

Market Commentary

➔ **The View:** The PSEi went up by 18.92% points or 0.30% and ended at 6,398.64 yesterday. The benchmark index inched up due to bargain hunting and a more positive market sentiment stemming from higher PEZA investments recorded in 1H2023. In the US, the 3 main indices ended in the green zone. The Dow surged by 0.93%, while the S&P500 and Nasdaq Composite also performed well, advancing by 0.67% and 0.55%, respectively. Investors have turned their attention to the upcoming release of the June consumer price index (CPI) reading. Economists polled by Dow Jones predict that the closely watched inflation indicator will show a 0.3% increase from May and a 3.1% rise on an annualized basis. The core CPI is expected to show a 0.3% increase for the month and a significant 5% increase for the year. Furthermore, market participants are also closely monitoring the release of the producer price index (PPI) data for June, which is due on Thursday (US time) before the market opens. The PPI is another key measure of inflation and is being closely watched for insights into the direction of inflation trends. Meanwhile, European markets closed higher yesterday. Official data revealed that a crucial gauge of British wages increased at one of the fastest rates ever recorded. However, the data also indicated that the inflationary pressure in the labor market is beginning to ease, which could potentially provide some relief for the Bank of England. In the Asia-Pacific, markets ended higher as well. Australia's S&P/ASX200 snapped a 5-day losing streak and gained by 1.50%. Hong Kong's Hang Seng also rose by 1%, while South Korea's Kospi went up by 1.66%. In the local bourse, all sectors, except Industrial (-0.31%), booked gains. Property (+1.25%) advanced the most while the rest had sub-1% additions. In the main index, GTCAP (+2.02%), ALI (+1.86%), and SMPH (+1.41%) were the best performers among 16 gainers. On the other end, URC (-2.40%) and AEV (-1.46%) had the biggest losses while the other 6 laggards had sub-1% contractions. The market's value turnover rose by 9% to PHP3.07 billion, while total foreign activity increased by 20.02% to PHP3.44 billion. Foreigners ended with a net foreign buying of PHP48.62 million, contrary to the net foreign selling of PHP250.32 million in the previous session. The Philippine Peso surged against the US dollar and closed 44-centavos stronger at PHP55.25. The PSEi was unable to maintain its position above the 6,400-level yesterday as overall sentiment remains tilted downward. Thinner trading may continue in today's session while the bulk of market activity could be expected in the last 2 sessions this week as the US CPI and PPI data gets released.

PSEI INTRADAY



INDICES

Index	Prev	Last	% Chg
PSEi	6,379.72	6,398.64	0.30%
All Shares	3,419.00	3,429.87	0.32%
Financial	1,826.18	1,829.98	0.21%
Industrial	9,095.79	9,067.52	-0.31%
Holding Firms	6,296.21	6,305.48	0.15%
Property	2,555.73	2,587.77	1.25%
Services	1,554.96	1,560.87	0.38%
Mining & Oil	9,825.87	9,864.04	0.39%

TOP 10

GTCAP	2.02%	URC	-2.40%
ALI	1.86%	AEV	-1.46%
SMPH	1.41%	MONDE	-0.61%
WLCON	1.41%	GLO	-0.43%
JGS	1.03%	CNVRG	-0.38%
PGOLD	0.88%	UBP	-0.34%
TEL	0.77%	MPI	-0.20%
MER	0.61%	ICT	-0.10%
AP	0.56%	MBT	0.00%
ACEN	0.39%	SCC	0.00%

BOTTOM 10

Stock Picks

Stock	Date	Initial Price	Current Price	Return since Recommendation	
				Stock	PSEi
TEL	3/13/20	1,029.00	1,310.00	27.31%	10.44%
CNPF	3/13/20	13.10	25.85	97.33%	10.44%
FGEN	9/23/20	24.80	20.00	-19.35%	8.59%
AP	9/23/20	25.55	35.95	40.70%	8.59%
BDO	11/17/20	92.60	136.00	46.87%	-7.51%
BPI	11/17/20	83.00	109.00	31.33%	-7.51%
MBT	11/17/20	44.35	54.00	21.76%	-7.51%
SECB	11/17/20	103.90	82.05	-21.03%	-7.51%
CNVRG	6/13/22	22.50	10.60	-52.89%	-1.06%
ALI	6/13/22	30.05	24.70	-17.80%	-1.06%
SGP	6/13/22	12.06	8.80	-27.03%	-1.06%
Ave. Return				11.56%	0.44%

