

Market Commentary

➔ **The View:** The PSEi went down by 38.13 points or 0.59% and ended at 6,474.26 yesterday. The benchmark index retreated to the 6,400-level on cautious sentiment after the US Federal Reserve (Fed)'s minutes indicated that more interest rate hikes are to be expected, albeit at a slower pace. The slightly lower-than-expected PH June inflation print of 5.4% may have already been priced as the local bourse fails to make some headway behind it. In response to the release of the ADP report, which revealed that private sector employers in the US added 497,000 jobs in June, significantly surpassing the estimated 220,000 jobs according to a poll of economists by Dow, the three main indices in the US faced selling pressure and experienced a decline. The Dow fell by 1.07%, while the S&P500 and the Nasdaq Composite went down by 0.79% and 0.82%, respectively. The surprising ADB report added to the worries over the Fed's monetary path. US Treasury bond yields rose, with the 2-year bond reaching its highest level since 2007. The upcoming June payrolls report from the US Labor Department, scheduled for release this Friday (US time), is anticipated to receive increased attention from the market. Analysts expect the report to show an addition of 240,000 positions, indicating a slowdown compared to May's increase of 339,000 jobs. Meanwhile, European markets continued its pattern in the red yesterday as investors digested the ADP report from the US. Travel and leisure stocks fueled the decline, followed by retail stocks. In the Asia-Pacific, markets continued to slide yesterday. Japan's Nikkei led the decline with 1.05%, followed by Australia's S&P/ASX200 with 0.95%. South Korea's Kospi also ended lower, dragged by Samsung Electronics after it estimated a 96% likely plunge in its second quarter operating profit. In the local bourse, sectors mostly ended negative with Financial (+0.20%) as the sole gainer. Property (-1.74%) and Services (-1.01%) had the biggest declines while the rest had sub-1% contractions. In the main index, GLO (+2.38%), CNVRG (+2.27%), and MONDE (+2.17%) had the largest gains among another small batch of 8 gainers. On the other end, SMPH (-2.67%), AC (-2.46%), and PGOLD (-2.33%) were the worst performers among 17 laggards. The market's value turnover inched up by 5% to PHP3.99 billion, while total foreign activity rose by 4.47% to PHP4.36 billion. Foreigners closed with a net foreign buying of PHP99.41 million, higher than the PHP22.20 million in the previous session. The Philippine Peso depreciated further by 11.115 cents against the US dollar and ended at PHP55.50. Following a sell-off on Wall Street triggered by stronger-than-expected US jobs data, the local bourse may face a stronger downward pressure to end this week.

PSEI INTRADAY



INDICES

Index	Prev	Last	% Chg
PSEi	6,512.39	6,474.26	-0.59%
All Shares	3,469.75	3,455.93	-0.40%
Financial	1,838.74	1,842.45	0.20%
Industrial	9,168.30	9,159.14	-0.10%
Holding Firms	6,480.55	6,450.40	-0.47%
Property	2,643.66	2,597.75	-1.74%
Services	1,571.83	1,555.90	-1.01%
Mining & Oil	9,901.25	9,896.59	-0.05%

TOP 10

GLO	2.38%	SMPH	-2.67%
CNVRG	2.27%	AC	-2.46%
MONDE	2.17%	PGOLD	-2.33%
MBT	1.73%	ICT	-2.27%
WLCON	0.80%	TEL	-1.88%
BPI	0.74%	LTG	-1.75%
URC	0.72%	AGI	-1.49%
SMC	0.38%	ACEN	-1.12%
AEV	0.00%	MER	-1.01%
GTCAP	0.00%	ALI	-1.01%

BOTTOM 10

Stock Picks

Stock	Date	Initial Price	Current Price	Return since Recommendation	
				Stock	PSEi
TEL	3/13/20	1,029.00	1,305.00	26.82%	11.74%
CNPF	3/13/20	13.10	25.25	92.75%	11.74%
FGEN	9/23/20	24.80	19.80	-20.16%	9.87%
AP	9/23/20	25.55	36.00	40.90%	9.87%
BDO	11/17/20	92.60	136.90	47.84%	-6.41%
BPI	11/17/20	83.00	108.80	31.08%	-6.41%
MBT	11/17/20	44.35	55.95	26.16%	-6.41%
SECB	11/17/20	103.90	82.70	-20.40%	-6.41%
CNVRG	6/13/22	22.50	10.80	-52.00%	0.11%
ALI	6/13/22	30.05	24.45	-18.64%	0.11%
SGP	6/13/22	12.06	8.84	-26.70%	0.11%
Ave. Return				11.60%	1.63%

MARKET DATA

Market Volume	745,774,496
Market Turnover (Value)	3,998,127,649
Foreign Buying	2,129,166,095
Foreign Selling	2,228,576,094
Net Foreign Buy / (Sell)	(99,409,999)

Mandarin Securities Corp.

