

## Market Commentary

➔ **The View:** The PSEi inched up by 29.86% or 0.45%, closing at 6,661.11 yesterday. The benchmark index showed resilience following the State of the Nation Address (SONA), and ahead of the US Federal Reserve (Fed)'s policy meeting. In the US, the 3 main indices gained yesterday. The Dow rose by 0.08%, pushing its current rally to a 12th consecutive day, its longest streak since February 2017. The S&P500 went up by 0.28%, while the Nasdaq Composite posted a 0.61% gain. The latter benefited from Alphabet's rise due to better-than-expected quarterly results powered by growth in its cloud revenue. Meanwhile, Microsoft tumbled on slowing growth in its cloud segment. Investors are eagerly awaiting the Fed's policy decision and Fed Chairman Jerome Powell's press conference, scheduled for Wednesday afternoon (US time). Market participants will closely analyze Powell's remarks for any indications of the future policy path. Concerns may arise if Powell suggests that more restrictive measures are necessary to control inflation, potentially dampening the recent optimism seen in the stock market. European markets also closed higher led by mining stocks after China announced that would step up its support to boost its economy. Investors also digested an overall strong batch of earnings. The European Central Bank (ECB) is expected to announce a 25-basis point rate hike on Thursday, and to provide guidance for its monetary path as parts of its efforts to combat inflation in the eurozone economy. In the Asia-Pacific, markets posted strong results except Japan's Nikkei which contracted by 0.06%. Hong Kong's Hang Seng experienced a significant rebound, surging over 4%. China's stocks bounced back strongly as well with the Shanghai Composite and Shenzhen Component surging to their highest one-day gains since February and October 2022, respectively. The boost followed China's Politburo's commitment to adjust policies for the struggling property sector and prioritize stable employment, while also addressing debt risks and promoting consumption. In the local bourse, sectors posted gains across the board led by Mining&Oil (+1.01%). In the main index, MBT (+3.21%), BPI (+2.87%), and AP (+2.27%) led Tuesday's 19 gainers. On the other end, PGOLD (-2.00%), URC (-1.98%), and BDO (-1.67%) were the worst performers among 11 laggards. The market's value turnover rose by 40% to PHP4.34 billion, while total foreign activity increased by 30% to PHP3.81 billion. Foreign investors posted a net sell of PHP215.77 million, snapping a 4-day net buying streak. The Philippine Peso strengthened by 20.5 cents against the greenback and ended at PHP54.55. The PSEi may trade sideways today while investors could take to the sidelines while awaiting cues from the Fed.

## PSEI INTRADAY



## INDICES

Index	Prev	Last	% Chg
PSEi	6,631.25	6,661.11	0.45%
All Shares	3,526.71	3,540.38	0.39%
Financial	1,951.68	1,964.95	0.68%
Industrial	9,298.21	9,346.42	0.52%
Holding Firms	6,406.83	6,422.78	0.25%
Property	2,706.51	2,715.07	0.32%
Services	1,586.03	1,596.20	0.64%
Mining & Oil	10,182.90	10,286.13	1.01%

## TOP 10

MBT	3.21%	PGOLD	-2.00%
BPI	2.87%	URC	-1.98%
AP	2.27%	BDO	-1.67%
ACEN	2.21%	WLCON	-1.23%
DMC	2.08%	CNVRG	-0.57%
TEL	1.46%	AGI	-0.47%
SMC	1.41%	UBP	-0.41%
ICT	1.18%	EMI	-0.24%
GTCAP	1.12%	MPI	-0.20%
MONDE	1.05%	AEV	-0.19%

## BOTTOM 10

## Stock Picks

Stock	Date	Initial Price	Current Price	Return since Recommendation	
				Stock	PSEi
TEL	3/13/20	1,029.00	1,319.00	28.18%	14.97%
CNPF	3/13/20	13.10	26.50	102.29%	14.97%
FGEN	9/23/20	24.80	20.50	-17.34%	13.04%
AP	9/23/20	25.55	36.00	40.90%	13.04%
BDO	11/17/20	92.60	147.50	59.29%	-3.71%
BPI	11/17/20	83.00	118.30	42.53%	-3.71%
MBT	11/17/20	44.35	59.45	34.05%	-3.71%
SECB	11/17/20	103.90	83.80	-19.35%	-3.71%
CNVRG	6/13/22	22.50	10.50	-53.33%	3.00%
ALI	6/13/22	30.05	27.45	-8.65%	3.00%
SGP	6/13/22	12.06	8.50	-29.52%	3.00%
<b>Ave. Return</b>				<b>16.28%</b>	<b>4.56%</b>

## MARKET DATA

Market Volume	616,120,007
Market Turnover ( Value)	4,336,910,059
Foreign Buying	1,797,506,260
Foreign Selling	2,013,277,454
Net Foreign Buy / (Sell)	(215,771,195)

