

Market Commentary

➔ **The View:** The PSEi 1.77 points or 0.03% and ended Monday at 6,124.7. The benchmark index closed flat after another muted trading session. Investors are likely to remain on the sidelines ahead of the policy meetings of the US Federal Reserve (Fed) and the Bangko Sentral ng Pilipinas (BSP). In the US, the 3 main indices had marginal changes yesterday. The Dow was up 0.02%, while the S&P500 and the Nasdaq Composite rose by 0.07% and 0.01%, respectively. The rather flat session came ahead of the Fed's policy meeting on the 20th (US time) wherein it is widely expected to hold policy rates unchanged. Investors will also parse through the weekly US jobless claims ahead of the Fed's meet. Meanwhile, European markets started off the week in the red. Investors' focus is currently fixed on central banks' decisions, both in the West and in Asia. Indications of a peak in the European Central Bank (ECB)'s monetary tightening cycle may have helped buoy the European markets. In the Asia-Pacific front, markets mostly ended lower as well. Hong Kong's Hang Seng led the losses in the region with 1.39%, followed by South Korea's Kospi with 1.02%. The Bank of Japan and the People's Bank of China are scheduled to release monetary policy decisions on Friday. In the local bourse, sectors had mixed results with sub-1% changes. Mining&Oil (-0.85%) had the biggest contraction while Property (+0.41%) had the best performance among the sectors. In the main index, ALI (+2.39%), ICT (+1.95%), and SMC (+1.83%) led Monday's 15 gainers. On the flip side, CNVRG (-3.33%), AEV (-3.28%), and ACEN (-3.01%) were the worst performers among 13 laggards. The market's total turnover value stood at a measly PHP3.65 billion, while total foreign activity ended at PHP3.13 billion. Net foreign selling continued for the 20th consecutive session and amounted to PHP419.26 million. The Philippine Peso weakened further against the US dollar and closed at PHP56.866 yesterday from PHP56.815 last Friday. The local bourse may continue to trade sideways as investors try to find a more definite direction for the market when the central banks' decisions finally come out towards the end of the week. The PSEi is at a vulnerable position, holding on at the lower end of the 6,100-support level. Strongly hawkish statements from central banks are likely to cause a breach of the support level while less aggressive monetary policy outlooks may help the benchmark index initiate a strong rally.

PSEI INTRADAY



INDICES

Index	Prev	Last	% Chg
PSEi	6,126.34	6,124.57	-0.03%
All Shares	3,320.18	3,309.24	-0.33%
Financial	1,786.93	1,773.81	-0.73%
Industrial	8,789.88	8,792.39	0.03%
Holding Firms	5,859.32	5,865.33	0.10%
Property	2,502.59	2,512.77	0.41%
Services	1,494.56	1,490.34	-0.28%
Mining & Oil	10,485.61	10,396.08	-0.85%

TOP 10

ALI	2.39%	CNVRG	-3.33%
ICT	1.95%	AEV	-3.28%
SMC	1.83%	ACEN	-3.01%
SCC	1.45%	TEL	-2.92%
UBP	1.38%	PGOLD	-2.41%
SM	0.87%	MBT	-2.07%
JFC	0.79%	BPI	-1.82%
MPI	0.78%	GTAP	-1.10%
AC	0.48%	LTG	-0.67%
EMI	0.48%	MER	-0.66%

BOTTOM 10

Stock Picks

Stock	Date	Initial Price	Current Price	Return since Recommendation	
				Stock	PSEi
TEL	3/13/20	1,029.00	1,096.00	6.51%	5.71%
CNPF	3/13/20	13.10	28.95	120.99%	5.71%
FGEN	9/23/20	24.80	18.40	-25.81%	3.93%
AP	9/23/20	25.55	31.70	24.07%	3.93%
BDO	11/17/20	92.60	129.50	39.85%	-11.47%
BPI	11/17/20	83.00	108.00	30.12%	-11.47%
MBT	11/17/20	44.35	52.00	17.25%	-11.47%
SECB	11/17/20	103.90	76.85	-26.03%	-11.47%
CNVRG	6/13/22	22.50	8.70	-61.33%	-5.30%
ALI	6/13/22	30.05	27.80	-7.49%	-5.30%
SGP	6/13/22	12.06	8.25	-31.59%	-5.30%
Ave. Return				7.87%	-3.86%

MARKET DATA

Market Volume	549,702,280
Market Turnover (Value)	3,646,499,555
Foreign Buying	1,357,485,143
Foreign Selling	1,776,742,023
Net Foreign Buy / (Sell)	(419,256,880)

