

Market Commentary

➔ **The View:** The PSEi lost 52.66 points or 0.79%, closed last week at 6,625.26. The benchmark index contracted last Friday on some last minute profit taking as investors continued to assess the US Federal Reserve (Fed)'s latest policy decision and outlook. In the US, the Nasdaq Composite surged by 1.90% last Friday after posting some negative sessions. The Dow inched up by 0.50%, while the S&P500 rose by 0.99%. All three are set to be up for the month of July, with the S&P500 and the Nasdaq Composite on track for the 5th straight winning month. Almost 80% of the companies that reported have posted robust results for the first half of 2023. Investors will continue to focus on corporate earnings and the more economic data to gauge the US economy amidst the Fed's monetary tightening cycle. Meanwhile, European markets had mixed results last Friday following varying quarterly GDP performances in the eurozone. France's economy exhibited positive growth, expanding by 0.5% from the previous quarter, while Germany's economy remained stagnant. Spain's growth slightly declined to 0.4% from the previous 0.5%. In the Asia-Pacific, markets also ended mixed. Japan's Nikkei fell. The Bank of Japan maintained its -0.1% policy as expected, however, it adjusted its stance on its yield curve control policy. Hong Kong's Hang Seng and China's 2 main indices continued to recover and led the gains in the region. In the local bourse, sectors were mostly down. Mining&Oil (+0.22%) was the lone gainer. Industrial (-1.30%) led the losses, while the rest had sub-1% contractions. In the main index, UBP (+2.09%) had the biggest gain, while the rest of the 8 advances had sub-1% additions. On the other end, ACEN (-3.96%), MONDE (-3.26%), and JFC (-2.70%) were the worst performers among 21 laggards. The market's value turnover fell by 23% to PHP2.91 billion, while total foreign activity went down to PHP2.88 billion. Foreigners ended as net sellers with a net sell of PHP107.90 million, contrary to the net buy of PHP638.63 million in the previous session. The Philippine Peso depreciated by 35 cents and ended at PHP55.91. Investors in the Philippine markets will look towards inflation data for July, which is expected to show further cooling from June. More batches of corporate earnings are also set to be released. The PSEi could continue facing strong resistance at the 6,700-level. A fall to the 6,500-level may begin another round of selling while waiting for the strong catalysts.

Stock Picks

Stock	Date	Initial Price	Current Price	Return since Recommendation	
				Stock	PSEi
TEL	3/13/20	1,029.00	1,330.00	29.25%	14.35%
CNPF	3/13/20	13.10	26.50	102.29%	14.35%
FGEN	9/23/20	24.80	20.30	-18.15%	12.43%
AP	9/23/20	25.55	36.05	41.10%	12.43%
BDO	11/17/20	92.60	147.00	58.75%	-4.23%
BPI	11/17/20	83.00	115.10	38.67%	-4.23%
MBT	11/17/20	44.35	57.70	30.10%	-4.23%
SECB	11/17/20	103.90	83.00	-20.12%	-4.23%
CNVRG	6/13/22	22.50	10.08	-55.20%	2.45%
ALI	6/13/22	30.05	27.50	-8.49%	2.45%
SGP	6/13/22	12.06	8.99	-25.46%	2.45%
Ave. Return				15.71%	4.00%

PSEI INTRADAY



INDICES

Index	Prev	Last	% Chg
PSEi	6,677.92	6,625.26	-0.79%
All Shares	3,547.00	3,526.92	-0.57%
Financial	1,959.00	1,940.05	-0.97%
Industrial	9,327.46	9,206.32	-1.30%
Holding Firms	6,426.03	6,396.98	-0.45%
Property	2,730.73	2,722.48	-0.30%
Services	1,615.48	1,601.97	-0.84%
Mining & Oil	10,392.84	10,415.21	0.22%

TOP 10

UBP	2.09%	ACEN	-3.96%
SMC	0.93%	MONDE	-3.26%
SCC	0.85%	JFC	-2.70%
EMI	0.24%	MBT	-2.70%
DMC	0.21%	WLCON	-2.13%
ALI	0.18%	AP	-2.04%
PGOLD	0.17%	URC	-1.66%
LTG	0.10%	BDO	-1.14%
MER	0.00%	AGI	-0.96%
GTCAP	-0.09%	AC	-0.95%

BOTTOM 10

MARKET DATA

Market Volume	635,547,745
Market Turnover (Value)	2,912,351,057
Foreign Buying	1,384,859,283
Foreign Selling	1,492,760,598
Net Foreign Buy / (Sell)	(107,901,316)

Mandarin Securities Corp.

