

## Daily Notes

Date: Sept 13 2019

Ref: Claire T. Alviar

### OUR VIEW

Accumulate shares as the index remains above 7,900 level amid renewed hopes of a trade deal between the US and China.

President Trump delayed the increase of tariffs on Chinese goods after China exempts certain products from tariffs. Trade officials of both countries are expected to hold talks in October.

Investors are anticipating monetary stimulus from the central bank.

**BUY: CLI**



### MARKET WRAP

The PSEi ended in the red territory at 7,944.43, 0.29% or 23.47 points down as investors booked profits. Value turnover was at P6.726 billion. Decliners edged advancers at 96 to 93 while 50 issues were unchanged.

Most sectors lost in the session led by the Properties at 4,028.71 (-0.81%) while Miners were still in a rally, adding 0.17% at 9,489.72.

Aboitiz Power Corporation [PSE:AP] led the index gainers at P38.75, 2.51% up while International Container Terminals Inc. [PSE: ICT] lost the most at P132.00, 2.22% down.

Ferronox Holdings, Inc. [PSE:FERRO] had the biggest gain of 15.69% at P5.90 while Petroenergy Resources Corp. [PSE:PERC] had the biggest loss of 9.56% at P4.07.

### LOCAL NEWS

**The economy, in general, may gain on the planned projects registered with investment promotion agencies in the Philippines. If it materialize, consumer related businesses would get the immediate effect of it since investments create job opportunities for Filipinos.**

This August, investments approvals of Bol saw at P296.2 billion, up from P17 billion last year and this brought year-to-date to P609.04 billion vs P269.3 billion a year ago. Trade Secretary Ramon M. Lopez, said “big-ticket projects have begun to roll in and proves that the Philippine economy remains resilient in contracting investors despite the global slowdown”

### Philstocks Research

**JUSTINO B. CALAYCAY, JR**

AVP-Head, Research & Engagement  
(632)588-1962

**JAPHET LOUIS O. TANTIANGCO**

Sr. Research Analyst  
(632)588-1927

**PIPER CHAUER E. TAN**

Engagement Officer/Research Associate  
(632)588-1928

**CLAIRE T. ALVIAR**

Research Associate

Ground Floor, East Tower  
PSE Center, Tektite Towers  
Ortigas Center, Pasig City  
PHILIPPINES

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## GLOBAL NEWS

**Philippine Peso may depreciate against the US Dollar this year given the expected monetary policy easing of China. Further policy easing may result in weaker yuan which makes the US dollar strong. Weakening peso benefits exporting companies but has negative effects in the bourse.**

China supports its economy by extending 1.21 trillion yuan in new yuan loans in August and may ease policy in the coming weeks as the US-China trade war takes a bigger tariffs on the economy.

## COMPANY NEWS

**BUY Cebu Landmasters, Inc. [PSE:CLI] on the back of growing and improving financial condition of the company. 1H 2019 net income climbed 34% to P1.109 billion from P826 million y/y. We think that given its recent acquisition, it will give more room for CLI to grow further in the industry.**

The company acquires the Abaca Resort Mactan to expand its resorts development in Cebu. CLI also signed hotel management agreement with The Abaca Group to ensure the continuation of the Abaca Brand in new Abaca Resort Mactan. **But there will be innovation to do in the resort and will be completed in 2023. So it may not contribute in the revenue of the company at least before the completion of the 100 all-suite.**



Abaca Resorts Mactan (Source: CLI Press release)

Using technical analysis, the 200-day EMA will be the support. It is currently in sideways movement and OBV is neutral. RSI (14), on the other hand, pointing upward and MACD crossed the red line which is a bullish signal. Resistance is at P5.00 to P5.10.

**Our target price is at P7.50 using EV/EBITDA.**



### DAILY MARKET STATS

INDEX	VALUE	PTS	PCT	YTD %
PSEI	7,944.43	-23.47	-0.29%	6.41
ALL	4,799.79	-5.03	-0.10%	6.24
FIN	1,821.34	-3.59	-0.20%	2.33
IND	10,921.72	-44.11	-0.40%	-0.27
HDG	7,901.23	11.08	0.14%	7.62
PRO	4,028.72	16.08	0.17%	11.05
SVC	1,605.83	-11.21	-0.69%	11.31
M&O	9,489.72	16.08	0.17%	15.72

### ASIAN MARKETS (AS OF 03:00 PM)

INDEX	VALUE	PTS	PCT	YTD %
Nikkei 225	21,759.61	161.85	0.75%	8.72
Hang Seng	27,115.08	-43.98	-0.16%	4.91
Shanghai	3,031.52	22.71	0.75%	21.56
KOSPI	2,049.20	17.12	0.84%	0.40
HCM	973.89	4.58	0.47%	9.11
SET	1,673.03	-1.00	-0.06%	6.98
STI	3,196.87	-7.65	-0.24%	4.17
KLCI	1,604.75	2.45	0.15%	-5.08
JCI	6,356.04	-25.91	-0.41%	2.61

### INTERNALS

VOL	702,002,197	ADV	93
VAL	6,726,044,991.09	DEC	96
BLOCK	1,116,441,147.70	UNCH	50

### COMMODITIES & CURRENCIES (AS OF 03:15 PM)

Brent Crude	61.09	0.46%
WTI Crude	56.06	0.56%
Gold	1,508.45	0.35%
Silver	18.25	0.46%
Copper	2.65	1.41%
US\$:Php	51.98	-0.28%

### TOP 5 GAINERS

AP 2.51%	ICT -2.22%
LTG 2.40%	JFC -1.68%
MEG 1.58%	FGEN -1.51%
SMC 1.51%	ALI -1.40%
JGS 1.43%	SM -1.07%

### TOP 5 LOSERS

### Rating Definitions:

- BUY** - More than 15% upside base on the target price in the next 9-12 months
- HOLD** - 15% or less upside or downside in the next 9-12 months
- SELL** - More than 15% downside base on the target price in the next 9-12 months
- TRADE** - A potential 10% and above short-term upside base on entry price and selling price.