

## Market Commentary

➔ **The View:** The PSEi lost 92.32 points or 1.50% and ended at 6,055.99 on Thursday. The benchmark index contracted back to the 6,000-level as investors took profit from the previous days' gains. The US major indices' minor declines continued to a second day as equities faced increased pressure from another rise in 10-year Treasury yield to 4.239%, a level last seen back in 2008. US' corporate earnings batch that was released on Thursday were mixed. European markets reversed early losses and closed higher after the resignation of Prime Minister Liz Truss. Truss faced wild criticisms for her package of fiscal policies fueling tax cuts and higher spending, which caused big disruptions in the financial markets. Meanwhile, Asia-Pacific markets still closed mostly negative, tracking the pullback of US indices last Wednesday. Japan's record high trade deficit in the first half and 3% higher year-on-year core inflation in September are expected to weigh down on stocks in the region. In the local bourse, all but Financial (+0.24%) ended in the red. Industrial (-2.59%), and Holding Firms (2.57%) took the biggest hits, while the rest had sub-1% contractions. In the main index, GLO (+3.25%), PGOLD (+3.00%), and AGI (+2.93%) were the best performers among Thursday's small group of 6 gainers. On the other end, WLCON (-7.53%), JGS (-7.09%), and RLC (-6.75%) were the worst performers among yesterday's 22 laggards. The market's value turnover went up to PHP8.23 billion from PHP4.15 billion. Total foreign activity also increased to PHP10.29 billion from last Wednesday's PHP4.46 billion. Foreigners switched to being net sellers with net foreign selling amounting to PHP362.68 million, opposite the net foreign buying of PHP119.99 million in the previous session. The Philippine Peso ended at PHP58.94 against the US dollar, almost unchanged from the previous close of PHP58.945. The benchmark index's 7-day winning streak was snapped due to profit taking. The rallies in the US markets have also ended last Wednesday which may have influenced investors to realize gains already from the recent upward trend. The wider balance of payments (BoP) deficit could have also weighed down on domestic sentiment given its possible effects to the local currency. Profit taking may continue in today's session as news overseas like Japan's inflation and the 10-year US Treasury yield's surge could keep further near-term upward movement in the local bourse in check. Investors will likely keep an eye on corporate earnings in the coming days to garner more insights on the status of the business environment amidst strong global headwinds in the 3rd quarter. Market volatility could continue as more batches of earnings are released.

## PSEI INTRADAY



### INDICES

Index	Prev	Last	% Chg
PSEi	6,148.31	6,055.99	-1.50%
All Shares	3,266.62	3,223.61	-1.32%
Financial	1,541.53	1,545.21	0.24%
Industrial	8,834.38	8,606.01	-2.59%
Holding Firms	5,907.06	5,755.35	-2.57%
Property	2,691.58	2,673.41	-0.68%
Services	1,586.95	1,576.36	-0.67%
Mining & Oil	10,763.22	10,669.25	-0.87%

### TOP 10

GLO	3.25%	WLCON	-7.53%
PGOLD	3.00%	JGS	-7.09%
AGI	2.93%	RLC	-6.75%
BPI	1.52%	MER	-5.41%
ICT	0.92%	LTG	-5.29%
MBT	0.59%	MEG	-5.24%
CNVRG	0.00%	MONDE	-4.15%
SMPH	0.00%	TEL	-3.71%
AP	-0.31%	AEV	-3.56%
ALI	-0.39%	MPI	-3.05%

### BOTTOM 10

## Stock Picks

Stock	Date	Initial Price	Current Price	Return since Recommendation	
				Stock	PSEi
TEL	3/13/20	1,029.00	1,531.00	48.79%	4.52%
CNPF	3/13/20	13.10	23.35	78.24%	4.52%
FGEN	9/23/20	24.80	15.12	-39.03%	2.77%
AP	9/23/20	25.55	32.35	26.61%	2.77%
BDO	11/17/20	92.60	122.50	32.29%	-12.46%
BPI	11/17/20	83.00	93.40	12.53%	-12.46%
MBT	11/17/20	44.35	51.30	15.67%	-12.46%
SECB	11/17/20	103.90	79.90	-23.10%	-12.46%
CNVRG	6/13/22	22.50	12.50	-44.44%	-6.36%
ALI	6/13/22	30.05	25.70	-14.48%	-6.36%
SGP	6/13/22	12.06	11.50	-4.64%	-6.36%
<b>Ave. Return</b>				<b>8.04%</b>	<b>-4.94%</b>

### MARKET DATA

Market Volume	597,620,077
Market Turnover ( Value)	8,231,607,557
Foreign Buying	4,962,784,379
Foreign Selling	5,325,462,300
Net Foreign Buy / (Sell)	(362,677,921)

Mandarin Securities Corp.