Hanz Elmer Torres

hanz.torres@mandarinsecurities.com

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Economic Developments

- ➔ **BSP launches overnight reference rate.** The Bangko Sentral ng Pilipinas (BSP) has introduced an overnight reference rate as a market reference amid the phaseout of the London Interbank Offered Rate (LIBOR). The overnight rate (ON) uses the secondary market rate on the 28-day BSP bill as a reference. The BSP plans to enhance its ON Reverse Repurchase (RRP) Agreement facility, with the new rate from the RRP facility becoming the ON reference rate once the enhancements are completed. LIBOR, which was manipulated before and during the 2008 global financial crisis, is being phased out as a reference rate. The BSP's enhancements for the ON RRP Agreement facility aim to encourage banks to actively manage liquidity and create a variable rate that is more responsive to changing market conditions. The BSP is accepting all bids at the auction for the ON RRP facility starting from July 14. This move aligns with the transition towards a more flexible approach to managing liquidity in the financial system. The central bank aims to refine its monetary operations and adapt to the changing landscape after the phaseout of LIBOR. In 2020, the BSP required financial institutions to report their LIBOR-related exposures to ensure a smooth transition and avoid disruption in banks' operations. *(BusinessWorld)*
- ➔ **BSP: Rate cut possible if inflation slows to 2-4%.** The Bangko Sentral ng Pilipinas (BSP) may consider cutting interest rates if inflation returns to the 2%-4% target range in the fourth quarter of this year, according to BSP Governor Eli Remolona. While the decision will be based on various factors, including output growth and the policy moves by the US Federal Reserve, the declining inflation trend gives the central bank more room to extend its pause in rate adjustments. The BSP has implemented a year-long tightening cycle, raising interest rates by a cumulative 425 basis points to curb inflation and stabilize the peso. However, with inflation cooling to a 14-month low of 5.4% in June, the BSP sees an opportunity to keep rates steady for some time. BSP Deputy Governor Francisco Dakila Jr. also expects inflation to fall below 4% as early as October, after staying above the 2%-4% target range since March 2022. The Monetary Board has revised its inflation forecast for 2023 to 5.4% from 5.5%, while raising next year's projection to 2.9% from 2.8%. Remolona's predecessor, former BSP chief Felipe Medalla, warned against cutting rates faster than the US, even if inflation in the Philippines is falling faster. The BSP will assess the inflation outlook and consider a path for the policy rate in its upcoming rate-setting meetings, taking a cautious approach to ensure the central bank's inflation-targeting mandate is upheld. *(Philstar)*
- ➔ **Value of Philippine metallic mineral reserves rose by 22% in 2022.** The value of metallic mineral reserves in the Philippines increased by 22% in 2022, according to the Philippine Statistics Authority (PSA). The PSA's mineral accounts report revealed that Class A gold, copper, nickel, and chromite resources were valued at PHP491.19 billion, up from PHP402.73 billion the previous year. Class A reserves refer to commercially recoverable mineral resources that have been confirmed to be economically viable by a development project or operation. The valuation of Class A gold reserves rose by 20.5% to PHP183.32 billion, while copper reserves increased by 23.3% to PHP59.43 billion. Nickel reserves saw a 21.9% increase in value, reaching PHP246.25 billion. The PSA stated that the total resource rent of these four mineral resources accounted for PHP55.17 billion or 0.3% of the Philippine Gross Domestic Product (GDP) in 2022. The valuation of mineral assets aligns with the System of Environmental-Economic Accounting 2012 Central Framework, which employs a 10% discount rate. *(BusinessWorld)*

