

Market Commentary

➔ **The View:** The PSEi fell by 239.47 points or 3.83% and ended at 6,020.07 on Tuesday. The benchmark index dipped to the 5,900-level with an intraday low of 5,962.17 before recovering back to the 6,000-level in the run-off period. Negative market sentiment due to recession worries mainly in the US and Europe, and the continued weakening of the Philippine Peso brought the PSEi to its lowest close since October 19, 2020. Most US markets ended in the red after breaking into fresh bear market levels. Concerns that the US Federal Reserve (Fed)'s hawkish stance may drive the economy into a recession persisted and hampered the markets. European markets also closed negative as investors continued to digest the historic tax cuts in Britain paired with major sell-offs in the UK bond markets. Meanwhile, Asia-Pacific markets were mostly higher on Tuesday following the steep drop on Monday. China's two main indices led the partial recovery posting 1.40% and 1.939% gains, respectively. In the local bourse, sectoral performances were red across the board with Holding Firms (-4.58%), Financial (-4.29%), and Property (-3.92%) posting the biggest declines. In the main index, GLO (+0.18%) was the lone gainer in yesterday's bloodbath. GTCAP (-6.86%), MBT (-6.36%), and ACEN (-5.71%) were the worst performers among the 29 laggards. The market's value turnover more than quadrupled to PHP20.88 billion from last Friday's PHP4.83 billion. Total foreign activity spiked to PHP20.24 billion from PHP4.05 billion. Foreigners continued to be net sellers with net foreign selling increasing to PHP11.45 billion from PHP653.55 million in the previous session. The Philippine Peso dropped to another all-time low of PHP58.99 against the US dollar. It is down 15.66% year-to-date. While some analysts are saying that it was only a delayed reaction from Monday's global currencies' movements which saw other currencies plummet, the strong pressure from the US dollar will likely continue push the peso down further to record levels. The agricultural damage from Super Typhoon Karding may lead to some increases in food prices. Inflation this month may accelerate faster given the exchange rate woes and some agricultural supply concerns. Major stock markets have been on significant drops as of late which continue to contribute the worsening investors' sentiment. Locally, the Philippine Peso's further weakening have been raising alarms and pushed the Bangko Sentral ng Pilipinas (BSP) to make interventions in the currency exchange market. The steep drop yesterday opened up more bargaining opportunities, but selling bias is likely to continue pulling the market down in at least in the near-term.

PSEI INTRADAY



INDICES

Index	Prev	Last	% Chg
PSEi	6,259.54	6,020.07	-3.83%
All Shares	3,341.29	3,234.23	-3.20%
Financial	1,549.97	1,483.43	-4.29%
Industrial	9,139.12	8,868.37	-2.96%
Holding Firms	6,066.05	5,787.96	-4.58%
Property	2,708.44	2,602.27	-3.92%
Services	1,637.51	1,601.58	-2.19%
Mining & Oil	11,134.98	10,808.44	-2.93%

TOP 10

GLO	0.18%	GTCAP	-6.86%
SMC	-0.15%	MBT	-6.36%
ICT	-0.49%	ACEN	-5.71%
AGI	-0.77%	SM	-5.57%
CNVRG	-0.92%	SMPH	-5.29%
SCC	-1.22%	JGS	-5.18%
AP	-1.27%	BPI	-4.67%
MER	-1.53%	PGOLD	-4.33%
EMI	-1.58%	MPI	-4.20%
RLC	-1.84%	AEV	-4.18%

BOTTOM 10

Stock Picks

Stock	Date	Initial Price	Current Price	Return since Recommendation	
				Stock	PSEi
TEL	3/13/20	1,029.00	1,640.00	59.38%	8.76%
CNPF	3/13/20	13.10	24.50	87.02%	8.76%
FGEN	9/23/20	24.80	16.40	-33.87%	6.94%
AP	9/23/20	25.55	30.75	20.35%	6.94%
BDO	11/17/20	92.60	122.80	32.61%	-8.91%
BPI	11/17/20	83.00	94.00	13.25%	-8.91%
MBT	11/17/20	44.35	52.00	17.25%	-8.91%
SECB	11/17/20	103.90	84.00	-19.15%	-8.91%
CNVRG	6/13/22	22.50	14.92	-33.69%	-2.56%
ALI	6/13/22	30.05	25.55	-14.98%	-2.56%
SGP	6/13/22	12.06	12.38	2.65%	-2.56%
Ave. Return				11.89%	-1.08%