Hanz Elmer Torres

hanz.torres@mandarinsecurities.com

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

- ➔ **BSP prepared to utilize other tools to stabilize the peso.** The Bangko Sentral ng Pilipinas (BSP) remains committed to “ensure orderly foreign exchange market condition and reduce excessive short-term volatility in the exchange rate”. The central bank has already raised policy rates by 225-basis points (bps) so far this year which brought the overnight reverse repurchase rate to 4.25% from an all-time low of 2% back at the height of the pandemic in 2020. BSP senior assistant governor Iluminada Sicat said that the peso continues to be affected by the surge of the US dollar amidst the aggressive monetary policy tightening of the US Federal Reserve (Fed). She said the BSP is also prepared to liquidity enhancing and management tools, like “the US dollar repo facility, the Exporters’ Dollar and Yen Rediscount Facility, and the enhanced currency rate risk protection program, as well as international financial arrangements consisting of the bilateral swap arrangement with Japan, the ASEAN swap arrangement, and the Chiang Mai initiative multilateralization among ASEAN-3”, to respond to fluctuations in the exchange rate and to ensure that legitimate demand for foreign currency is satisfied. Sicat also said the regulator has also adopted non-monetary initiatives such as the foreign exchange position limits, the risk weights for non-deliverable forwards, and the rules on asset cover for foreign currency deposit unit liabilities. *(Philstar)*
- ➔ **Fitch Solutions sees slower economic growth of 6.2% in 2023.** Fitch Solutions expects gross domestic product (GDP) growth to reach 6.6% in 2022 and 6.2% in 2023. The 2022 estimate is at the low end of the government’s 6.5%-7.5% target. Fitch Solutions believe that the Philippine economy benefited from the reopening of the economy and election spending in the first half which resulted to a 7.8% GDP expansion. However, it believes that “tailwinds” will start to subside and “headwinds” like higher interest rates will slow down growth in the coming months. Fitch also projects the USD-PHP exchange rate to drop to an all-time low of PHP60. As of Thursday, the peso stood at PHP58.94, 15.56% weaker year-to-date. *(BusinessWorld)*

## Corporate Developments

- ➔ **Bank of the Philippine Islands (BPI).** BPI generated a net income of PHP30.5 billion for the first nine months of 2022, resulting from higher revenues and lower provisions. Return on Equity stood at 13.73% and Return on Assets at 1.66%. Excluding the impact of the one-off gain from sale of property in the second quarter and adjustments due to the CREATE Law, net income would have been PHP26.8 billion for an ROE of 12.05% and ROA of 1.46%. The company recorded total revenues of PHP87.5 billion, 22.1% higher year-on-year. This was driven by the 20.5% growth in net interest income to PHP61.6 billion and 26.2% increase in non-interest income to PHP25.8 billion. The bank booked provisions of PHP7.5 billion, a 26.8% reduction from last year. Asset quality continued to improve with NPL ratio at 1.94% and NPL coverage ratio at 176.9% as of September 2022. For the third quarter, net income was up 26.8% to PHP29.8 billion. *(BPI 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.



### Corporate Developments

- ➔ **Medilines Distributors, Inc. (MEDIC).** MEDIC plans to fast-track its expansion into the dialysis consumables market to increase revenues and widen margins. A study by Ken Research in 2021 stated that the size of the domestic dialysis market is expected to grow to PHP13.5 billion by 2023, with bulk of this market accounted for by the dialysis consumables segment. According to the same study, Medilines captured 50.5% market share in terms of revenues of alldialysis products sold by distributors in the Philippines as of 2021. The company expects revenue from the dialysis consumables product line to grow by 43% this year from PHP197 million in 2021. The company also announced a share buyback program of up to PHP100 million. *(MEDIC 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
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
STR	Vistamalls, Inc.	Php0.0262	Cash	Common	10/11/22	10/14/22	10/27/22
VLL	Vista Land & Lifescapes, Inc.	Php0.0292	Cash	Common	10/11/22	10/14/22	10/28/22
AUB	Asia United Bank Corporation	Php1.00	Cash	Common	10/11/22	10/14/22	10/31/22
DDPR	DoubleDragon Corporation	Php0.2324	Cash	Common	10/11/22	10/14/22	10/31/22
ROCK	Rockwell Land Corporation	Php0.0537	Cash	Common	10/14/22	10/18/22	11/14/22
AREIT	AREIT, Inc.	Php0.49	Cash	Common	10/20/22	10/25/22	11/30/22
MEG	Megaworld Corporation	Php0.06146228	Cash	Common	10/26/22	10/31/22	11/14/22
SCC	Semirara Mining and Power Corporation	Php3.50	Cash	Common	10/26/22	10/31/22	11/15/22
ACPB1	Ayala Corporation	Php6.56250	Cash	Preferred	10/26/22	10/31/22	11/15/22
DMC	DMCI Holdings, Inc.	Php0.72	Special Cash	Common	10/27/22	11/02/22	11/16/22
BRNP	A Brown Company, Inc.	Php1.75	Cash	Common	10/28/22	11/03/22	11/29/22
EURO	Euro-Med Laboratories Phil., Inc.	Php0.020	Cash	Common	10/28/22	11/04/22	11/21/22
PSB	Philippine Savings Bank	Php0.75	Cash	Common	11/02/22	11/07/22	11/21/22
MWP2A	Megawide Construction Corporation	Php1.1875	Cash	Preferred	11/02/22	11/07/22	11/28/22
MWP2B	Megawide Construction Corporation	Php1.14375	Cash	Preferred	11/02/22	11/07/22	11/28/22
CEU	Centro Escolar University	Php0.60	Cash	Common	11/08/22	11/11/22	12/07/22
FCG	Figaro Coffee Group, Inc.	Php0.01936	Cash	Common	11/16/22	11/21/22	12/09/22
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 PNC 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.