Hanz Elmer Torres

hanz.torres@mandarinsecurities.com



Economic Developments

- ➔ **Diokno sees no need to match US Fed rate hike.** The Bangko Sentral ng Pilipinas (BSP) does not feel the need to match the recent rate hike of the US Federal Reserve, as inflation in the Philippines is expected to continue decreasing. Finance Secretary Benjamin Diokno stated that inflation likely slowed further in July from the 5.4% rate in June, and it is on track to be within the BSP's target range of two to four percent by the fourth quarter. While the US central bank raised rates by 25-basis points (bps) and remains open for another hike in September, Diokno believes there is no immediate need for the BSP to follow suit. The BSP is scheduled to meet on August 17 to decide on its monetary policy, and the market consensus is for the central bank to keep policy rates unchanged. The BSP has paused on rate adjustments for the past two meetings, considering the impact of its previous monetary tightening on the economy. Despite the average headline inflation rate still being above the target band at 7.2%, the BSP is confident that inflation will return to the target range by the end of the year. Based on the BSP's projection, inflation is expected to ease but remain above target at 5.4% this year, with a significant cooldown to 2.9% in 2024, mainly due to base effects. (*Philstar*)
- ➔ **Residential property prices increased by 10.2% in 1Q2023.** Residential property prices in the Philippines surged by 10.2% in the first quarter of the year, driven mainly by higher costs of duplex housing units, single-detached/attached houses, townhouses, and condominium units, according to the Bangko Sentral ng Pilipinas (BSP). The Residential Real Estate Price Index (RREPI) data revealed that this growth rate was faster than the previous quarter's 7.7% increase and the 5.7% growth recorded in the same period in 2022. The rise in property prices during this period was the fastest since the peak of the coronavirus pandemic in the second quarter of 2020. The RREPI tracks the average price changes of residential properties across different housing types and locations, providing the central bank with insights into the property market, which is regulated due to bank exposure. Strong demand for horizontal projects such as duplexes and single detached/attached houses has driven the rebound of the residential market as it recovers from the pandemic. Elevated prices of construction materials have also contributed to the rise in property prices. While condominium prices showed slower growth at 1.2%, prices of duplexes and single detached/attached houses increased significantly by 22.1% and 17%, respectively. The BSP also reported that residential home loans in the first quarter grew by 16% year on year, with loans in the National Capital Region (NCR) and areas outside NCR increasing by 16.5% and 15.7%, respectively. (*BusinessWorld*)

Mandarin Securities Corp.

Hanz Elmer Torres

hanz.torres@mandarinsecurities.com



Economic Developments

- ➔ **\$50 million investment in Philippine RE sector seen.** The Philippine renewable energy market is set to receive a \$50 million investment from New Wave Strategic Holdings Inc., a subsidiary of IP E-Game Ventures Inc., and Emissary Capital Partners Sdn Bhd, backed by the Malaysian government's Penjana Kapital. The proposed investment aims to fund companies in the renewable energy sector, electric vehicle industry, clean energy and smart grid enablers. It is expected to generate up to 1,000 megawatts (MW) of bankable capacity, supporting the government's goal of increasing the share of renewable energy in the country's total energy mix to 35% by 2030 and 50% by 2040. The investment will also help attract foreign direct investment of over \$1.5 billion into the country for the construction and operation of targeted sites. New Wave and Emissary Capital recognize the challenges for companies to raise capital during the early stages of renewable energy projects due to perceived risks. By providing financial support and value-added involvement in pre-development work, they aim to offer attractive returns for the funds. The investment will not only contribute to the country's renewable energy development but also foster cross-border investment and trade among ASEAN neighbors, supporting the region's commitment to clean energy and sustainable goals. (*Philstar*)
- ➔ **'Egay' and monsoon kill 16; farm damage rises to PHP1.3 billion.** Super Typhoon Egay and the prevailing southwest monsoon have caused significant damage and loss in the Philippines. The death toll has risen to 16, and the Department of Agriculture (DA) reported losses of PHP1.3 billion incurred by farmers and fishers. The National Disaster Risk Reduction and Management Council (NDRRMC) is validating the number of deaths as flooding in some areas has receded. The severe weather conditions brought by Egay, the enhanced southwest monsoon, and tropical storm Falcon have led to widespread flooding and destruction in several regions. Response agencies, including the Armed Forces of the Philippines, the Philippine National Police, and the Philippine Coast Guard (PCG), have been actively providing emergency relief goods and assistance to affected provinces. However, power supply and telecommunication lines remain disrupted in at least 124 cities and municipalities. As of the latest report, nearly 1 million individuals in various regions have been affected by Egay, and recovery efforts are ongoing. The typhoon has also caused substantial damage to agriculture, with thousands of hectares of agricultural land affected and significant losses in rice, corn, high-value crops, livestock, and fisheries. (*BusinessMirror*)

Mandarin Securities Corp.