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Economic Developments

- ➔ **PH auto output up 14% in July — AAF.** The Philippine auto industry saw a 14.4% year-on-year increase in its production of cars and motorcycles in July, reaching 8,961 units, ranking among the top three in the ASEAN region. The strongest growth in July was in Myanmar, with an 85.9% increase, although off a low base, and Malaysia recorded a 28.4% growth to 66,862 units. In the first seven months of the year, the Philippines led the region in terms of growth rate, with a 36.9% increase in production to 65,934 units, followed by Malaysia at 16.1%, Thailand at around 6%, and Indonesia at around 6%. However, Myanmar experienced an 87.3% decline in production, while Vietnam saw a 31.2% decrease. In terms of sales, the Philippines posted the strongest growth in July at 33.3% year-on-year, with 37,086 units sold. The Philippines and Malaysia were the only countries to experience growth in sales during the period, with Malaysia recording a 27.5% increase to 63,676 units. In the first seven months, the Philippines again led in terms of growth, with a 31.1% increase to 239,501 units, followed by Malaysia at 12.6%, Indonesia at 4.5%, and Thailand at 8.8%. However, sales declined in Myanmar by 39.9% and in Vietnam by 18.4% during the same period. (*BusinessWorld*)
- ➔ **BSP profit plunges 64% to PHP19.8 billion in 1H2023.** The Bangko Sentral ng Pilipinas (BSP) reported a 63.6% year-on-year drop in earnings to PHP19.86 billion (\$372 million) for the first half of 2023. Total revenues, primarily comprising interest income on foreign investments, government securities, and treasury bonds, increased by only 6.7% to PHP90.63 billion from PHP84.96 billion a year earlier. Interest earnings surged by 31.8% to PHP93.41 billion from PHP70.89 billion. However, miscellaneous activities, including trading gains or losses, fees, penalties, and other operating income, resulted in a net loss of PHP2.78 billion for the first half. Meanwhile, total expenses at the BSP jumped by 78.3% to PHP102.58 billion from PHP 57.53 billion, driven by a 172% increase in interest expenses to PHP80.15 billion from PHP 29.51 billion. Other expenses declined by 20% to PHP 22.43 billion from PHP 28.02 billion. On the positive side, the BSP booked a net gain of PHP31.81 billion from foreign exchange fluctuations in the first semester, almost 17% higher than the PHP27.21 billion recorded the previous year. The profit of the BSP reached a record-high level of PHP63.73 billion in 2022, nearly double the PHP33.98 billion booked in 2021. (*Philstar*)
- ➔ **NFA sets new palay buying prices.** The National Food Authority (NFA) in the Philippines has adjusted the price range for purchasing unhusked rice (palay) to support farmers and ensure an adequate rice supply. The NFA Council, chaired by President Ferdinand Marcos Jr., who also serves as the agriculture secretary, has set the buying price for dry palay at PHP19 to PHP23 and for wet palay at PHP16 to PHP19. The move aims to provide better livelihoods for farmers while stabilizing rice prices. The initially proposed prices of PHP20 to PHP25 were considered too high and could lead to retail price increases. Farmers currently receive PHP16 to PHP19 per kilogram of palay. The Philippine government has also implemented price caps on rice to address rising retail prices, although this move has faced criticism from agricultural groups and economists who believe it could negatively impact farmers and traders. Various factors, including hoarding, smuggling, the Russia-Ukraine conflict, India's ban on non-basmati white rice exports, and oil price volatility, have contributed to rising rice costs in the country. (*Philstar*)

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Economic Developments

➔ **Global investors no longer extremely bearish, BofA survey shows.** The September global fund manager survey conducted by Bank of America (BofA) reveals that while investors are no longer extremely bearish, they are still cautious due to lingering global growth risks. The sentiment indicator, which considers cash positions, equity allocation, and economic growth expectations, slightly decreased from 2.3 to 2.2, indicating that investors are still bearish but not to an extreme extent. Cash levels among fund managers increased slightly from 4.8% to 4.9% of assets under management (AUM) in September. While cash levels are at the upper end of the normal 4% to 5% range, they remain below the maximum bearish level of 6.3% seen in October of the previous year. One notable shift in allocation is the record jump in fund managers' allocation to US equities, moving from a 22% "underweight" position to a net 7% "overweight" position. This marks the first time since August 2022 that investors have turned overweight on US stocks. However, investors are reducing their positions in emerging market (EM) equities, with a 25-percentage point decrease in allocation from the previous month's net 34% overweight to net 9% overweight. This represents the smallest overweight allocation since November 2022. Regarding global economic outlook, 53% of fund managers expect a weaker global economy in the next 12 months, up from 45% in August. There is a disconnect between growth expectations and the upswing in the S&P 500, suggesting that equity optimism is driven by expectations of rate cuts. The survey indicates that six out of 10 investors believe the US Federal Reserve is done hiking rates, with the majority expecting the first rate cut to occur between April and December 2024. (*Inquirer*)

