



## Market Commentary

➔ **The View:** The PSEi went up by 110.74 points or 1.77% and settled at 6,374.68 yesterday. The benchmark posted its strongest session since June 26 when it surged by 2.03%. It is currently on a 5-day rally, running on a 5.5% gain during the stretch. Investors continued to take advantage of lower prices and to adjust their portfolio ahead of the month's end. In the US, the 3 main indices had smaller movements following a sharp decline last Tuesday. The S&P500 and the Nasdaq Composite inched up by 0.02% and 0.22%, respectively. The Dow, however, went down by 0.20%. Rising bond yields continued to put pressure on equities. The 10-year US treasury yield hit 15-year highs during the session yesterday. Investors will be waiting for further cues from various economic data like jobless claims and home sales today (US time). Furthermore, the latest personal consumption expenditures (PCE) index, the US Federal Reserve (Fed)'s preferred inflation gauge, is set to be released on Friday (US time). Meanwhile, European markets continued their downturns as inflation and interest rate concerns continued to dampen market sentiment. The slowed growth raised further concerns for the business environment in the region. European currencies continued to take a beating from the US dollar, mainly due to the contrasting stances of the European Central Bank (ECB) and the Fed on interest rate hikes. The former is considering an end to its cycle, while the latter is signaling at least one more policy hike before reaching a terminal rate. In the Asia-Pacific, markets mostly had minor recoveries yesterday. Hong Kong's Hang Seng went up by 0.70%, while China's CSI 300 rose by 0.21%. Industrial firms' profits in China fell by 11.7% YoY in August, easing from the 15.5% decline in the first 7 months of the year. In the local bourse, sectors were across the board led by Financial (+2.28%) and Holding Firms (+1.78%). In the main index, AEV (+4.56%), ACEN (+4.26%), and BDO (+4.20%) led Wednesday's 25 gainers. On the other hand, BLOOM (-3.45%), URC (-0.67%), and AGI (-0.48%) were the only laggards, with GTCAP and ALI ending unchanged. The market's total turnover value stood at PHP6.73 billion, while total foreign activity amounted to PHP6.45 billion. Net foreign selling continued and reached PHP301.32 million yesterday. The Philippine Peso was almost unchanged yesterday at PHP56.95 against the US dollar. While yesterday was a breakout session for the PSEi, downside pressures remain strong due to ongoing global uncertainties with respect to inflation and interest rates. Investors might opt to book profits for now until they see the possibility of mounting a more sustainable rally.

## 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%	10.02%
CNPF	3/13/20	13.10	29.70	126.72%	10.02%
FGEN	9/23/20	24.80	18.80	-24.19%	8.18%
AP	9/23/20	25.55	34.50	35.03%	8.18%
BDO	11/17/20	92.60	141.50	52.81%	-7.85%
BPI	11/17/20	83.00	112.00	34.94%	-7.85%
MBT	11/17/20	44.35	53.90	21.53%	-7.85%
SECB	11/17/20	103.90	78.25	-24.69%	-7.85%
CNVRG	6/13/22	22.50	9.31	-58.62%	-1.43%
ALI	6/13/22	30.05	29.50	-1.83%	-1.43%
SGP	6/13/22	12.06	8.24	-31.67%	-1.43%
Ave. Return				13.24%	0.06%

## PSEI INTRADAY



## INDICES

Index	Prev	Last	% Chg
PSEi	6,263.94	6,374.68	1.77%
All Shares	3,361.38	3,412.88	1.53%
Financial	1,823.31	1,864.86	2.28%
Industrial	8,923.01	9,042.69	1.34%
Holding Firms	5,952.13	6,058.11	1.78%
Property	2,607.22	2,637.75	1.17%
Services	1,498.05	1,516.82	1.25%
Mining & Oil	10,445.83	10,506.67	0.58%

## TOP 10

## BOTTOM 10

AEV	4.56%	BLOOM	-3.45%
ACEN	4.26%	URC	-0.67%
BDO	4.20%	AGI	-0.48%
WLCON	3.40%	GTCAP	0.00%
MONDE	3.39%	ALI	0.00%
ICT	2.66%	GLO	0.22%
UBP	2.46%	LTG	0.44%
MER	2.32%	EMI	0.48%
JGS	2.23%	JFC	0.79%
SMPH	2.14%	TEL	0.85%

## MARKET DATA

Market Volume	764,540,974
Market Turnover ( Value)	6,726,285,488
Foreign Buying	3,073,906,836
Foreign Selling	3,375,222,060
Net Foreign Buy / (Sell)	(301,315,223)

Mandarin Securities Corp.