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## Economic Developments

- ➔ **IMF raises Philippine growth forecast this year.** The International Monetary Fund (IMF) raised its growth forecast for the Philippines to 6.2% this year, citing robust domestic demand. The first-quarter outturn contributed to the revision, as the Philippine economy expanded by 6.4%, surpassing expectations but slower than last year's 8% growth. The IMF's 2023 GDP growth forecast aligns with the government's 6-7% target, but it lowered the projection for 2024 to 5.5%, influenced by global headwinds and the effects of monetary policy tightening. In comparison, the IMF raised its growth outlook for the Association of Southeast Asian Nations-5 (ASEAN-5), including Indonesia, Malaysia, the Philippines, Singapore, and Thailand, to 4.6% this year, with a slight reduction to 4.5% for 2024. NEDA Secretary Arsenio M. Balisacan also mentioned that economic growth in the Philippines slowed in the second quarter, but it is unlikely to miss the full-year target. (*BusinessWorld*)
- ➔ **Government revenues hit PHP1.9 trillion in the first half.** In the first six months of the year, the National Government's revenues in the Philippines grew by 7.7% year on year, reaching PHP1.9 trillion. The improved performance was attributed to higher economic activity and the digital transformation efforts of revenue agencies such as the Bureau of Internal Revenue (BIR) and Bureau of Customs. Tax collections for the January-to-June period rose by 7.5%, while non-tax revenues increased by 9.1%. The government aims to raise PHP3.729 trillion in revenues this year, equivalent to 15.2% of the country's gross domestic product (GDP). Additionally, there are plans to increase infrastructure spending to support economic development and meet the government's target of allocating 5-6% of GDP annually for infrastructure projects. (*BusinessWorld*)
- ➔ **DOE to ensure on time completion of grid connections.** The Department of Energy (DOE) has committed to addressing the challenges highlighted by President Marcos in the power sector during his recent State of the Nation Address (SONA). The primary focus is to ensure that grid connections are completed on time to deliver additional generation capacity down to the distribution sector and eventually to households. Despite challenges arising from the situation in Ukraine and the surge in coal and fuel prices in the international market, the DOE is taking immediate and short-term measures to ensure adequate energy supply. Energy Secretary Raphael Lotilla emphasized the government's dedication to pursuing long-term solutions, particularly in developing indigenous sources of energy, particularly renewables. The DOE aims to embody all its planning and policies in the updated Philippine Energy Plan for 2023 to 2050, to be released in the coming months. President Marcos reminded the National Grid Corp. of the Philippines (NGCP) to fulfill its responsibilities, as there are 68 delayed transmission projects, some of which have been pending for up to nine years. The DOE and the Energy Regulatory Commission (ERC) are working on the audit of NGCP's operations to hold them accountable and ensure the completion of all projects, including critical interconnections. (*Philstar*)

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## Corporate Developments

- ➔ **Puregold Price Club, Inc. (PGOLD).** PGOLD reported consolidated revenue of PHP91.2 billion in the first half of 2023, showing an 11% growth compared to the same period last year. The groupwide same store sales increased by 7% year on year, with traffic rising by 6.7% and baskets remaining relatively stable at 0.2%. Positive same store sales growth of 5.9% was observed in Puregold Stores, while S&R Warehouse clubs experienced a growth of 9.5% during the same period. Although second-quarter results showed a trend towards normalization after the more favorable base effects in the first quarter, the company anticipates a promising trajectory for its topline growth throughout the rest of the year. Despite facing compressed margins and higher operating expenses, PGOLD's consolidated net income in the first half rose by 4.8% to PHP4.4 billion year-on-year. The company is actively expanding its business activities and plans to increase its store counts. As of the end of June 2023, PGOLD opened 16 new Puregold stores, 1 S&R Membership Shopping Warehouse, and 1 S&R New York Style QSR, bringing the total number of stores nationwide to 543, including 467 Puregold stores, 23 S&R Membership Shopping Warehouses, and 52 S&R New York Style QSRs. *(PGOLD Disclosure)*
- ➔ **The Keepers Holdings, Inc. (KEEPR).** KEEPR reported a significant 18% increase in net income, amounting to PHP1.16 billion, during the first half of the year. This growth was driven by an uptrend in sales of imported brandy, wines, and specialty beverages, including well-known global brands like Johnnie Walker, Chivas Regal, and Red Bull, among others. The distributor's consolidated revenues also saw a substantial 19% rise to PHP6.5 billion, primarily attributed to an increase in the volume of cases sold. However, operating expenses also increased by 27% to PHP457.17 million in the first half, mainly due to higher distribution costs, advertising expenses, taxes, and transport costs. *(KEEPR Disclosure)*