Corporate Developments

➔ **Metro Pacific Investments Corporation (MPI).** MPI is on track to conclude its extended tender offer for shares, which is set to close on September 19. The company has seen an influx of tendered shares, bringing it closer to fulfilling its voluntary delisting plan from the Philippine Stock Exchange (PSE). At present, 5.4 billion MPIC common shares have been tendered, equivalent to 18.7% of the total issued and outstanding listed shares. When combined with excluded shares and non-public shares, this equals 96.87% of the total issued and outstanding listed shares. This will enable MPI to reduce its public float to below 10% and proceed with its delisting plan. Originally, the tender offer period was scheduled to end on September 7, but an extension was granted to accommodate shareholders who missed the initial deadline. The move was intended to give shareholders more time to evaluate recent developments related to MPI's delisting and make an informed decision regarding participation in the tender offer. The majority shareholders orchestrating the delisting include First Pacific Co. Ltd., GT Capital Holdings Inc., a consortium involving Mitsui & Co., Ltd., and MIG Holdings Inc. (MIG). Government Service Insurance System (GSIS), a state-owned pension fund, has decided to retain its position as a shareholder in MPI and increased its stake to approximately 11.98% of the total outstanding common shares. (*Philstar*)

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Corporate Developments

➔ **Aboitiz Power Corporation (AP)**. SN Aboitiz Power (SNAP) and the National Irrigation Administration (NIA) have entered into an agreement to jointly conduct a feasibility study for the Alimit multipurpose dam project in the Philippines. This collaborative effort aims to assess the viability of the project, which encompasses irrigation, flood mitigation in the Cagayan Province, and additional hydropower generation for the Luzon grid. Furthermore, the partnership is anticipated to bring various benefits to the region, including improved agriculture, aquaculture, tourism, and overall industrial development. SNAP, a joint venture between SN Power of Norway and AP, has been reevaluating the Alimit Hydropower Complex, which has a proposed capacity of 390 megawatts (MW). This reassessment has been prompted by challenges in the permitting process and grid interconnection issues. While the project may not entirely prevent flooding, it has the potential to alleviate it by trapping water, contributing to the flood reduction efforts in Northern Luzon. The collaboration between SNAP and NIA builds upon their existing partnership in the operation of the Magat dam, the largest multipurpose dam in the Philippines, which plays a crucial role in the agricultural productivity of Region II and electricity generation for the Luzon grid. (*BusinessMirror*)

Overseas Developments

➔ **Major central banks are on the brink of peak rates — but the inflation battle might not be over.** Several central banks, including the European Central Bank (ECB), are at or near the peak of their interest rate hikes, signaling a potential end to the tightening cycle. The ECB recently increased its key rate to 4%, citing the need to return inflation to its target. While further hikes are not ruled out, they are seen as contributing to the timely return of inflation. The short-term inflation outlook remains concerning, with projections for 2023 revised upward to 5.6%, but the medium-term outlook for 2025 has been slightly lowered to 2.1%. Discussions are now centered around how long interest rates will remain at the current level. The US Federal Reserve (Fed) is also considering further rate hikes due to ongoing inflation concerns. While monthly data shows continued price pressures, the Fed is expected to keep rates steady in September. However, it is split on whether another hike will be delivered this year. The Bank of England is expected to implement one final hike in September to address inflation of 6.8%, although there are signs of economic stress and talk of a "mild recession." The decision will depend on various factors, including wage growth, inflation pressures, and economic activity indicators. (*CNBC*)

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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
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
SLF	Sun Life Financial Inc.	CAD 0.75	Cash	Common	08/29/23	08/30/23	09/29/23
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
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
ALCO	Arthaland Corporation	Php1.7319	Cash	Common	09/01/23	09/04/23	09/28/23
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
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
PREIT	Premiere Island Power REIT Corporation	Php0.0359	Cash	Common	09/22/23	09/23/23	09/29/23
MWP5	Megawide Construction Corporation	Php1.97605	Cash	Preferred	09/25/23	09/26/23	10/17/23
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
SMC	San Miguel Corporation	Php0.35	Cash	Common	10/05/23	10/06/23	10/27/23
MWP4	Megawide Construction Corporation	Php1.325	Cash	Preferred	10/09/23	10/10/23	10/30/23
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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