

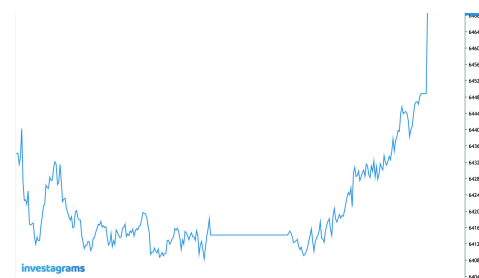
Market Commentary

➔ **The View:** The PSEi gained 34.73 points or 0.54% on Tuesday to end at 6,468.97. The benchmark index moved sideways early before going up in the afternoon session as the market digested the Philippines' second quarter gross domestic product (GDP) data. US and European markets closed in the red as investors look forward to the US July inflation report on Thursday. Asia-Pacific markets also closed lower while it waits for the inflation data from the US and China. In the local bourse, sectoral decliners outnumbered gainers. Financial (-1.14%) posted the biggest decline, followed by Services (-0.40%), Industrial (-0.18%), and Mining&Oil (-0.09%) with sub-1% contractions. Property (+2.40%), and Holding Firms (+1.21%) were the only sectoral gainers. In the main index, ALI (+4.56%), SM (+3.47%), and GTCAP (+2.95%) led Tuesday's band of 17 gainers. On the other end, ACEN (-2.92%), BDO (-2.46%), and AGI (-2.09%) were the biggest losers among the 11 laggards. The market's value turnover increased by 54% to PHP12.19 billion from Monday's PHP7.91 billion. Total foreign activity spiked by 59% to PHP13.01 billion from PHP8.20 billion in the previous session. Foreigners continued to be net sellers with net foreign selling skyrocketing to PHP5.64 billion from only PHP518.79 million. The Philippine Peso marginally depreciated against the US dollar and closed at PHP55.595 from PHP55.55 in the previous day. Investors have their eyes on the US' July inflation data which most economists are expecting to show a cooldown from the 9.1% recorded in June. The consensus estimate stands at 8.7%. A lower reading could convince the markets that inflation have already peaked and will finally be on a downward trajectory. This would be crucial for the US Federal Reserve's monetary policy decision-making moving forward. In the Philippines, while the 7.4% GDP growth in the second quarter was below some economists' estimate of 7.5%, it still falls on the upper end of the government's 6.5%-7.5% for this year. First half GDP growth of 7.8% is well above the target range and the government remains confident that the year-end figure will be within their target. Manufacturing output also posted significant growth in the second quarter as the economy continued its reopening and recovery from the COVID-19 pandemic. Long-term outlook for the Philippines is looking more positive as global headwinds are slowly easing. Despite that, the local bourse remains susceptible to profit taking in the near-term given its recent uptrend and selling pressure from foreigners.

Stock Picks

Stock	Date	Initial Price	Current Price	Return since Recommendation	
				Stock	PSEi
TEL	3/13/20	1,029.00	1,749.00	69.97%	11.65%
CNPF	3/13/20	13.10	25.00	90.84%	11.65%
FGEN	9/23/20	24.80	17.10	-31.05%	9.78%
AP	9/23/20	25.55	31.50	23.29%	9.78%
BDO	11/17/20	92.60	115.00	24.19%	-6.49%
BPI	11/17/20	83.00	95.10	14.58%	-6.49%
MBT	11/17/20	44.35	49.30	11.16%	-6.49%
SECB	11/17/20	103.90	83.00	-20.12%	-6.49%
CNVRG	6/13/22	22.50	20.05	-10.89%	0.03%
ALI	6/13/22	30.05	26.35	-12.31%	0.03%
SGP	6/13/22	12.06	12.22	1.33%	0.03%
Ave. Return				14.64%	1.54%

PSEI INTRADAY



INDICES

Index	Prev	Last	% Chg
PSEi	6,434.24	6,468.97	0.54%
All Shares	3,448.73	3,456.44	0.22%
Financial	1,537.51	1,519.91	-1.14%
Industrial	9,685.04	9,667.45	-0.18%
Holding Firms	6,105.86	6,179.80	1.21%
Property	2,836.98	2,904.96	2.40%
Services	1,688.35	1,681.54	-0.40%
Mining & Oil	11,237.42	11,226.80	-0.09%

TOP 10

ALI	4.56%	ACEN	-2.92%
SM	3.47%	BDO	-2.46%
GTCAP	2.95%	AGI	-2.09%
JFC	1.96%	GLO	-1.84%
SMPH	1.91%	JGS	-1.82%
AEV	1.48%	ICT	-1.63%
PGOLD	1.26%	MER	-1.50%
MPI	1.10%	BPI	-1.45%
RLC	1.02%	AC	-0.98%
WLCON	0.91%	EMI	-0.84%