## Other Developments

- ➔ **Prime Infrastructure Capital, Inc. (Prime Infra).** Prime Infra's Prime Energy, headed by tycoon Enrique Razon, has exceeded its natural gas output target from the Malampaya Deep Water Gas-to-Power project for the second quarter of 2023. The achievement was attributed to the efficient maintenance and integrity of equipment, allowing the project to meet the high gas demand during the dry season. Sales reached 280 million standard cubic feet per day (MMSCFD), surpassing the target of 274 MMSCFD. Prime Energy, operating with an all-Filipino management and staff, aims to maintain a reliable supply of indigenous gas to customers while exploring new sources to address the natural decline of the Malampaya gas field. The project's Service Contract no. 38 (SC 38) was renewed in May 2023, extending its operation until February 2039. The Malampaya Deep Water Gas-to-Power project currently supplies natural gas to four generation plants in Batangas with a combined capacity of 2,011 megawatts. During early 2023, the project underwent a two-week maintenance work, completed with zero accidents in close coordination with the Department of Energy. The success of Prime Energy's operations and the project's renewal signal the company's commitment to providing energy sufficiency and security in the Philippines while harnessing clean and reliable energy from indigenous gas sources. *(Inquirer)*

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## Foreign Developments

➔ **IMF raises global growth forecast despite China's recovery 'losing steam'**. The International Monetary Fund (IMF) has upgraded its global economic growth forecast for 2023 by 0.2 percentage points, raising it to 3% from the previous 2.8% projected in April. The IMF maintained its 3% growth prediction for 2024. Despite signs of progress in the global economy's recovery from the pandemic and geopolitical events like Russia's invasion of Ukraine, the IMF warned of challenges on the horizon, urging caution. It highlighted concerns over tighter credit conditions, reduced household savings in the U.S., and a slower-than-anticipated economic rebound in China following strict Covid-19 lockdowns. The U.S. is expected to grow by 1.8% in 2023 and 1% in 2024, while China's gross domestic product is predicted to decline from 5.2% in 2023 to 4.5% in 2024, largely attributed to weaknesses in the real estate sector and labor market. Amid the IMF's cautionary tone, Chinese stocks rallied on Tuesday following comments from Chinese authorities hinting at potential new stimulus measures to expand domestic demand. According to reports, Beijing is working on such measures to bolster the economy, which comes amidst concerns about the country's property sector and its impact on investments and foreign demand. The IMF acknowledged that China's economic recovery after reopening its economy has shown signs of weakening, and it pointed to elevated youth unemployment as a signal of labor market weakness. While the IMF has raised its global growth forecast, it remains wary of the challenges posed by various economic factors and calls for continued vigilance in the face of uncertainty. *(CNBC)*

➔ **ECB under pressure to signal end of interest rate rises after fall in loan demand.**

Eurozone banks are witnessing a significant drop in demand for business loans, reaching the lowest level on record. This decline, along with other signs of a weakening economy in the 20-country currency bloc, is bolstering calls for the European Central Bank (ECB) to reconsider its plans for further interest rate hikes. The ECB had indicated its intention to raise rates by 0.25 percentage points on Thursday in an effort to curb soaring inflation, but the rapid contraction of bank lending and a pessimistic economic outlook may prompt the governing council to pause further rate increases, especially in September. The contraction in credit supply is expected to have a cooling effect on inflation by reducing business and consumer demand, curbing investments, and slowing growth in jobs and wages. However, the ECB faces the challenge of balancing its efforts to combat rising inflation rates with the potential impact of an expensive summer tourist season that could keep core inflation elevated for a few more months. Eurozone inflation remains at 5.5% in July, almost three times the central bank's target, despite showing a slowdown from last year's peak of 10.6%. ECB president Christine Lagarde expressed caution and uncertainty, stating that the central bank cannot declare victory over inflation yet and that peak rates may not have been reached. The ECB's growth forecast is expected to be significantly reduced in September, but some economists believe that a surge in tourism during the summer could keep inflation uncomfortably high, especially in core areas such as services. As a result, the more cautious members of the ECB council are likely to advocate for signaling a halt to further rate hikes in September, based on lower growth forecasts. However, the possibility of elevated core inflation for a few more months may complicate the central bank's decision-making process in its efforts to manage the economy and maintain price stability. *(Financial Times)*

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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
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
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
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
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
MWP4	Megawide Construction Corporation	Php1.325	Cash	Preferred	07/21/23	07/26/23	07/31/23
UPSON	Upson International Corp.	Php0.04416	Cash	Common	07/21/23	07/26/23	08/22/23
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
ACPB1	Ayala Corporation	Php6.56250	Cash	Preferred	07/27/23	08/01/23	08/15/23
AC	Ayala Corporation	Php3.806	Cash	Common	07/27/23	08/01/23	08/17/23
BRNP Series A	A Brown Company, Inc.	Php1.75	Cash	Preferred	07/27/23	08/01/23	08/29/23
PBB	Philippine Business Bank	Php0.35	Cash	Common	07/28/23	08/02/23	08/15/23
HI	House of Investments, Inc.	Php0.05	Cash	Common	08/01/23	08/04/23	09/01/23
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
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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