Hanz Elmer Torres

hanz.torres@mandarinsecurities.com



Corporate Developments

- ➔ **Cemex Holdings Philippines, Inc. (CHP).** CHP reported improved results for the first six months of 2023, primarily due to efforts to contain inflationary pressures in its cost base. Despite the positive trend, year-to-date results were impacted by challenging external conditions, with consolidated net sales decreasing by 15% compared to the prior year, attributed to lower volumes. The company's domestic cement volumes also declined by 17% year-over-year for the same period, mainly due to subdued cement demand, tough prior year comparisons, and increased industry competition. CHP implemented a pricing strategy to offset input cost inflation, resulting in a 2% year-over-year increase in domestic cement prices for the first six months of 2023. However, cost of sales as a percentage of net sales rose, driven by higher fuel and power costs, leading to a net loss of PHP662 million for the period. Looking ahead, CHP remains cautiously optimistic for the second half of 2023, considering decelerating inflation and the government's infrastructure programs. The company is implementing an efficiency program named "EVOLVE" to optimize operations and counteract cost pressures during the year. Despite the challenges, CHP aims to transform into a more resilient and sustainable entity in the Philippine market. The company expects a mid-single-digit to high-single-digit percentage decrease in its domestic cement sales volume for the full year. *(CHP Disclosure)*
- ➔ **DoubleDragon Corporation (DD).** DD is on track to open its 45th operational mall, CityMall-Surigao, in Surigao City, Surigao del Norte, located in the Mindanao region of the Philippines. With this new addition, DD solidifies its position as the No.4 largest mall developer and landlord in terms of the number of operational malls nationwide. The company has particularly excelled in the community mall segment, where it holds the no. 1 spot as the largest community mall developer and landlord in the Philippines, boasting the highest number of operating community malls in the country. The expansion reflects DD's continuous growth in the retail sector and reinforces its standing as a prominent player in the Philippine mall development and management industry. The total gross floor area (GFA) of CityMall-Surigao spans 8,608 square meters and is situated on a 1.05-hectare prime commercial land, adjacent to the Surigao City Integrated Land Transport Terminal. The land was acquired by DD as part of its strategic land banking efforts from 2014 to 2016 when prime land prices were comparatively lower. CityMall-Surigao will feature a diverse mix of tenants, including well-known brands such as Jollibee, Mang Inasal, Greenwich, JYG Food Enterprises, and more. The company's existing CityMalls are undergoing refresh makeovers, set to be completed by the end of the year, with a focus on achieving optimal above-industry rental yields and maturity levels for these properties in Luzon, Visayas, and Mindanao by 2025. DD's Chairman, Edgar "Injap" Sia II, attributes the company's success to early and strategic land acquisitions when land prices were lower, leading to substantial value appreciation across their portfolio of prime commercial properties nationwide. Looking ahead, DoubleDragon plans to continue expanding its mall portfolio, with three more CityMalls slated for completion by the end of 2023, and an additional four scheduled to open in 2024, bringing the company's operational mall count to 52 by the end of that year. *(DD Disclosure)*

Mandarin Securities Corp.

Hanz Elmer Torres

hanz.torres@mandarinsecurities.com



Corporate Developments

➔ **Phinma Corporation (PHN).** PHN is set to accelerate its expansion plans following the acquisition of a majority stake in several subsidiaries of its parent firm, Phinma, Inc. The consolidation of ownership in the listed entity will provide a platform for the subsidiaries to raise funds for their business growth. The company recently signed the deed of absolute sale for five subsidiaries, including Phinma Education Holdings, Phinma Property Holdings Corp., Phinma Hospitality, Phinma Microtel Hotels, and ABCIC Property Holdings. Phinma now owns higher percentages in these subsidiaries, enabling it to have greater control over their operations and strategies. With a positive outlook for the future of its core business units, PHN plans to venture into township development through its property unit. It aims to start with approximately 20 hectares in Western Visayas, targeting the low to middle housing market segments. Additionally, the company is eyeing the development of its insulated panel facility in Pampanga in partnership with a foreign joint venture partner to enhance its technical knowledge and production capabilities. Overall, PHN remains optimistic about the growth prospects of its businesses and expects these strategic investments to be value accretive to the group. *(PHN Disclosures, BusinessWorld)*

Mandarin Securities Corp.

Hanz Elmer Torres

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
KPH	Keppel Philippines Holdings, Inc.	Php0.10	Cash	Common	07/04/23	07/07/23	08/02/23
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
SPC	SPC Power Corporation	Php0.20	Cash	Common	08/04/23	08/09/23	08/23/23
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

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.



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

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.