

## Market Commentary

➔ **The View:** The PSEi gained 10.32 points or 0.17% and finished at 6,255.00 yesterday. The benchmark index sneaked out a small gain after the latest Philippine Statistics Authority (PSA) data showed an acceleration of local headline inflation to 5.3% in August from 4.7% in July. Bargain hunting continued ahead of other major economic figures like the US' own inflation report and the US Federal Reserve (Fed)'s next policy meeting. In the US, the 3 main indices posted losses after a strong week and the Labor Day holiday last Monday. The Dow slipped by 0.56%, while the S&P500 and the Nasdaq Composite went down by 0.42% and 0.08%, respectively. One factor contributing to downward pressure was the increase in oil prices, spurred by the extension of voluntary supply cuts by Saudi Arabia and Russia. This surge in oil prices, along with rising US Treasury yields, has raised concerns about the future direction of Fed's interest rates. Meanwhile, European markets also had a negative session amidst some worrying economic data. Eurozone's official purchasing managers' index (PMI) for August stood at 46.7, its lowest in almost 3 years and its steepest since 2013, barring the COVID-19 pandemic period. Its service industry also posted a decrease as the survey indicated a sharp contraction in new orders and a "near-stalling" of jobs growth. Furthermore, a European Central Bank (ECB) survey showed that eurozone's consumer inflation slightly moved up to 2.4% in July. In the Asia-Pacific, most markets' rallies lost steam. Hong Kong's Hang Seng led the losses with 2.13%. Australia's ASX200 closed lower after the Reserve Bank of Australia opted to keep policy rates unchanged. Japan's Nikkei, however, moved to the 33,000-level on the back of a 7-day rally. In the local bourse, Property (-0.92%) and Financial (-0.82%) went down. Holding Firms (+1.25%) and Mining&Oil (+1.12%) gained along with the rest. In the main index, MONDE (+4.31%), URC (+3.33%), and SCC (+2.86%) were the top performers among 17 gainers. SMPH (-2.30%), BPI (-1.51%), and MPI (-1.16%) had the biggest contractions among 11 laggards. The market's total turnover value ended at PHP3.41 billion, while total foreign activity stood at PHP3.12 billion. Net foreign selling amounted to PHP669.21 million. The Philippine Peso depreciate by 18 cents and ended at PHP56.80. The PSEi's rally showed some weakness with a some selloff in the closing minutes of yesterday's session. A failed breakout to the 6,300-level may initiate a fresh round of selling back to the 6,000-6,100 levels. Stocks could move sideways ahead of key catalysts like the US inflation data next week.

## Stock Picks

Stock	Date	Initial Price	Current Price	Return since Recommendation	
				Stock	PSEi
TEL	3/13/20	1,029.00	1,190.00	15.65%	7.26%
CNPF	3/13/20	13.10	28.00	113.74%	7.26%
FGEN	9/23/20	24.80	19.14	-22.82%	5.46%
AP	9/23/20	25.55	35.45	38.75%	5.46%
BDO	11/17/20	92.60	139.50	50.65%	-10.17%
BPI	11/17/20	83.00	105.80	27.47%	-10.17%
MBT	11/17/20	44.35	55.90	26.04%	-10.17%
SECB	11/17/20	103.90	80.00	-23.00%	-10.17%
CNVRG	6/13/22	22.50	8.08	-64.09%	-3.90%
ALI	6/13/22	30.05	28.60	-4.83%	-3.90%
SGP	6/13/22	12.06	8.06	-33.17%	-3.90%
<b>Ave. Return</b>				<b>11.31%</b>	<b>-2.45%</b>

## PSEI INTRADAY



### INDICES

Index	Prev	Last	% Chg
PSEi	6,214.68	6,225.00	0.17%
All Shares	3,356.44	3,360.14	0.11%
Financial	1,833.81	1,818.83	-0.82%
Industrial	8,759.89	8,819.65	0.68%
Holding Firms	5,910.55	5,984.45	1.25%
Property	2,604.86	2,581.01	-0.92%
Services	1,507.30	1,511.22	0.26%
Mining & Oil	10,132.72	10,245.91	1.12%