BOTTOM 10

MARKET DATA

Market Volume	965,565,222
Market Turnover (Value)	12,194,318,765
Foreign Buying	3,682,684,638
Foreign Selling	9,323,212,832
Net Foreign Buy / (Sell)	(5,640,528,193)

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Economic Developments

- ➔ **GDP growth slows down to 7.4% in 2Q.** Preliminary data from the Philippine Statistics Authority (PSA) showed that the Philippine expanded by 7.4% in the second quarter. The gross domestic product (GDP) growth was slower than the recently revised 8.2% in the first quarter and the 12.1% in the same period last year. However, it is still in the upper end of the government's full year target range of 6.5%-7.5%. GDP growth for the first half of 2022 stood at 7.8%. The country's economic managers cited hot inflation as one of the main catalysts of the slowdown. According to Socioeconomic Planning Secretary Arsenio M. Balisacan, "The full reopening of the economy will indeed generate more income-earning opportunities. The purchasing power of that income may be eroded by the high inflation, primarily resulting from increased fuel and food costs". Mr. Balisacan noted that the Philippines' second quarter GDP growth was still second to Vietnam's 7.7%, among emerging economies in the region. He is confident that the government's year-end target will be reached despite the global headwinds that the country is facing. (*BusinessWorld*)
- ➔ **PH manufacturing output grows 2.4% in June.** The Philippine Statistics Authority (PSA)'s data showed that the country's factory output as measured by the Volume of Production Index (VoPI) expanded at an annual rate of 2.4% in June, up from 0.9% in May. This was propelled by the growth in 13 industry groups led by the manufacture of machinery and equipment (except electrical) which posted a 45.3% growth rate. 9 industry divisions recorded decreases in output led by printing and reproduction of recorded media with an annual decline of 25.1%. Meanwhile, the Value of Production Index (VaPI) rose by 9.8%, faster than the 8% in May. Machinery and equipment (except electrical) showed the highest annual growth of 51.8%, while printing and reproduction of recorded media also posted the biggest annual decline of 25.1%. (*Philstar*)
- ➔ **PH June trade deficit widens to record \$5.84 billion.** According to the preliminary data from the Philippine Statistics Authority (PSA), the country's imports grew by 26% annually to \$12.49 billion in June, slower than the revised 30.2% in May and 42.4% in June 2021. Exports rose by 1% to \$6.64 billion, much lower than May's 6.4% and the 18.9% in the same month last year. Total trade went up by 16.1% to \$19.13 billion, slower than May's 20.8% and June 2021's 32%. For the first half of 2022, the trade deficit has widened to \$29.79 billion, far from the \$17.95 billion in the corresponding period last year. Imports were bloated due to the higher costs of oil and imported inputs. Meanwhile, exports were hampered by the supply chain issues involving the electronics industry, which has the biggest share in the Philippines' total exports and manufactured goods. Socioeconomic Planning Secretary Arsenio M. Balisacan said the country's trade deficit is expected to widen this year, as the government increases construction spending for capital formation. However, some economists said that the trade deficit may ease in the coming months because of falling oil prices which may reduce the price of imports. (*BusinessWorld*)

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Economic Developments

- ➔ **PH debt-to-GDP ratio eases to 62.1% in end-June.** The National Government's (NG) outstanding debt as a share of the gross domestic product (GDP) eased to 62.1% at the end of June. This was lower than the 63.5% at the end of the first quarter. At 62.1%, the debt-to-GDP ratio was higher than 60.4% at the end of 2021, and 39.6% at the end of 2019. The national government's outstanding debt stood at PHP12.79 trillion in June, up 14.6% from PHP11.17 trillion a year ago. However, earlier Bureau of Treasury (BTr) data had shown that the national government's borrowings were nearly halved to PHP1.07 trillion during the first half, amid a recovering economy which yielded more tax and non-tax revenues. Finance Secretary Benjamin E. Diokno last month said the government seeks to bring down the debt-to-GDP ratio to 61.8% by end-2022. It is expected to steadily drop to 61.3% by next year all the way to 52.5% by 2028. (*Inquirer, BusinessWorld*)
- ➔ **Banks' NPL ratio falls to 3.6% in June.** Data from the Bangko Sentral ng Pilipinas (BSP) showed that banks' non-performing loans ratio (NPL) for June went down to 3.6%, the lowest in 21 months. Bad loans amounting to PHP421.31 billion was 12.7% lower year-on-year and 1.8% lower than in May. BSP data showed banks' gross loan portfolio expanded by 8.7% to PHP11.71 trillion in June from PHP10.77 trillion a year ago. It also went up by 2.7% from the PHP11.44 trillion in May. Economists cite the heightened economic activity and recovering employment as causes for the NPL ratio decline. They expect this downward trend to continue but it may be affected by the BSP's policy hikes. (*BusinessWorld*)

