

Market Commentary

➔ **The View:** The PSEi had a marginal gain of 5.81 points or 0.09%, ending last week at 6,181.06. The benchmark index almost ended flat as the market kicked off the month of September. It also snapped a 5-week streak of weekly declines. In the US, the Dow and the S&P500 eked out gains of 0.33% and 0.18%, respectively. The Nasdaq Composite had a minor 0.02% contraction. Investors digested the latest US jobs report which showed that unemployment rate surprisingly went up to 3.8% from July's 3.5%, which was also the consensus estimate. While August's payrolls increased more than expected, the June and July figures were revised downward by a total of 110,000. These could be taken as further signs of a US economic slowdown, thereby further easing the pressure on the US Federal Reserve (Fed) to increase policy rates anew. Meanwhile, European markets had mixed results amidst the release of the aforementioned string of US jobs data. Investors also looked into the steepest drop of UK house prices since July 2009. It declined by 5.3% year-on-year last month. In the Asia-Pacific, most markets finished the week strong after China beat factory activity expectations in August and following the People's Bank of China's decision to cut its foreign exchange reserve requirement ratio (RRR) to encourage more spending. China's 2 main indices, the Shanghai Composite and the Shenzhen Component, gained 0.43% and 0.44%, respectively. Japan's Nikkei went up by 0.28%, while Australia's ASX200 lost 0.37% and snapped its 4-day winning streak. In the main index, sectors had mixed results but Property (+2.36%) had the biggest swing. The rest had sub-1% movements. In the main index, ALI (+3.31%), CNVRG (+2.96%), and URC (+2.95%) were the top performers among 14 gainers. On the other end, MONDE (-4.03%), SCC (-2.81%), and BPI (-2.73%) had the biggest losses among 15 laggards. The market's turnover value stood at PHP11.51 billion, while total foreign activity went up to PHP9.48 billion. The big movements was due to a PHP5.18 billion block sale of MPI in relation to its tender offer. Net foreign selling continued to a 9th consecutive session. The Philippine Peso dropped by 19 cents against the US dollar and closed at PHP56.725. With a disappointing factory activity last month, the benchmark index may face stronger downward pressure this week. However, the signs of a slowing US economy and the increasing hopes that the Fed will strongly consider a pause in its monetary tightening cycle may help the local bourse in staying afloat. Investors are likely to be on the lookout for the country's August inflation data which is expected to be higher than July's 4.3% due to renewed price pressures stemming from increasing oil and gas prices. The data comes out tomorrow.

PSEI INTRADAY



INDICES

Index	Prev	Last	% Chg
PSEi	6,175.25	6,181.06	0.09%
All Shares	3,334.78	3,341.97	0.22%
Financial	1,850.03	1,836.88	-0.71%
Industrial	8,689.90	8,736.76	0.54%
Holding Firms	5,904.97	5,868.69	-0.61%
Property	2,507.86	2,567.16	2.36%
Services	1,500.54	1,503.30	0.18%
Mining & Oil	10,083.72	9,996.29	-0.87%

TOP 10

ALI	3.31%	MONDE	-4.03%
CNVRG	2.96%	SCC	-2.81%
URC	2.95%	BPI	-2.73%
SMPH	2.40%	SM	-1.56%
MPI	2.38%	WLCON	-1.35%
DMC	2.28%	LTG	-1.21%
TEL	2.26%	AC	-1.14%
JFC	1.27%	UBP	-1.01%
ACEN	1.00%	AP	-0.70%
SMC	0.96%	ICT	-0.58%

BOTTOM 10

Stock Picks

Stock	Date	Initial Price	Current Price	Return since Recommendation	
				Stock	PSEi
TEL	3/13/20	1,029.00	1,176.00	14.29%	6.68%
CNPF	3/13/20	13.10	27.35	108.78%	6.68%
FGEN	9/23/20	24.80	19.36	-21.94%	4.89%
AP	9/23/20	25.55	35.45	38.75%	4.89%
BDO	11/17/20	92.60	140.10	51.30%	-10.65%
BPI	11/17/20	83.00	107.00	28.92%	-10.65%
MBT	11/17/20	44.35	55.40	24.92%	-10.65%
SECB	11/17/20	103.90	79.40	-23.58%	-10.65%
CNVRG	6/13/22	22.50	8.00	-64.44%	-4.42%
ALI	6/13/22	30.05	28.05	-6.66%	-4.42%
SGP	6/13/22	12.06	8.09	-32.92%	-4.42%
Ave. Return				10.67%	-2.98%