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Economic Developments

- ➔ **PH trade delegation targets German infra, RE investment.** The Department of Trade and Industry (DTI) in the Philippines is seeking to attract German infrastructure, renewable energy, and high-tech manufacturing companies as potential investors. Trade Secretary Alfredo E. Pascual highlighted the country's infrastructure projects, such as airports, railways, and bridges, as areas for potential collaboration with German companies. The DTI is also encouraging German businesses to explore opportunities in the Philippine renewable energy industry, which now allows foreign investors to own 100% of their projects. Additionally, Pascual urged German companies to consider establishing high-tech manufacturing operations in sectors such as aerospace, automotive, electronics, pharmaceuticals, and innovation-focused industries. As part of the efforts to attract German investment, Pascual met with Gunther Kegel, the President of the German Electronics and Digital Industry Association (ZVEI), to discuss collaboration in electronics manufacturing with the Semiconductor and Electronics Industries in the Philippines Foundation, Inc. The DTI emphasized the challenges of skilled labor shortages, rising production costs, and diversification goals in Germany as factors that could make the Philippines an attractive location for high-tech manufacturing operations. Germany was the top source of foreign investment pledges in the Philippines in the first quarter of the year, accounting for 90.9% of the total. The DTI's European Investment Roadshow concluded on July 6. (*BusinessWorld*)
- ➔ **PH trade facilitation score improved — UN.** The Philippines has improved its score in an international index of trade facilitation, according to the United Nations Economic and Social Commission for Asia and the Pacific (UNESCAP). The UN Global Survey on Digital and Sustainable Trade Facilitation assessed the Philippines' implementation rate at 87.1% in 2023, up from 86.02% in 2021. The survey evaluates various aspects of trade facilitation, including transparency, formalities, institutional arrangements, cooperation, paperless trade, and cross-border paperless trade. In Southeast Asia, the Philippines ranked second in trade facilitation, alongside Indonesia and Malaysia, with a score of 87.1%, behind Singapore with a score of 96.77%. The Philippines achieved a perfect score in transparency and formalities, indicating full implementation of trade measures in those areas. However, the country received a lower score in institutional arrangements and cooperation, as well as in cross-border paperless trade. Overall, the UNESCAP survey showed progress in trade facilitation globally, with implementation rates increasing by more than six percentage points between 2021 and 2023. The Philippines' improved score reflects its efforts to enhance trade facilitation measures, such as the implementation of automated Customs systems, e-payment of duties and fees, and electronic submissions of declarations. However, there is still room for improvement in areas such as cross-border paperless trade and institutional arrangements for border-agency cooperation. (*BusinessWorld*)

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Economic Developments

- ➔ **Marcos EO aims to hasten Philippines exit from money laundering list.** The Philippines has taken steps to strengthen its anti-money laundering and counterterrorism financing measures, aiming to exit the gray list of the Financial Action Task Force (FATF), a global dirty money watchdog. President Marcos issued Executive Order 33, directing government offices and departments to adopt the National Anti-Money Laundering, Counter-Terrorism Financing, and Counter Proliferation Financing Strategy (NACS) for 2023 to 2027. The strategy replaces the expired NACS for 2018 to 2022 and aims to address deficiencies and meet international standards. The Philippines was placed on the FATF's gray list in 2021 after failing to satisfy the FATF-International Cooperation Review Group's requirements regarding money laundering and terrorism financing controls. The FATF has urged the Philippines to swiftly implement its action plan and address the remaining deficiencies. The recent executive order aims to strengthen the country's efforts, including the establishment of a sub-committee on proliferation financing and the inclusion of the National Intelligence Coordinating Agency as a member of the National AML/CTF Coordinating Committee. The committee will be chaired by the executive secretary, with the governor of the Bangko Sentral ng Pilipinas serving as vice chairman. The NACC will facilitate inter-agency coordination and ensure the effective implementation of the national strategy. The Philippines aims to address the FATF's concerns and exit the gray list to enhance its reputation in combating money laundering and terrorism financing. *(Philstar)*