MARKET DATA

Market Volume	2,198,943,627
Market Turnover (Value)	20,880,220,694
Foreign Buying	4,396,565,181
Foreign Selling	15,845,915,873
Net Foreign Buy / (Sell)	(11,449,350,692)

Mandarin Securities Corp.

Hanz Elmer Torres

hanz.torres@mandarinsecurities.com

Disclaimer:

Information and opinions presented represent the judgment of the author and securities offered and sold by Mandarin Securities Corp. are subject to price movements and possible loss of amount invested. The information is based upon sources we believe to be reliable and has been obtained from public sources. Opinions and estimates are subject to change without notice. Mandarin Securities, and/or its employees may act or take a view in a different and inconsistent way contained in this report. This report is for informational purposes only, and is not an offer or solicitation to buy or sell any financial instrument or product or financial security.



Economic Developments

- ➔ **World Bank increases PH GDP outlook to 6.5%.** The World Bank (WB) raised its 2022 growth forecast for the Philippines to 6.5% from the 5.7% figure back in April on the back of strong recovery in consumption. However, the WB's outlook is at the low end of the government's own forecast of 6.5%-7.5%. The WB report cited the revival in public and private investment along with the further reopening of the economy as the main reasons for the revised better estimates. "While some aspects of the Philippines' monetary policy may have been tightened, fiscal policy seems to us at least a little bit more accommodative. And therefore, that is the reason we upgraded," WB East Asia and Pacific chief economist Aaditya Mattoo said. (*Philstar*)
- ➔ **Another BSP off-cycle rate hike in November seen likely.** BPI Lead Economist Emilio S. Neri, Jr. said that there is a likelihood that the Bangko Sentral ng Pilipinas (BSP) may impose another off-cycle interest rate hike in early November, right when the US Federal Reserve is seen to have another 75-basis points (bps) increase. He hopes that the central bank will not be caught between two Fed policy meetings with a significantly lower policy rate adjustment like in June. Mr. Neri also mentioned that a mild hike may cause the gross international reserves (GIR) to dry up, which could send the local currency on a freefall. (*BusinessWorld*)

Corporate Developments

- ➔ **Globe Telecom, Inc. (GLO).** GLO signed a sale and leaseback agreement with Phil-Tower Consortium, Inc. (PhilTower) for 1,350 of the company's towers. GLO is expected to raise PHP20 million from the transaction. The towers, which are mainly located in Visayas and Mindanao, will be leased back to GLO for an initial period of 15 years. The first close on the transaction is targeted by the end of 2022. The transaction will bring the total number of towers sold by GLO to 7,059 towers and expected total proceeds to PHP91 billion. GLO plans to use the proceeds to finance capital expenditures and pay off maturing debt. (*GLO Disclosure*)
- ➔ **Aboitiz Equity Ventures Inc. (AEV).** AEV disclosed that its subsidiaries Gold Coin Management Holdings Pte. Ltd. (Gold Coin), and Glen Arbor Holdings (Singapore) Pte. Ltd. (Glen Arbor) have sold their equity interest in Gold Coin Feed Mills (Sri Lanka) Limited (GCFL) to New Anthoney's Farms (PVT) Ltd. The transaction is expected to be completed by the end of 2022. The sale is in line with AEV's plans to grow its animal food business in other parts of SouthEast Asia and China markets. (*AEV Disclosure*). AEV has filed an application with the Securities and Exchange Commission (SEC) to issue fixed-rate retail bonds with an aggregate principal amount of up to PHP12 billion, inclusive of oversubscription. The company intends to use the proceeds to fund the equity contribution to its wholly owned subsidiary, Aboitiz InfraCapital, Inc., which will use such amount to acquire interest GMR-Megawide Cebu Airport Corporation and the repayment of certain outstanding bonds of AEV. (*AEV Disclosure*)