Corporate Developments

- ➔ **ACEN Corporation (ACEN).** ACEN reported a consolidated net income of PHP1.8 billion in the second quarter, a 25% increase from the same period last year. The second quarter showed the return to profitability of its Philippine business, significantly reducing the decline in net income for the first half of 2022. Net income booked in the first half of the year to ₱2.2 billion, a 19% decrease from the same period in 2021. Attributable output in the first half of 2022 grew 11% to 2,482 GWh, driven by increased operating capacity from the company's wind farms in Vietnam and solar plants in India, which offset the impact of thermal outages in the first quarter. Driving the rise in generation were the international plants, which produced 1,268 GWh in the first half, up 48% year-on-year. Output from renewable energy plants reached 1,692 GWh, registering a noteworthy 52% growth from the same period in 2021. The Company currently has close to 600MW of solar and wind farms currently under construction in the Philippines that are targeted to be completed by 2023. (*ACEN Disclosure*)
- ➔ **DMCI Holdings, Inc. (DMC).** The company recorded a record-high second quarter consolidated profit of PHP9 billion, 73% higher than the PHP5.2 billion in the same period last year. This was mainly driven by higher coal, electricity and nickel prices, coupled with higher revenue recognition from its real estate business. DMC's back-to-back historic quarterly earnings pushed its first half consolidated net income to more than double to PHP20.3 billion, which was already beyond its 2021 full-year net income of PHP18.4 billion. Its subsidiaries in the mining, power, and real estate sector posted significant contribution growths except associate Maynilad which had a 9% decline. (*DMC Disclosure*)

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Corporate Developments

- ➔ **Megaworld Corporation (MEG).** MEG achieved a net income of PHP6.7 billion during the first half of 2022, 26% higher than the PHP5.4 billion registered during the same period last year. Attributable net income also recorded an 18% increase to PHP5.9 billion in the first half of this year from PHP5.0 billion during the first six months of 2021. Consolidated revenues for the first half of 2022 reached PHP27.5 billion, 23% higher from PHP22.4 billion during the same period the previous year. The mentioned increase was primarily due to the double-digit growth in all its business segments. Real estate sales rose by 26% to PHP17.0 billion, compared to the PHP13.5 billion in the comparable period last year. Rental income grew by 19% to PHP7.5 billion from PHP6.3 billion. Hotel revenues went up by 49% to PHP1.1 billion. *(MEG Disclosure)*