Corporate Developments

- ➔ **ACEN Corporation (ACEN).** ACEN has received board approval for an equity infusion of around \$70 million in its subsidiaries ACEN International, Inc. and ACEN Renewables International Pte. Ltd. The company's board has also approved the issuance of corporate guarantees for the debt facilities of its subsidiary ACEN Cayman, which is raising \$352 million to fund its payment obligations. In addition, ACEN announced the appointment of Jonathan P. Back as chief finance officer, effective January 1, 2024, following the retirement of the current finance chief, Maria Corazon G. Dizon, on December 31. ACEN has set an ambitious target of achieving 20 gigawatts (GW) of attributable renewable energy capacity by 2030. It currently has a pipeline of 18 GW of projects across the region, with around 4,200 MW of attributable capacity in the Philippines, Vietnam, Indonesia, India, and Australia. The company is also planning to roll out an 8-GW portfolio of clean energy projects in the Philippines by 2030. *(ACEN Disclosure, BusinessWorld)*
- ➔ **Century Pacific Food, Inc. (CNPFF).** CNPFF has allocated up to PHP3.5 billion for this year's capital expenditure (capex) to expand its business segments. The capex is higher than the company's usual allocation of PHP2 billion to PHP2.5 billion. The funds will mainly be used to expand capacity in the company's meat, pet food, coconut, and other businesses, including packaging manufacturing. CNPFF expects to achieve double-digit top-line growth this year, supported by resilient demand. While the company initially provided a growth range, it expects to be closer to the lower end of that range, estimating top-line growth at around 10% to 11%. Net income is projected to experience mid to high-level single-digit growth. *(CNPFF Disclosure, BusinessWorld)*

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hanz.torres@mandarinsecurities.com

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
DDMPR	DDMP REIT, Inc.	Php0.0253889	Cash	Common	06/14/23	06/19/23	07/13/23
DNL	D&L Industries, Inc.	Php0.24	Cash	Common	06/15/23	06/20/23	07/14/23
DNL	D&L Industries, Inc.	Php0.06	Special Cash	Common	06/15/23	06/20/23	07/14/23
RFM	RFM Corporation	Php0.089033	Cash	Common	06/26/23	06/29/23	07/25/23
CEU	Centro Escolar University	Php0.60	Cash	Common	06/27/23	06/30/23	07/25/23
CDC	Cityland Development Corporation	Php0.0295	Cash	Common	06/27/23	06/30/23	07/26/23
SMC	San Miguel Corporation	Php0.35	Cash	Common	06/27/23	06/30/23	07/26/23
DDPR	DoubleDragon Corporation	Php2.42125	Cash	Preferred	06/27/23	07/03/23	07/14/23
CPGP	Century Properties Group, Inc.	Php1.6794250	Cash	Preferred	06/30/23	07/05/23	07/15/23
ACR	Alsons Consolidated Resources, Inc.	Php0.02	Cash	Common	06/30/23	07/05/23	07/24/23
GTPPA	GT Capital Holdings, Inc.	Php11.57475	Cash	Preferred	06/30/23	07/05/23	07/27/23
GTPPB	GT Capital Holdings, Inc.	Php12.73725	Cash	Preferred	06/30/23	07/05/23	07/27/23
SGP	Synergy Grid & Development Phils., Inc.	Php0.1737	Cash	Common	07/03/23	07/06/23	07/21/23
PREIT	Premiere Island Power REIT Corporation	Php0.0299	Cash	Common	07/04/23	07/07/23	07/17/23
KPH	Keppel Philippines Holdings, Inc.	Php0.10	Cash	Common	07/04/23	07/07/23	08/02/23
FJP	F & J Prince Holdings Corporation	Php0.10	Cash	Common	07/05/23	07/09/23	07/27/23
DELM	Del Monte Pacific Limited	US\$0.0013	Cash	Common	07/06/23	07/11/23	07/25/23
ALCO	Arthaland Corporation	Php0.012	Cash	Common	07/12/23	07/17/23	08/10/23
MEDIC	Medilines Distributors Incorporated	Php0.010484247	Cash	Common	07/13/23	07/18/23	08/11/23
8990B	8990 Holdings, Inc.	Php1.375	Cash	Preferred	07/24/23	07/27/23	08/10/23
OPM	Oriental Petroleum and Minerals Corporation	Php0.0005	Cash	Common	07/24/23	07/27/23	08/18/23
CPG	Century Properties Group, Inc.	Php0.006055	Cash	Common	07/25/23	07/28/23	08/11/23
GERI	Global-Estate Resorts, Inc.	Php0.01129481	Cash	Common	07/25/23	07/28/23	08/23/23
BRNP Series A	A Brown Company, Inc.	Php1.75	Cash	Preferred	07/27/23	08/01/23	08/29/23
TCB2A	Cirtek Holdings Philippines Corporation	US\$0.0228125	Cash	Preferred	08/16/23	08/24/23	09/08/23
TCB2C	Cirtek Holdings Philippines Corporation	Php0.8233	Cash	Preferred	08/24/23	08/30/23	09/14/23
TCB2D	Cirtek Holdings Philippines Corporation	Php0.968825	Cash	Preferred	08/24/23	08/30/23	09/14/23
TCB2B	Cirtek Holdings Philippines Corporation	US\$0.015	Cash	Preferred	08/29/23	09/01/23	09/18/23
CROWN	Crown Asia Chemicals Corporation	Php0.04	Cash	Common	08/25/23	08/31/23	09/25/23
FJP	F & J Prince Holdings Corporation	Php0.07	Cash	Common	09/06/23	09/09/23	09/27/23
AUB	Asia United Bank Corporation	Php1.00	Cash	Common	09/07/23	09/12/23	09/28/23
CPG	Century Properties Group, Inc.	Php0.006055	Cash	Common	09/26/23	09/29/23	10/13/23

