

## What's Brewing @ FirstMetroSec

Equities Summary | Commentary | Corporate Calendar | Economic Calendar

### PSE Index (12-month period)



Index	Value	Value Turnover (in P mn)	Value
Last	8,398.0	Last (ex-blocks)	6,983.2
% Change	0.4%	3-Month Average	7,319.3
YTD % Change	20.8%	6-Month Average	7,248.0

  

Valuation (x)	Value	Market Breadth	Value
Price-to-Earnings T12M	22.9	Gainers	91
Price-to-Earnings F12M	20.7	Losers	103
Price-to-Book	2.7	Unchanged	51
Dividend Yield (%)	1.4		

  

Foreign Activity (in P mn)	Value	PLDT	Value
Buy	3,045.7	TEL Last Price (PhP)	1,712.0
Sell	2,549.5	TEL ADR Last Price (US\$)	32.8
Net Foreign	496.2	in PhP	1,687.6

### Global Indices

US Markets	Price	Chg	DoD %	YTD %	P/E T12M	P/E 2017F
Dow Jones Industrial Ave. Index	US 22,830.68	69.6	0.3%	15.2%	20.7x	18.8x
S&P 500 Index	US 2,550.64	5.9	0.2%	13.4%	22.6x	19.4x
Nasdaq Comp. Index	US 6,587.25	7.5	0.1%	21.3%	24.7x	22.2x

  

European Markets	Price	Chg	DoD %	YTD %	P/E T12M	P/E 2017F
Euro Stoxx 50 Index	EU 3,598.79	(11.7)	(0.3%)	10.0%	16.0x	15.3x
HDAX index	GER 6,985.62	(13.0)	(0.2%)	14.8%	14.9x	15.1x
FTSE 100 Index	UK 7,538.27	30.4	0.4%	5.9%	21.9x	15.2x
CAC 40 Index	FR 5,363.65	(2.2)	(0.0%)	10.9%	16.6x	15.5x

  

Asia Pacific	Price	Chg	DoD %	YTD %	P/E T12M	P/E 2017F
Philippine Stock Exchange Index	PH 8,398.04	30.7	0.4%	22.8%	22.9x	20.7x
Nikkei 225	JPN 20,823.51	132.8	0.6%	8.8%	17.5x	17.8x
Hang Seng Index	HK 28,490.83	164.2	0.6%	30.7%	13.9x	12.8x
FTSE Straits Times Index	SG 3,288.95	(2.6)	(0.1%)	13.8%	11.5x	15.0x
ASX 200 Index	AUS 5,738.11	(1.1)	(0.0%)	0.7%	15.7x	12.8x
Shanghai SE Comp Index	CHN 3,382.99	8.6	0.3%	9.3%	15.4x	13.5x
Korea SE KOSPI Index	SKR 2,433.81	39.3	1.6%	20.1%	12.1x	11.1x
Jakarta SE Comp. Index	IDN 5,905.76	(9.2)	(0.2%)	11.4%	17.7x	17.4x
FTSE Bursa Malaysia KLCI Index	MY 1,761.13	(2.9)	(0.2%)	7.5%	16.5x	16.4x
SET Index	TH 1,706.95	14.7	0.9%	11.0%	16.4x	16.4x

### First Metro Phil. Equity ETF (FMETF)

Report Date	Tuesday, October 10, 2017
NAV per share	127.00
Closing Price	127.30
Total # of Issued Shrs (in '000)	10,382
Total # of Outstanding Shrs (in '000)	10,382
Tracking Error	0.04%

### Equities Summary

The PSEi closed at a new all time high despite the Philippine Peso closing lower against the greenback at 51.44:\$1. Investors shrugged off news that FDI for the 1st 7 months of the year recorded at \$3.904Bn (-16.5% YoY) after foreign portfolios bought into the local bourse at nearly P500Mn. Expect the local market to continue testing its 8,400 resistance as we anticipate catalysts for a market breakout.

\*PSEi 8,398.04 (+30.66pts; +0.37%); Val T/O: P6.98 Bn; \$136.31Mn (ex-block)

\*Net foreign buying ended at P496.23Mn, P3,045.74Mn purchases, P2,549.51Mn sales.

\*Index Breadth: 15 up; 10 down; 5 unchanged.

\*Market Breadth: 91 up; 103 down; 51 unchanged.

\*Index Leaders: SM (+2.34%), BDO (+1.56%), AC (+1.06%), TEL (+1.06%), SECB (+0.81%)

\*Index Laggards: JGS (-1.20%), RRHI (-2.92%), SMPH (-0.43%), BPI (-0.59%), AGI (-1.18%)

\*FMETF : Closed @ 127.30; iNav @ PhP 127.4169 vs. last NAV @ 127.00.

### INTERNATIONAL

[US Senate approves Trump's pick as Fed regulatory chief](#)  
[US to seek strict rules of origin in NAFTA talks, sources say](#)  
[U.N. bans four ships over North Korea coal, U.S. delays four more](#)  
[Wal-Mart rally pushes Dow to all-time high](#)  
[Oil prices settle at a more than 1-week high](#)

### LOCAL

[FDI Post US\\$307 Million Net Inflows in July 2017](#)  
[Asean think tank cuts 2017, 2018 growth forecasts for PH](#)  
[Rice stocks dwindle in 9 months](#)  
[Factory activity rebounds in August](#)