MARKET DATA

Market Volume	2,113,233,690
Market Turnover (Value)	11,509,387,148
Foreign Buying	1,898,373,692
Foreign Selling	7,586,161,095
Net Foreign Buy / (Sell)	(5,687,787,402)

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

- ➔ **PH factory activity contracts in August.** Manufacturing activity in the Philippines contracted in August, with the S&P Global Philippines Manufacturing Purchasing Managers' Index (PMI) dropping to 49.7, indicating a deterioration in operating conditions. This marks the first contraction in two years, attributed to falling new orders, weak underlying demand, poor weather conditions, and reduced staffing levels. While new orders from overseas markets increased slightly, the overall output growth softened, and job shedding contributed to the worsening business conditions. Despite this contraction, many companies are preparing for increased buying activity in the coming months, with buying activity and stocks raised in August. The PMI reading presents a mixed picture for the Philippines, with some firms gearing up for greater sales while others experience weak underlying demand trends. The high-interest rates, persistent inflation, and China's weaker-than-expected growth may contribute to subdued growth in the manufacturing sector in the coming months. However, there's potential for a pickup in factory activity in the remainder of the third quarter in preparation for the seasonal increase in demand during the holiday season in the fourth quarter. (*BusinessWorld*)
- ➔ **PH June trade falls vs May.** In June, Philippine exports and imports fell by 2.8% and 2.4% month-on-month, respectively, according to the Philippine Statistics Authority (PSA). Exports dropped from \$6.53 billion in May to \$6.35 billion in June, while imports fell from \$10.46 billion to \$10.21 billion over the same period. Weak Chinese economic data and the US Federal Reserve (Fed)'s interest rate hike were cited as reasons for the month-on-month decline, which was exacerbated by higher prices and interest rates both locally and globally, as well as aggressive US policy rate moves to combat inflation and the risk of an economic slowdown in the US. The Fed has raised interest rates by 525-basis points since March 2022, and while US job openings have fallen to their lowest level since March 2021, the Fed sees reduced risk of a US recession, which could support a recovery in global trade. However, the trade data may improve in the coming quarters as inflation weakens, but reflation risks remain. (*BusinessWorld*)
- ➔ **SEIPI adjusts to 0% growth goal in electronic exports.** The Semiconductor and Electronics Industries in the Philippines, Foundation Inc. (SEIPI) has revised its growth target for electronics exports in 2023 from 5% to 0% due to ongoing geopolitical conflicts, such as the US-China trade war. As of June, electronics exports were down 7%, prompting SEIPI to adjust its forecast. However, SEIPI President Danilo C. Lachica expressed optimism about a potential recovery in the third and fourth quarters. Lachica pointed to geopolitical conflicts, particularly the US-China trade war, as the primary reason for the decline in electronics exports in the first half of the year. According to data from the Philippine Statistics Authority, electronics exports from January to June 2023 fell by 6.99% year-on-year, accounting for 60.63% of the country's total exports. Despite the challenges, Lachica believes that year-end festivities, including Thanksgiving and Christmas, will help drive industry growth. He also identified key overseas markets, with a focus on Asia, as potential growth drivers for the remainder of the year, including China, Hong Kong, the USA, Japan, and Singapore. (*BusinessMirror*)

Mandarin Securities Corp.

Hanz Elmer Torres

hanz.torres@mandarinsecurities.com



Corporate Developments

- ➔ **Globe Telecom, Inc. (GLO).** GLO has raised over PHP2 billion (\$37.3 million) from its sale and leaseback transaction for passive assets with Unity Digital Infrastructure Inc., an entity backed by Aboitiz Equity Ventures, Inc. (AEV). In the recent closing, GLO transferred 55 towers to Unity for a cash consideration of PHP660 million (\$12.3 million). This follows a July transaction where GLO sold 115 units worth PHP1.4 billion (\$26.1 million) to Unity. The company has now received a total of PHP2.06 billion (\$38.4 million) from the tower sale and still has 277 more towers to sell in this transaction, from which it can potentially draw another PHP3.34 billion (\$62.3 million). The proceeds from the tower sale are expected to provide GLO with funds for financing capital expenditures and debt settlement. The company has been adjusting its strategy as it faces challenges from inflation and macroeconomic risks. In the first half of the year, its net income fell by 26% to PHP14.33 billion (\$267 million). To adapt to changing market conditions, the company is transitioning from being just a telecom provider to becoming a tech innovator to broaden its service offerings and revenue sources. *(Philstar)*

