

(Reach out to your relationship manager or investment specialist if you wish to act on these ideas.)

BONDS

DOLLAR DENOMINATED

Issuer	Coupon	Maturity/Call Date	YTM
Hyundai Capital America (HYNMTR)	5.500%	30-Mar-26	5.184%
Bank Negara Indonesia (BBNIJ)	5.280%	5-Apr-29	5.212%
SM Investments Corp (SMPM)	5.375%	24-Jul-29	5.312%
Republic of the Philippines (ROP)	2.457%	5-May-30	5.065%
Indonesia Asahan Aluminium (IDASAL)	5.450%	15-May-30	5.476%

PESO DENOMINATED

Bond	Coupon	Maturity/Call Date	YTM
RTB 5-13	2.625%	12-Aug-25	5.980%
RTB 5-15	4.875%	04-Mar-27	5.875%
RTB 5-17	6.125%	22-Aug-28	5.875%
RTB 5-18	6.250%	28-Feb-29	5.900%
FXTN 20-17	8.000%	19-Jul-31	5.980%

Gross of 20% withholding tax

NOTES: Rates are indicative as of the previous banking day, December 19, 2024. Volume subject to availability for bonds. Rates are exclusive of fees and charges (gross).

STOCKS

OVERWEIGHT
(from **NEUTRAL**)
9.3% of PSEi

Bank of the Philippine Islands (BPI)

In an anticipation for yet again another higher-for-longer rates given Trump's policies, the big three banks' deposit base should reemerge as advantage. This, along with still benign asset quality amid consumer push, BPI should be positioned to sustain earnings.

NEUTRAL
(from **OVERWEIGHT**)
1.8% of PSEi

Globe Telecom, Inc. (GLO)

In absence of visible growth drivers beyond GCash, convincing the market to keep GLO as top-of-mind could be a tall order. On balance, the winding down of the industry's capex cycle could free up cash flow, lending a boost to dividend payout.

UNDERWEIGHT
(from **NEUTRAL**)
7.6% of PSEi

SM Prime Holdings, Inc. (SMPH)

The industry is currently grappling with a supply glut in Metro Manila's mass market segments, where SMPH holds sizeable exposure. This has diverted investor focus toward other developers. However, lower steel prices due to weak China demand could buffer margins.

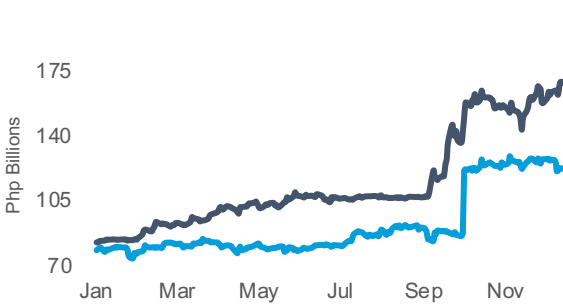
Source: Metrobank Trust Banking Group

Being an investment product, there is no guaranty on the principal and income of the investments. UITFs are governed by BSP regulations but are not deposit products, hence are not covered by the PDIC.

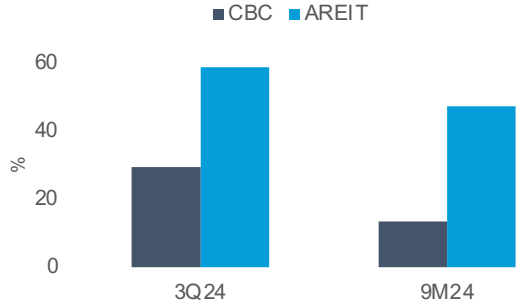
SPOTLIGHT

Candidates for Index Inclusion Investment Performance

Strong earnings propel CBC's and AREIT's market capitalization growth



CBC and AREIT report strong 9-Month YoY Growth in 2024: 14% and 47%, respectively



Investment opportunities in NIKL and AREIT amid index reconstitution

The 2025 PSEi reconstitution could potentially see Nickel Asia Corp. (NIKL) and Wilcon Depot, Inc. (WLCON) replaced by China Banking Corp. (CBC) and AREIT, Inc. (AREIT). Historically, companies removed from the index tend to outperform those added in terms of stock price performance, while newly included stocks often experience a dip due to elevated valuations. This dynamic presents opportunities for investors to capitalize on. Between the two candidates for deletion, NIKL emerges as the more compelling prospect due to the robust growth of the electric vehicle (EV) industry, which saw a 25% YoY increase in global sales volumes. However, caution is warranted as global headwinds for the nickel industry are expected to persist in 2025. Meanwhile, AREIT's potential price dip upon inclusion could enhance its dividend yield, presenting an attractive entry point for income-focused investors next year.

Source: Metrobank Trust Banking Group

Find out more

You may sign up for Wealth Insights for more in-depth and exclusive content or enroll in Wealth Manager. Reach out to your relationship manager or investment specialist for assistance.