### CORPORATE

[ALI to infuse P100B in Porac estate](#)  
[SM opens mall in Tuquegarao](#)  
[Meralco to underwrite P2.99/kwh solar supply deal](#)  
[Nickel Asia shipments get boost from weak peso, improved prices](#)  
[Navasero returns as Philab CEO, chairman](#)  
[Phinma Properties plans 2nd project in Davao City](#)  
[Cebu Landmasters on track to exceed P4-B reservation sales this year](#)

## Commentary

### Local

#### FDI Post US\$307 Million Net Inflows in July 2017

July 2017 foreign direct investments (FDI) posted a 13-month low of net inflows worth US\$307mn, down 37.7% y-o-y, mainly due to decline in debt instruments by 74.2% to US\$105mn from US\$407mn. Net equity capital, on the other hand, posted US\$131mn on increase in equity capital placements of US\$170mn compensating total withdrawals of US\$39mn. Equity capital infusions mostly came from Singapore, US, Netherlands, Japan, and Taiwan, and were invested mainly in manufacturing, real estate, and wholesale and retail trade, among others. Lastly, reinvestment in earnings was up 11.5% y-o-y to US\$71m. The said figures brought 7M17 net FDI inflows to US\$3.9bn, down 16.5% y-o-y, from US\$4.7bn of 7M16.

**Comment:** Recall that the administration reported a net of US\$37.8bn in grants and investment pledges from the President's recent travels abroad. While said figures may be in year lows, the administration downplayed FDI statistics and said that foreign commitments may take time to materialize since studies may have to be conducted before coming to the Philippines. Presidential adviser for entrepreneurship Joey Concepcion added that the stock market recently reached new

### Corporate

#### SM opens mall in Tuguegarao

Property Holding firm SM Prime Holdings Inc.(SMPH) will open its first mall in Cagayan's capital city of Tuguegarao, completing its target of adding five shopping malls to its portfolio for 2017. SM Center Tuguegarao downtown is set to open tomorrow (October 12). The first SM mall in the Cagayan Valley will serve as the company's 65th mall and will provide an additional 37,000 square meters in gross floor area (GFA) to the company's portfolio, allowing it to hit the eight million square meters mark in terms of GFA in the country.

**Comment:** With the addition of the new mall, SMPH's GFA now stands at 8.0mn, up 3.8% y-o-y, from 7.7mn as of end-2016. Mall revenues account for 59% of the company's revenue and 67% of net income in 1H17. Going forward, SMPH is on track to hit their target to reach 75 malls by end-2018, from 65 malls to date.

#### Nickel Asia shipments get boost from weak peso, improved prices

The country's top nickel exporter, Nickel Asia Corp. (NIKL), saw its value of shipments grow by 16% y-o-y in the first nine months of 2017. NIKL's value of ore shipments amounted to P11.6bn during the said period, mainly due to increasing nickel ore prices in the global market amid a depreciating Philippine peso. Recall last year, the local currency hovered around P46/USD compared to this year's above P50/USD. Despite the higher value of ore shipment, shipment volume for the period stood at 14.2m wet metric tons (WMT), down 6% y-o-y, due to declining demand in China.

**Comment:** We think that volume will remain subdued moving forward as demand from China continues to weaken. Also, the uptrend in prices may not be sustainable due to increasing production of the base metal in Indonesia.

#### Cebu Landmasters on track to exceed P4-B reservation sales this year

Cebu Landmasters, Inc. (CLI) has booked record reservation sales for the nine-month period of 2017 amounting to P3.7bn. This is already close to management's full year (FY) target of P4bn, and 26% higher than last year's FY figure (P2.9bn). The strong sales take up was generated from residential projects -Garden series residential condominiums and Casa Mira projects and office tower project - 38 Park Avenue. Moving into 4Q17, CLI expects to sustain this momentum as it launches more projects. For the remainder of the year, CLI will launch residential units under the Casa Mira brand in Cebu, Negros Oriental, Iloilo, and Bacolod.

## Corporate Calendar

October 2017						
SUNDAY	MONDAY	TUESDAY	WEDNESDAY	THURSDAY	FRIDAY	SATURDAY
1	2	3 CD- AUB	4 CD - AC CD - SMC	5 CD - FGEN	6 CD - DD	7
8	9 CD - STR	10	11 CD - PCOR CD - VLL	12	13 CD - AC	14
15	16 SMD - HVN	17	18	19	Q	21
22	23 SMD - MARC	24	25 SMD - BRN	26	27	28
29	30	31				
	<i>Legend:</i> SRD = SRO Ex-Date SMD = Stockholders' Meeting SRS = SRO Start LD = Listing Date CD = Cash Ex-Date		ABD = Analysts' Briefing SRE = SRO End EOS = ETF Offer Start STD = Stock Ex-Date EDD = ETF Dividend Ex-Date OFS = Offer Start		EOE = ETF Offer End PD = Property Ex-Date SRL = SRO Listing OFE = Offer End WED = Warrant Exp Date	

Source: Philippine Stock Exchange

## Economic Calendar

October 2017						
SUNDAY	MONDAY	TUESDAY	WEDNESDAY	THURSDAY	FRIDAY	SATURDAY
1	2	3	4	5 PH - CPI US - Jobless Claims US - Intl Trade	6 US - Jobs Report	7
8	9	10 PH - Exports/Imports	11 US - FOMC Minutes	12 US - Jobless Claims	13 US - CPI US - Retail Sales	14
15	16 PH - OF Remittances	17 US - Indus. Production	18 US - Housing Starts	19 US - Jobless Claims	20	21
22	23	24	25 US - Durable Goods US - New Home Sales	26 US - Jobless Claims	27 US - GDP	28
29	30	31 PH - Bank Lending				

Source: WSJ, Bloomberg

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