### TOP 10

MONDE	4.31%	SMPH	-2.30%
URC	3.33%	BPI	-1.51%
SCC	2.86%	MPI	-1.16%
CNVRG	2.72%	AP	-1.13%
SM	2.44%	JFC	-1.09%
AGI	1.60%	MBT	-0.89%
LTG	1.22%	ACEN	-0.78%
DMC	1.17%	BDO	-0.65%
JGS	1.09%	ICT	-0.49%
TEL	1.01%	AEV	-0.31%

### BOTTOM 10

### MARKET DATA

Market Volume	437,484,625
Market Turnover ( Value)	3,409,396,290
Foreign Buying	1,228,013,917
Foreign Selling	1,897,222,600
Net Foreign Buy / (Sell)	(669,208,683)

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## Economic Developments

- ➔ **Inflation rate accelerates to 5.3% in August–PSA.** In August 2023, the Philippines experienced a notable increase in its headline inflation rate, reaching 5.3%, primarily driven by elevated prices of vegetables, rice, and transportation, as reported by the Philippine Statistics Authority (PSA). Vegetable inflation surged to a striking 31.9%, while rice prices escalated by 8.7%, and transportation costs increased marginally by 0.2%. Although these figures align with the forecasted range of 4.8%-5.6% by the Bangko Sentral ng Pilipinas (BSP), it presents challenges, including severe weather conditions and trade constraints imposed by other countries. The National Economic and Development Authority (NEDA) Secretary Arsenio M. Balisacan emphasized the continued objective to achieve an inflation rate between 2%-4% by year-end, despite ongoing difficulties. The data reveals that the average national inflation for January to August 2023 stands at 6.6%, a modest increase from August 2022 when it was at 6.3%. Food inflation at the national level notably rose to 8.2% in August 2023, compared to 6.3% in July 2023 and 6.5% in August 2022. Food accounted for a substantial 53.9% share of overall inflation in August 2023. Cereals and cereal products, particularly rice, corn, flour, bread, and other bakery items, were significant contributors with a 35% share. Additionally, vegetables, tubers, plantains, cooking bananas, and pulses played a substantial role with a 30.6% share, followed by fish and other seafood at 13.4%. Core inflation, which excludes selected food and energy items, decelerated to 6.1% in August 2023 from 6.7% in July 2023, resulting in an average core inflation of 7.4% for January to August 2023, compared to 4.6% in August 2022. (*BusinessMirror*)
- ➔ **BSP adopts variable rate format for RRP.** The Bangko Sentral ng Pilipinas (BSP) is set to introduce a significant change in its monetary policy by shifting to a variable-rate format with a predetermined offer volume in the auction for the overnight reverse repurchase (RRP) facility. This shift, which takes effect on September 8, aims to enhance the price discovery process by providing a market-determined interest rate that reflects the prevailing cost and demand for overnight funds in the financial system. The BSP believes that these reforms will help strengthen the transmission of monetary policy and its implementation. Under this change, the monetary policy rate will be referred to as the "Target RRP Rate," and a formal operational target called the "Overnight [ON] RRP Rate" will be introduced. The Target RRP Rate will be set following the Monetary Board's meeting on the BSP's monetary policy stance, while the ON RRP Rate will be an operational target that is market-determined and considered a short-term interest rate. This shift is expected to yield a market-determined rate for overnight funds, the ON RRP rate, which conveys the results of daily RRP auctions. It is anticipated that the ON RRP rate will closely align with the Target RRP Rate and provide valuable information on liquidity conditions and their relationship to monetary policy. This change is expected to enhance the credibility of the yield curve and promote transparency and efficiency in the market. Rizal Commercial Banking Corporation Chief Economist Michael L. Ricafort believes that this shift will lead to a "more credible yield curve" and complete the Philippine Bloomberg Valuation Service (BVAL) tenors, providing daily market-determined rates for various tenors. It will allow for a more dynamic and market-determined reflection of the true cost of funds for both borrowers and lenders, promoting transparency and efficiency in the market while facilitating the transmission of monetary policy in a more dynamic manner. (*BusinessMirror*)