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CASH DIVIDEND SCHEDULE

*Arranged by ex-date

Ticker	Company	Amount/ Rate	Dividend Type	Share	Ex-date	Record Date	Payment Date
ABA	AbaCore Capital Holdings, Inc.	Php0.01	Cash	Common	06/23/22	06/28/22	TBA
PRMX	Primex Corporation	PHP0.032	Cash	Common	07/19/22	07/22/22	08/10/22
OPM	Oriental Petroleum and Minerals Corporation	Php0.0005	Cash	Common	07/19/22	07/22/22	08/16/22
AC	Ayala Corporation	Php3.46	Cash	Common	07/25/22	07/28/22	08/13/22
CNPF	Century Pacific Food, Inc.	Php0.18	Cash	Common	07/26/22	07/29/22	08/15/22
CNPF	Century Pacific Food, Inc.	Php0.18	Special Cash	Common	07/26/22	07/29/22	08/15/22
SGI	Solid Group, Inc.	Php0.06	Cash	Common	07/26/22	07/29/22	08/24/22
ACPB1	Ayala Corporation	Php6.56250	Cash	Preferred	07/27/22	08/01/22	08/15/22
BRNP	A Brown Company, Inc.	Php1.75	Cash	Common	07/29/22	08/03/22	08/30/22
PSB	Philippine Savings Bank	Php0.75	Cash	Common	08/02/22	08/05/22	08/22/22
MWP2A	Megawide Construction Corporation	Php1.1875	Cash	Preferred	08/03/22	08/08/22	08/30/22
MWP2B	Megawide Construction Corporation	Php1.4375	Cash	Preferred	08/03/22	08/08/22	08/30/22
FRUIT	Fruitas Holdings, Inc.	Php0.01	Cash	Common	08/03/22	08/08/22	09/01/22
APB2R	Ayala Corporation	Php6.02675	Cash	Preferred	08/10/22	08/15/22	08/29/22
PERC	PetroEnergy Resources Corporation	Php0.05	Cash	Common	08/10/22	08/15/22	09/08/22
FB	San Miguel Food and Beverage, Inc.	Php0.40	Cash	Common	08/15/22	08/18/22	09/02/22
FB	San Miguel Food and Beverage, Inc.	Php0.26	Special Cash	Common	08/15/22	08/18/22	09/02/22
TEL	PLDT Inc.	Php47.00	Cash	Common	08/15/22	08/18/22	09/05/22
TEL	PLDT Inc.	Php28.00	Special Cash	Common	08/15/22	08/18/22	09/05/22
EAGLE	Eagle Cement Corporation	Php0.40	Cash	Common	08/15/22	08/18/22	09/07/22
PNX4	Phoenix Petroleum Philippines, Inc.	Php18.92	Cash	Preferred	08/16/22	08/19/22	08/22/22
GSMI	Ginebra San Miguel, Inc.	Php0.375	Cash	Common	08/16/22	08/19/22	09/02/22
GSMI	Ginebra San Miguel, Inc.	Php1.00	Special Cash	Common	08/16/22	08/19/22	09/02/22
ALCPD	Arthaland Corporation	Php7.50	Cash	Preferred	08/16/22	08/19/22	09/03/22
MREIT	MREIT, Inc.	Php0.2468	Cash	Common	08/16/22	08/19/22	09/09/22
CREIT	Citicore Energy REIT Corp.	Php0.44	Cash	Common	08/16/22	08/19/22	09/14/22
FJP	F & J Prince Holdings Corporation	Pho0.10	Cash	Common	08/16/22	08/19/22	09/15/22
MPI	Metro Pacific Investments Corporation	Php0.0345	Cash	Common	08/17/22	08/22/22	09/08/22
MER	Manila Electric Company	Php5.806	Cash	Common	08/18/22	08/23/22	09/14/22
SLF	Sun Life Financial Inc.	CAD 0.69	Cash	Common	08/19/22	08/24/22	09/29/22
MFIN	Makati Finance Corporation	Php 0.005435056706	Cash	Common	08/22/22	08/25/22	09/21/22
PRF3A	Petron Corporation	Php17.17825	Cash	Preferred	08/26/22	08/31/22	09/26/22
PRF3B	Petron Corporation	Php17.84575	Cash	Preferred	08/26/22	08/31/22	09/26/22
ALCPC	Arthaland Corporation	Php1.7319	Cash	Preferred	08/29/22	09/01/22	09/27/22
TCB2B	Cirtek Holdings Philippines Corporation	US\$0.015	Cash	Preferred	09/01/22	09/06/22	09/19/22
SMC2F	San Miguel Corporation	Php1.27635	Cash	Preferred	09/16/22	09/21/22	10/04/22
SMC2H	San Miguel Corporation	Php1.1854125	Cash	Preferred	09/16/22	09/21/22	10/04/22
SMC2I	San Miguel Corporation	Php1.18790625	Cash	Preferred	09/16/22	09/21/22	10/04/22
SMC2J	San Miguel Corporation	Php0.890625	Cash	Preferred	09/16/22	09/21/22	10/04/22
SMC2K	San Miguel Corporation	Php0.84375	Cash	Preferred	09/16/22	09/21/22	10/04/22
JFCPA	Jollibee Foods Corporation	Php8.20525	Cash	Preferred	09/16/22	09/21/22	10/14/22
JFCPB	Jollibee Foods Corporation	Php10.60125	Cash	Preferred	09/16/22	09/21/22	10/14/22
AUB	Asia United Bank Corporation	Php1.00	Cash	Common	10/11/22	10/14/22	10/31/22
BRNP	A Brown Company, Inc.	Php1.75	Cash	Common	10/28/22	11/03/22	11/29/22
TCB2B	Cirtek Holdings Philippines Corporation	US\$0.015	Cash	Preferred	12/01/22	12/06/22	12/19/22

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Stocks Dividends/Property Dividends

Ticker	Company	Amount/Rate	Dividend Type	Share Type	Ex-date	Record Date	Payment Date
PNB	Philippine National Bank	0.158868919 shares of PNB for every 1 share of PNB	Property	Common	05/13/21	05/18/21	TBA
AC	Ayala Corporation	3 ACEN shares per 1 AC common share	Property	Common	05/24/22	05/27/22	TBA
ABA	AbaCore Capital Holdings, Inc.	0.0009 PRIDE shares per 1 ABA common share	Property	Common	06/23/22	06/28/22	TBA
BDO	BDO Unibank, Inc.	20%	Stock	Common	TBA	TBA	TBA
MFIN	Makati Finance Corporation	0.5435056706%	Stock	Common	08/22/22	08/25/22	TBA

Stocks Rights/Follow-on Offering

Ticker	Company	Offer Price	Ratio	Offer Shares	Ex-date	Offer Start	Offer End	Listing Date
MA	Manila Mining Corporation	Php0.01	1:5	51,917,357,741	04/26/22	05/16/22	05/20/22	TBA
SPNEC	Solar Philippines Nueva Ecija Corporation	Php1.50-1.76	1:1.28	1,875,649,995	08/22/22	08/30/22	09/05/22	09/15/22
ANI	AgriNurture, Inc.	Php1.00	1:2.5	288,000,027	TBA	TBA	TBA	TBA

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