- ➔ **Ayala Corporation (AC).** AC Motors, the automotive arm of AC, has opened the largest dealership for Chinese electric vehicle manufacturer BYD in Quezon City, Philippines. This move is part of AC Motors' strategy to bring the BYD brand closer to customers. The BYD Quezon Avenue dealership is the first to open under AC Motors' stewardship after being appointed as BYD's official distributor in the Philippines through its subsidiary Mobility Access Philippines Ventures Inc. (MAPVI). The 4,000-square-meter flagship dealership features a large showroom to showcase BYD's pure electric vehicle lineup, including the BYD Dolphin (hatchback), BYD Han (sedan), and BYD Tang (SUV). It also includes an elevated customer lounge experience and a dedicated new-car release area, with a design that communicates sustainable transport through a mix of green and contemporary elements. AC Motors plans to open at least 12 BYD dealerships over the next 12 months in the Philippines. *(Philstar)*

- ➔ **Manila Electric Company (MER).** The Energy Regulatory Commission (ERC) has approved the joint application of MER and the Panay Energy Development Corp. (PEDC) to terminate their power supply agreement (PSA). This decision comes after the company and PEDC filed a termination motion in June last year, citing PEDC's inability to meet its contractual obligations due to the rising cost of coal and fuel. Prior to the termination motion, the companies also requested an adjustment to their PSA rates in January 2022, citing a "Change in Circumstance" provision due to increased global coal and fuel prices in 2022, which led to losses for PEDC. The ERC granted the joint motion for contract price adjustment and the joint urgent motion for the termination of the PSA via a 3-2 vote. The decision allows for the termination of the agreement and adjusts the contract price based on the defined conditions in the PSA. However, the ERC noted that the parties failed to observe procedural requirements for termination as outlined in the PSA itself. *(BusinessMirror)*

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
ALCPD	Arthaland Corporation	Php7.50	Cash	Preferred	08/11/23	08/16/23	09/04/23
SGI	Solid Group, Inc.	Php0.06	Cash	Common	08/15/23	08/18/23	09/15/23
ACEN	ACEN CORPORATION	Php0.04	Cash	Common	08/16/23	08/22/23	09/18/23
TCB2A	Cirtek Holdings Philippines Corporation	US\$0.0228125	Cash	Preferred	08/16/23	08/24/23	09/08/23
MREIT	MREIT, Inc.	Php0.2476	Cash	Common	08/17/23	08/23/23	09/14/23
ROCK	Rockwell Land Corporation	Php0.0752	Cash	Common	08/17/23	08/23/23	09/18/23
MFC	Manulife Financial Corporation	CAD 0.365	Cash	Common	08/17/23	08/23/23	09/19/23
MFIN	Makati Finance Corporation	Php0.009944770554	Cash	Common	08/18/23	08/24/23	09/20/23
MER	Manila Electric Company	Php8.52	Cash	Common	08/24/23	08/30/23	09/14/23
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
SLF	Sun Life Financial Inc.	CAD 0.75	Cash	Common	08/29/23	08/30/23	09/29/23
GLO	Globe Telecom, Inc.	Php25.00	Cash	Common	08/25/23	08/29/23	09/08/23
FILRT	Filinvest REIT Corp.	Php0.071	Cash	Common	08/30/23	08/31/23	09/20/23
PRF3A	Petron Corporation	Php17.17825	Cash	Preferred	08/30/23	08/31/23	09/25/23
PRF3B	Petron Corporation	Php17.84575	Cash	Preferred	08/30/23	08/31/23	09/25/23
CROWN	Crown Asia Chemicals Corporation	Php0.04	Cash	Common	08/30/23	08/31/23	09/25/23
AREIT	AREIT, Inc.	Php0.53	Cash	Common	08/29/23	08/30/23	09/13/23
TCB2C	Cirtek Holdings Philippines Corporation	Php0.8233	Cash	Preferred	08/29/23	08/30/23	09/14/23
TCB2D	Cirtek Holdings Philippines Corporation	Php0.968825	Cash	Preferred	08/29/23	08/30/23	09/14/23
MER	Manila Electric Company	Php8.52	Cash	Common	08/29/23	08/30/23	09/14/23
URC	Universal Robina Corporation	Php2.12	Special Cash	Common	08/29/23	09/01/23	09/27/23
VREIT	VistaREIT, Inc.	Php0.0396	Cash	Common	08/30/23	08/31/23	09/21/23

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.