MARKET DATA

Market Volume	504,253,001
Market Turnover (Value)	3,067,321,491
Foreign Buying	1,744,940,472
Foreign Selling	1,696,324,757
Net Foreign Buy / (Sell)	48,615,715

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Economic Developments

- ➔ **Trade gap narrows in May.** The Philippines registered a smaller trade deficit in May as exports grew for the first time in six months, while imports declined. Preliminary data from the Philippine Statistics Authority (PSA) showed a trade deficit of \$4.40 billion in May, lower than the \$5.56 billion deficit in the same month last year. The value of merchandise exports increased by 1.9% to \$6.44 billion, marking the first year-on-year growth since November 2022. China remained the largest export destination, accounting for 16.6% of the total. Imports, on the other hand, declined by 8.8% to \$10.84 billion, with mineral fuels and electronic products showing the largest drops. Rizal Commercial Banking Corp. chief economist Michael Ricafort noted that the continued decline in inflation could support the easing of interest rates and contribute to the recovery of exports and imports in the coming months. He also mentioned that the Philippines' membership in the Regional Comprehensive Economic Partnership (RCEP) agreement, which recently took effect, could benefit the country through increased export sales at lower tariffs and expanded import sources. However, he cautioned that increased competition from cheaper imports from other RCEP member countries could pose challenges for local producers and suppliers in the future. *(Philstar)*
- ➔ **Auto sales surge 30% in 1H2023.** The automotive sector in the Philippines is optimistic about its performance for the rest of the year as vehicle sales in the first half have surged by 30.7%, according to the Chamber of Automotive Manufacturers of the Philippines Inc. (Campi). A joint report by Campi and the Truck Manufacturers Association (TMA) revealed that vehicle sales from January to June reached 202,415 units, compared to 154,874 units in the same period last year. Campi President Rommel Gutierrez expressed confidence in achieving or even surpassing the industry's sales target for the year, which was set at 395,000 units. In June alone, Campi-TMA members sold 36,311 units, representing a 27% increase compared to the previous year. Gutierrez attributed the double-digit growth in June to improved consumer spending on big-ticket items and emphasized the importance of offering vehicles that meet customer needs to drive further industry growth. The report also highlighted the performance of various vehicle segments, with light commercial vehicles leading the way with a 32.3% year-on-year increase in sales. Toyota Motor Philippines Corp. topped the year-to-date sales with 93,575 units, followed by Mitsubishi Motors Philippines Corp. with 37,001 units, and Ford Motor Company Phils. Inc. with 13,838 units. *(BusinessMirror)*
- ➔ **PHP40 minimum wage hike in Metro takes effect despite pending appeals.** The National Wages and Productivity Commission (NWPC) confirmed that the approved PHP40 minimum wage hike will be implemented on July 16, despite the appeal made by several labor organizations seeking a higher increase. The appeal was filed on July 3, three days after Wage Order No. NCR-24 was published, which stipulated the P40 wage hike for both the non-agriculture and agriculture sectors. The labor groups argued that the PHP40 increase is insufficient in light of inflation and the rising prices of basic services and commodities, advocating for the minimum wage to be based on the family living wage of PHP1,161. The NWPC stated that the appeal is part of the minimum wage determination process, and they are expected to resolve it within 60 days from the filing date. While labor groups argue for a higher increase to cope with inflation and the cost of living, the NWPC must also consider the impact on businesses and the overall economy. The decision to uphold the P40 wage hike indicates a recognition of the need to balance the interests of workers and employers. *(BusinessMirror)*

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Economic Developments

➔ **Banks' real estate exposure rises to 21.1% in 1Q2023.** According to preliminary data from the Bangko Sentral ng Pilipinas (BSP), Philippine banks and trust entities' exposure to the volatile property segment inched up to 21.1% in March from 21% in December 2022, despite a decline in loans and exposures to the real estate sector. Total investments and loans extended by the banking industry to the property sector slipped slightly to PHP3.00 trillion in end-March, with lending decreasing to PHP2.57 trillion. While past due real estate loans increased slightly, the gross non-performing real estate loans of Philippine banks retreated by 2.4%. To manage banks' exposure to the property sector, the BSP continues to maintain prudential measures, including the real estate limit and heightened surveillance of real estate and project finance exposures. The housing market in the Philippines has shown resilience, with housing prices continuing to rally and the Residential Real Estate Price Index (RREPI) indicating an increase in the last quarter of 2022. Despite the tightening cycle and rate hikes by the BSP to cool inflation and stabilize the peso, the central bank maintained interest rates untouched in May and June due to the inflation downtrend and robust economic growth in the first quarter. Overall, the data suggests that while there has been a slight increase in exposure to the property sector, Philippine banks have taken measures to manage the risks and maintain stability. The housing market's performance and the central bank's cautious approach to interest rates reflect the ongoing recovery and resilience of the Philippine economy. Continued monitoring and prudential measures will be crucial in ensuring the sector's sustainable growth and minimizing potential risks. *(Philstar)*