Disclaimer:

Information and opinions presented represent the judgment of the author and securities offered and sold by Mandarin Securities Corp. are subject to price movements and possible loss of amount invested. The information is based upon sources we believe to be reliable and has been obtained from public sources. Opinions and estimates are subject to change without notice. Mandarin Securities, and/or its employees may act or take a view in a different and inconsistent way contained in this report. This report is for informational purposes only, and is not an offer or solicitation to buy or sell any financial instrument or product or financial security.



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
SLF	Sun Life Financial Inc.	CAD 0.69	Cash	Common	08/19/22	08/24/22	09/29/22
MONDE	Monde Nissin Corporation	Php0.14	Cash	Common	09/05/22	09/08/22	10/04/22
MBT	Metropolitan Bank & Trust Company	Php0.80	Cash	Common	09/06/22	09/09/22	09/23/22
ALLDY	AllDay Marts, Inc.	Php0.0032	Cash	Common	09/07/22	09/12/22	10/04/22
BDO	BDO Unibank, Inc.	Php0.30	Cash	Common	09/08/22	09/13/22	09/30/22
RFM	RFM Corporation	Php0.059355	Cash	Common	09/12/22	09/15/22	10/11/22
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
DMPA2	Del Monte Pacific Limited	US\$0.325	Cash	Preferred	09/26/22	09/29/22	10/07/22
DDPR	DoubleDragon Corporation	Php1.61945	Cash	Preferred	09/27/22	09/30/22	10/14/22
FEU	Far Eastern University, Incorporated	Php14.00	Cash	Common	09/29/22	10/04/22	10/14/22
CPGP	Century Properties Group, Inc.	Php1.679425	Cash	Preferred	09/30/22	10/05/22	10/10/22
SGP	Synergy Grid & Development Phils., Inc.	Php0.26	Cash	Common	09/30/22	10/05/22	10/19/22
SMC	San Miguel Corporation	Php0.35	Cash	Common	10/04/22	10/07/22	10/28/22
MWP4	Megawide Construction Corporation	Php1.325	Cash	Preferred	10/05/22	10/10/22	10/31/22
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

Disclaimer:

Information and opinions presented represent the judgment of the author and securities offered and sold by Mandarin Securities Corp. are subject to price movements and possible loss of amount invested. The information is based upon sources we believe to be reliable and has been obtained from public sources. Opinions and estimates are subject to change without notice. Mandarin Securities, and/or its employees may act or take a view in a different and inconsistent way contained in this report. This report is for informational purposes only, and is not an offer or solicitation to buy or sell any financial instrument or product or financial security.



Stocks Dividends/Property Dividends

Ticker	Company	Amount/Rate	Dividend Type	Share Type	Ex-date	Record Date	Payment Date
PNB	Philippine National Bank	0.158866919 shares of PHC 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
ANI	AgriNurture, Inc.	Php1.00	1:2.5	288,000,027	TBA	TBA	TBA	TBA
LC	Lepanto Consolidated Mining Company	Php0.12	1:3.95	16,803,989,391	TBA	TBA	TBA	TBA
GLO	Globe Telecom, Inc.	Php1,680.00	1:13.2366	10,119,047	09/16/22	10/03/22	10/07/22	10/28/22

Disclaimer:

Information and opinions presented represent the judgment of the author and securities offered and sold by Mandarin Securities Corp. are subject to price movements and possible loss of amount invested. The information is based upon sources we believe to be reliable and has been obtained from public sources. Opinions and estimates are subject to change without notice. Mandarin Securities, and/or its employees may act or take a view in a different and inconsistent way contained in this report. This report is for informational purposes only, and is not an offer or solicitation to buy or sell any financial instrument or product or financial security.