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CASH DIVIDEND SCHEDULE

*Arranged by ex-date

Ticker	Company	Amount/ Rate	Dividend Type	Share	Ex-date	Record Date	Payment Date
GTPPA	GT Capital Holdings, Inc.	Php11.57475	Cash	Preferred	10/02/23	10/05/23	10/27/23
GTPPB	GT Capital Holdings, Inc.	Php12.73725	Cash	Preferred	10/02/23	10/05/23	10/27/23
8990B	8990 Holdings, Inc.	Php1.375	Cash	Preferred	10/20/23	10/25/23	11/10/23
BRNP Series A	A Brown Company, Inc.	Php1.75	Cash	Preferred	10/26/23	10/31/23	11/29/23
TCB2A	Cirtek Holdings Philippines Corporation	US\$0.0228125	Cash	Preferred	11/21/23	11/24/23	12/11/23
TCB2C	Cirtek Holdings Philippines Corporation	Php0.8233	Cash	Preferred	11/23/23	11/29/23	12/14/23
TCB2D	Cirtek Holdings Philippines Corporation	Php0.968825	Cash	Preferred	11/23/23	11/29/23	12/14/23
TCB2B	Cirtek Holdings Philippines Corporation	US\$0.015	Cash	Preferred	11/28/23	12/01/23	12/18/23
8990B	8990 Holdings, Inc.	Php1.375	Cash	Preferred	01/24/24	01/29/24	02/10/24

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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	0.156886919 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	01/09/23
ABA	AbaCore Capital Holdings, Inc.	0.0009 PRIDE shares per 1 ABA common share	Property	Common	06/23/22	06/28/22	TBA
GREEN	Greenergy Holdings Incorporated	0.0561786222 share of ANI for every 1 share of the company	Property	Common	06/27/22	06/30/22	TBA
MFIN	Makati Finance Corporation	0.5435056706%	Stock	Common	08/22/22	08/25/22	TBA
LPC	LFM Properties Corporation	60%	Stock	Common	TBA	TBA	TBA
VMC	Victorias Milling Company, Inc.	100%	Stock	Common	TBA	TBA	TBA
UBP	Union Bank of the Philippines	27%	Stock	Common	TBA	TBA	TBA
CEI	Crown Equities, Inc.	10%	Stock	Common	TBA	TBA	TBA
SBS	SBS Philippines Corporation	22%	Stock	Common	TBA	TBA	TBA
CDC	Cityland Development Corporation	2.5%	Stock	Common	07/03/23	TBA	TBA
LAND	City & Land Developers, Incorporated	5%	Stock	Common	07/10/23	TBA	TBA
AUB	Asia United Bank Corporation	50%	Stock	Common	TBA	TBA	TBA

Note: AC
Scripless shareholders will have a moving payment date for their property dividends

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
PBB	Philippine Business Bank	Php10.00	1:4.6428	50,000,000	03/07/2023	03/10/2023	03/17/2023	TBA

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