0.10
Singapore (Straits Times)	3,236.62	(18.84)	(0.58)
Thailand (SET)	1,749.76	(10.61)	(0.60)
Taiwan (Weighted)	10,919.63	(132.17)	(1.20)
Jakarta (Composite)	5,870.85	(73.75)	(1.24)
Philippines (PSEi)	7,132.36	(89.72)	(1.24)
South Korea (KOSPI)	2,309.57	(29.31)	(1.25)
Hong Kong (Hang Seng)	27,126.38	(662.14)	(2.38)
Shanghai (CSI 300)	3,438.86	-	holiday
Shenzhen (SE Comp.)	1,441.54	-	holiday
US			
Dow Jones	26,773.94	122.73	+0.46
Nasdaq Comp.	7,999.55	(37.75)	(0.47)
S&P 500	2,923.43	(1.16)	(0.04)
MSCI PH ETF	29.49	(0.19)	(0.64)
Sun Life (SLF:US)	39.55	(0.44)	(1.10)
	P2,145.59		
PLDT (PHI:US)	25.88	0.04	+0.15
	P1,403.99		
TEL:PM	P1,399.00		

MARKET INSIGHTS

CORPORATE

MEG prepares Bacolod hotel: Megaworld Corp. (MEG) is building its P500mn luxury boutique hotel inside the 34ha. The Upper East Township in Bacolod City. The project will feature 48 suites & Zabana Bar, among others. Hotel ballroom will be connected to an expansive tropical garden, with Heritage Arch. & Conservationist Dominic Galicia as designer. Completion is slated in 2022. It will also have 12-storey, One Regis for residential condo.

LNG proposal submitted by PNXCNOOC: Phoenix Petroleum Philippines, Inc. (PNX) & CNOOC of China submitted a proposal for integrated LNG. CNOOC is known as the largest offshore oil & gas firm in China. DoE Asst. Sec. Pulido said the proposal is under evaluation.

ROCK gets cleared on JV for Carmelray lot: Phil. Competition Commission (PCC) approved Rockwell Land Corp. (ROCK)'s JV with the Yulo family's Carmelray Property Holdings for the development of 63ha. mixed-use project in Canlubang, Laguna. ROCK will initially invest in the project by buying P450mn worth of CPHI common & preferred shares, equivalent to 14.7% ownership.

Cebu ecozone for MAC: MacroAsia Corp. (MAC) said PEZA approved its application for the development of 5ha. ecozone in Lapu-Lapu City, Cebu. MAC's 49%-owned Lufthansa Technik Phils. (LTP) will start construction of body hanger in the said zone this year, which will be completed Dec. 2019.

IMI launched Serbia facility: Integrated Micro-Electronics, Inc. (IMI) inaugurated its 14,000sqm. manufacturing facility in Serbia, extending its Bulgaria factory. IMI provides engineering, manufacturing, support & fulfilment services within automotive, industrial electronics & aerospace market.

MRP major holder defers tender offer: Melco Resorts and Entertainment (Philippines) Corp. (MRP)'s majority shareholder, MCO (Philippines) Investments Ltd., deferred the tender offer initially set to start 03 Oct. 2018. No other details were given.

IPO details education business share swap, pricing at P14.84/share: iPeople, Inc. (IPO) will issue 295.3mn shares from its unissued capital stock in return for 1.993bn AC Education shares, inclusive of 132.789mn AC Education shares to be subscribed by AC prior to filing of merger application with SEC. AC will then acquire 54.5mn new shares from existing HI affiliates. The price per share is P14.84, or P5.2bn. Target effectivity date for the merger is within 1H19.

Quarrying ban lifted on CHP raw material source: Cemex Holdings Philippines, Inc. (CHP) was notified by DENR-Mines & Geosciences Bureau on the lifting suspension of quarry operations in Sitio Tabac, Bgy. San Jose, Antipolo City. The area is the source of raw materials of Solid Cement Corp., one of CHIP's main operating subsidiaries.

DNA confirms talks with Ampersand on debt settlement: Philab Holdings Corp. (DNA) confirmed holding talks with Ampersand to settle liabilities, but nothing has been concluded on the matter yet. An article recently came out that Atencio is interested in revitalizing DNA, but remains unsure if he will be in sync with DNA's other creditor, Altus Capital.

X creates unit for virtual currency: Xurpas Inc. (X) approved the incorporation of fully-owned CTX Technologies that will be engaged in cryptocurrencies. CTX's primary purpose will be a remittance & transfer fir, operating as Virtual Currency Exchange that can accept cryptocurrencies as payment.

ECONOMIC/ INDUSTRY

3rd telco slot bid docs available next week: Interested parties may buy bidding documents for P1mn, the 3rd telco slot starting 08 Oct. Deadline for submission & opening of bids will be 07 Nov.

Mindanao WESM operational 1H19: DoE pushed commercial operations of WESM in Mindanao to 1H19. Coordination is ongoing with National Grid (NGCP) on registration of participants, capacity building, interface installation, among others.

Upcoming rice shipment to be sold via SM & Robinsons stores: DTI said 350k MT of imported rice will be sold via SM Supermarket & Robinsons Supermarket, on top of 750k MT approved by NFA. Price will be set at P38/kilo. Shipments will arrive before end-Oct. 2018.

SHARE BUYBACK / DIVIDEND DECLARATION

Share Buyback	Shares Repurchased	Ave. (P)	Date of Purchase	Total Treasury Shares
Global Ferronickel Holdings, Inc. (FNI)	600,000	1.83	2-Oct	623,684,911
Cebu Landmasters, Inc. (CLI)	100,000	4.41	1-Oct	37,100,000
Cebu Air, Inc. (CEB)	50,000	69.62	1-Oct	10,283,220
First Gen Corp. (FGEN)	600,000	16.07	1-Oct	16,391,200
Cosco Capital, Inc. (COSCO)	100,000	5.82	1-Oct	130,933,200
Phinma Corp. (PHN)	100	8.90	1-Oct	3,278,479
RFM Corp. (RFM)	15,000	5.00	1-Oct	13,255,800
MacroAsia Corp. (MAC)	50,000	16.01	1-Oct	23,630,600
Emperador Inc. (EMP)	56,400	7.04	1-Oct	201,311,200

Dividend Declaration	Cash Div.	Type	Stock Div.	Ex-date	Record date	Date payable
Manila Water Company, Inc. (MWC)	PHP 0.4283	Regular		12-Oct-18	17-Oct-18	31-Oct-18
iPeople, Inc. (IPO)	P0.06	Regular		23-Oct-18	26-Oct-18	21-Nov-18

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