28/F LKG TOWER, 6801 AYALA AVENUE, MAKATI CITY : OFFICE: +63 (02) 884-1271 : FAX +63 (02)884-1384

CASH DIVIDEND SCHEDULE

*Arranged by ex-date

Ticker	Company	Amount/ Rate	Dividend Type	Share	Ex-date	Record Date	Payment Date
ALCO	Arthaland Corporation	Php1.7319	Cash	Common	09/01/23	09/04/23	09/28/23
MPI	Metro Pacific Investments Corporation	Php0.05	Cash	Common	08/31/23	09/01/23	09/15/23
TCB2B	Cirtek Holdings Philippines Corporation	US\$0.025	Cash	Preferred	08/31/23	09/01/23	09/18/23
EEIPA	EEl Corporation	Php1.441025	Special Cash	Preferred	08/31/23	09/01/23	09/23/23
EEIPB	EEl Corporation	Php1.73485	Special Cash	Preferred	08/31/23	09/01/23	09/23/23
URC	Universal Robina Corporation	Php2.12	Special Cash	Common	08/31/23	09/01/23	09/27/23
LTG	LT Group, Inc.	Php0.30	Special Cash	Common	09/01/23	09/04/23	09/13/23
MBT	Metropolitan Bank & Trust Company	Php0.80	Cash	Common	09/07/23	09/08/23	09/22/23
CREIT	Citicore Energy REIT Corp.	Php0.049	Cash	Common	09/08/23	09/09/23	10/04/23
FJP	F & J Prince Holdings Corporation	Php0.07	Cash	Common	09/08/23	09/09/23	09/27/23
SHNG	Shang Properties, Inc.	Php0.1344	Cash	Common	09/07/23	09/08/23	09/22/23
AUB	Asia United Bank Corporation	Php1.00	Cash	Common	09/11/23	09/12/23	09/28/23
BDO	BDO Unibank, Inc.	Php0.75	Cash	Common	09/11/23	09/12/23	09/29/23
ALLDY	AllDay Marts, Inc.	Php0.0026	Cash	Common	09/11/23	09/12/23	10/04/23
PRF4A	Petron Corporation	Php16.76975	Cash	Preferred	09/13/23	09/14/23	10/09/23
PRF4B	Petron Corporation	Php16.99300	Cash	Preferred	09/13/23	09/14/23	10/09/23
PRF4C	Petron Corporation	Php17.71525	Cash	Preferred	09/13/23	09/14/23	10/09/23
SMC2K	San Miguel Corporation	Php0.84375	Cash	Preferred	09/20/23	09/21/23	10/05/23
SMC2J	San Miguel Corporation	Php0.890625	Cash	Preferred	09/20/23	09/21/23	10/05/23
SMC2F	San Miguel Corporation	Php1.27635	Cash	Preferred	09/20/23	09/21/23	10/05/23
SMC2I	San Miguel Corporation	Php1.18790625	Cash	Preferred	09/20/23	09/21/23	10/05/23
CPG	Century Properties Group, Inc.	Php0.006055	Cash	Common	09/28/23	09/29/23	10/13/23
GTPPA	GT Capital Holdings, Inc.	Php11.57475	Cash	Preferred	10/04/23	10/05/23	10/27/23
GTPPB	GT Capital Holdings, Inc.	Php12.73725	Cash	Preferred	10/04/23	10/05/23	10/27/23
8990B	8990 Holdings, Inc.	Php1.375	Cash	Preferred	10/24/23	10/25/23	11/10/23
BRNP Series A	A Brown Company, Inc.	Php1.75	Cash	Preferred	10/30/23	10/31/23	11/29/23
TCB2A	Cirtek Holdings Philippines Corporation	US\$0.0228125	Cash	Preferred	11/23/23	11/24/23	12/11/23
TCB2C	Cirtek Holdings Philippines Corporation	Php0.8233	Cash	Preferred	11/28/23	11/29/23	12/14/23
TCB2D	Cirtek Holdings Philippines Corporation	Php0.968825	Cash	Preferred	11/28/23	11/29/23	12/14/23
TCB2B	Cirtek Holdings Philippines Corporation	US\$0.025	Cash	Preferred	11/30/23	12/01/23	12/18/23
8990B	8990 Holdings, Inc.	Php1.375	Cash	Preferred	01/26/24	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	Greenery Holdings Incorporated	0.0561786222 share of ANI for every 1 share of the company	Property	Common	06/27/22	06/30/22	TBA
MACAY	Macay Holdings, Inc.	0.936 common share of ARC for every 1 common share of MACAY	Property	Common	10/20/23	10/23/23	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
MFIN	Makati Finance Corporation	0.9944770554%	Stock	Common	08/18/23	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.

28/F LKG TOWER, 6801 AYALA AVENUE, MAKATI CITY : OFFICE: +63 (02) 884-1271 : FAX +63 (02)884-1384