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## Economic Developments

- ➔ **PH issued 2K SPSICs in 2 months for rice-gap imports.** The Philippines has issued over 2,000 sanitary and phytosanitary import clearances (SPSICs) for the importation of nearly 2 million metric tons of rice in the past two months to address a local supply shortfall. These imports are permitted under existing regulations and will be allowed to enter the country until October. The Philippines is expected to import a record level of 3.9 million metric tons of rice this year to meet growing local demand. Vietnam accounts for nearly 90% of the total rice volume imported by the Philippines. The rise in global rice prices from countries like Vietnam and Thailand has been influenced by India's export ban on non-basmati white rice and broken rice, as well as seasonal tighter availabilities in major rice-producing regions in Asia. These factors have contributed to increased reference prices for imported rice in the Philippines. The Philippine Statistics Authority has warned that rice may cause higher inflation in the coming months as prices return to levels seen before the implementation of a law aimed at lowering the price of the staple. (*BusinessMirror*)
- ➔ **OECD cuts PH 2023 growth forecast to 5.6%.** The Philippine economy's growth forecast for 2023 has been revised slightly lower to 5.6%, down from the 5.7% projected in March, according to the OECD Development Center. The think tank attributes this adjustment to the impact of high interest rates on pent-up demand for goods and services. The report notes that strong pent-up demand drove economic expansion in the first quarter of 2023, but this was tempered by higher inflation and substantial borrowing costs due to the central bank's aggressive monetary tightening measures. The dampening effect on private consumption and investments in subsequent months, along with a contraction in government spending, resulted in the Philippine economy's growth slowing to 4.3 percent in the second quarter, the lowest in nearly 12 years. The OECD Development Center anticipates a rebound in the second semester, driven by government spending, as it expects catch-up plans and frontloading of programs and projects. However, the report highlights ongoing inflationary pressures in the Philippines, including the potential impact of El Niño on agriculture, urban wage increases, and the restrictive policies of the US Federal Reserve and the European Central Bank. It suggests that the central bank is likely to maintain a high-interest-rate regime, which could further dampen GDP growth if pent-up demand eases. (*Inquirer*)

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## Corporate Developments

- ➔ **Ayala Land, Inc. (ALI)**. ALI has appointed Anna Ma. Margarita B. Dy as the company's President and Chief Executive Officer, making her the first female chief of Ayala Corporation (AC)'s real estate development arm. Meean Dy succeeds Bernard Vincent O. Dy, who retires from ALI after 26 years with the company. Effective October 1, 2023, Bernard Dy will take on a new role as Senior Advisor to ALI Chairman, Jaime Augusto Zobel de Ayala. Meean Dy has been with ALI for several years and has held various leadership roles within the company, including Executive Vice President and Chief Operating Officer. She played a significant role in launching critical projects in ALI's portfolio, such as BGC, Nuvali, Vertis, and Arca South. Her extensive experience and leadership in strategic land management, residential development, and other key areas have prepared her for this new role. She holds an impressive educational background, having graduated magna cum laude from Ateneo De Manila University's Economics Honors Program in 1990. She earned her Master's Degree in Economics from the London School of Economics and Political Science in 1991 and an MBA from Harvard Graduate School of Business Administration in 1996. Her appointment reflects AC's commitment to effective succession planning and promoting diversity and inclusion in leadership roles. *(ALI Disclosure)*
- ➔ **Metro Pacific Investments Corporation (MPI)**. The Government Service Insurance System (GSIS) has surprised investors by announcing an increase in its stake in MPI by nearly four times, giving it about 12% ownership. This move comes just days before the conclusion of MPI's PHP55-billion privatization bid. GSIS's upsized stake, worth about PHP17.8 billion at the tender offer price of PHP5.20 per share, gives the pension fund enough influence to potentially block MPI's proposed delisting from the Philippine Stock Exchange (PSE) due to its low stock market valuation. Market observers suggest that GSIS may be strengthening its position to negotiate better buyout terms from the bidding consortium, which includes First Pacific Group, GT Capital Holdings, Mitsui Group, and Manuel V. Pangilinan, the chair and CEO of MPI. GSIS's move could prompt the consortium to raise the offer price or reconsider the delisting plan altogether. The surprise move by GSIS has caused uncertainty in MPI's stock price, which fell 1.2% to PHP5.10 per share, as investors assess the implications of the increased stake and its potential impact on the privatization bid. *(Inquirer)*

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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
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

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**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

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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	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

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