➔ **Yellow alert declared over Luzon grid after Batangas power plant suffers outage.** The Luzon power grid in the Philippines was placed under a yellow alert on Tuesday due to the sudden plant outage of the San Lorenzo power plant in Batangas City. The National Grid Corp. of the Philippines raised the yellow alert between 1 p.m. and 4 p.m., with peak demand estimated at 12,222 MW, against an available capacity of 12,705 MW. The tripping of the San Lorenzo plant eroded the contingency reserve to a level below the highest-capacity unit online. The Department of Energy is currently investigating the cause of the tripping. Manila Electric Co. (MER) experienced an automatic load dropping incident, resulting in the removal of approximately 396 MW from its available supply. This led to brief power interruptions lasting for eight minutes in parts of Metro Manila, Bulacan, Cavite, Laguna, Rizal, and Quezon. Meralco activated the interruptible load program (ILP), where large power users tap into their own generating facilities to reduce the load on the grid during times of insufficient supply. The Department of Energy expects four yellow alerts in the July-August period as El Niño contributes to higher power demand and thinner grid reserves in Luzon. The occurrence of the yellow alert and power interruptions highlights the challenges faced by the Luzon power grid in meeting the increasing demand for electricity. Investigations into the San Lorenzo plant outage and ongoing monitoring of the situation will be important in preventing further disruptions and ensuring a stable power supply. The activation of the interruptible load program by Meralco demonstrates the utility's readiness to implement contingency measures during periods of supply shortfall. However, with the projected impact of El Niño on power demand and grid reserves, close coordination and proactive measures will be necessary to manage the power supply situation in Luzon. *(BusinessWorld)*

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Corporate Developments

- ➔ **ACEN Corporation (ACEN)**. ACEN has approved a proposed joint venture with Norfund, the Norwegian Investment Fund, to provide solar power solutions to telecommunications towers in the Philippines. The joint venture will fund projects of Yoma Micro Power (YMP), a Southeast Asia-focused distributed renewable energy company that currently powers over 600 telecom towers with renewable energy. The aim is to supply sustainable and affordable solar power to telecom towers owned by telecom companies in the country. Norfund, owned and funded by the Norwegian government, will contribute to the joint venture, along with other investors in YMP, including Yoma Group, IFC, and company founder Alakesh Chetia. ACEN's collaboration with Norfund and YMP aligns with its goal of reaching 20 gigawatts of renewables capacity by 2030, positioning itself as the largest listed renewables platform in Southeast Asia. The company plans to have a significant portion of its portfolio in the Philippines, as well as investments in Australia, Indonesia, Vietnam, and India. By leveraging solar power for telecom towers, ACEN aims to provide reliable and cost-effective renewable energy solutions while reducing carbon emissions. This partnership showcases the growing synergy between the renewable energy sector and telecommunications infrastructure to promote sustainability and energy efficiency in the Philippines. *(Philstar)*
- ➔ **Aboitiz Power Corporation (AP)**. AboitizPower Distributed Renewables, Inc. or APX, AP's subsidiary, has formed a joint venture with Upgrade Energy Philippines, Inc. (UGEP) to pursue solar rooftop projects in the Philippines. UGEP, a provider of renewable energy and energy efficiency technology solutions, aims to develop 500 megawatts (MW) of utility-scale and 100 MW of commercial-scale renewable energy by 2030. The partnership aligns with AP's goal of expanding solar rooftop and ground-mounted solar projects for commercial and industrial businesses in the country. Through the joint venture, AP aims to strengthen its conversation with businesses and offer a more sustainable and customer-focused approach. The company's unit, AboitizPower Distributed Renewables, Inc. (APX), will leverage UGEP's capabilities in the development, construction, and long-term operations and maintenance of solar projects. The partnership will accelerate customer-centricity and contribute to the country's energy transition goals. APX operates under AP's renewables brand Cleanergy. *(BusinessWorld)*

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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
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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