Hanz Elmer Torres

hanz.torres@mandarinsecurities.com

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## Economic Developments

- ➔ **Philippines sells \$611 million in RDBs.** The Philippine government has successfully raised \$611.2 million through its second onshore retail dollar bonds (RDBs) auction. While this amount slightly exceeded the \$636 million on offer, it fell short of the \$1 billion target mentioned by Finance Secretary Benjamin E. Diokno. The five-and-a-half-year RDBs fetched a coupon rate of 5.75%, significantly higher than the rates set for previous retail dollar bonds, reflecting the current economic environment. Despite being smaller in scale compared to the government's overseas bond issuances, retail dollar bonds are gaining popularity among individual investors in the Philippines, and this auction underscores their reliability as a funding source for the country. Nicholas Antonio T. Mapa, a senior economist at ING Bank N.V. Manila, noted that the favorable credit rating of the Philippines should support pricing for the RDBs. In the current market with ample liquidity, investors are seeking alternative outlets for their funds, making these retail dollar bonds an attractive option. While the coupon rate is higher than yields for previously issued offshore dollar bonds in the secondary market, it may still attract more investors, potentially increasing the final amount raised to surpass the \$1 billion mark that the government could aim for. The offer period for these dollar-denominated bonds is from September 27 to October 6, with settlement scheduled for October 11, 2023, and the bonds maturing on April 11, 2029. (*BusinessWorld*)
- ➔ **IT-BPM sector on track to hit revenue goal, boost GDP share.** The Philippine information technology and business process management (IT-BPM) industry is poised to reach its revenue target of \$35.4 billion by the end of 2023, according to the IT and Business Process Association of the Philippines (IBPAP). Driven by strong government support, a talent gap in North America, and increased demand from US outsourcing firms, the industry is on track to achieve 8.8% annual growth, outpacing the global industry growth rate of 7.7%. This growth will elevate the industry's contribution to the country's GDP from 7% to 8.4%, solidifying the Philippines' position as a global IT-BPM leader. Furthermore, the Philippine IT-BPM sector has surpassed the global industry in terms of headcount, with 1.7 million full-time employees—an 8.7% increase from the previous year. Filipinos' reputation for delivering complex business services across diverse industries makes the Philippines a preferred destination for offshoring and delivering customer experience. The government's support for remote and hybrid work policies has played a significant role in the industry's growth, attracting foreign investments, and contributing to the sector's robust development outside Metro Manila. Locations like Cagayan de Oro, Cebu, Clark, Davao, and Iloilo have become favored locations for IT-BPM companies, further spreading economic benefits to regions in need and other sectors. While India remains the top global IT-BPM player, the Philippines is positioned to overtake India in terms of delivering customer experience. (*BusinessWorld*)

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## Economic Developments

- ➔ **House approved 2024 budget bill.** The Philippine House of Representatives has approved the PHP5.786-trillion national budget for 2024, representing a 9.5% increase from the current year's budget and equivalent to 21.7% of the country's GDP. This approval came after President Ferdinand R. Marcos, Jr. certified the measure as urgent. The budget is intended to support economic transformation, inclusivity, and sustainability in line with the administration's medium-term fiscal framework and development agenda. While the House has approved the budget, the Senate is still holding hearings on agency budgets and expects to pass the measure on final reading by November. Some members of the House criticized the budget, noting its similarities to previous years and expressing concerns about insufficient allocations for food, labor, and social services. Additionally, the House plans to reallocate confidential and intelligence funds from the Office of the Vice President and the Department of Education to intelligence and security forces in response to rising tensions with China. The Senate has also committed to reallocate such funds to relevant security agencies. (*BusinessWorld*)
- ➔ **HSBC sees higher inflation, interest rate cut next year.** HSBC has raised its inflation forecasts for the Philippines, predicting that inflation will average 5.9% for 2023 and 3.7% for 2024. This upward revision is due to expectations that the Bangko Sentral ng Pilipinas (BSP) will implement another 25-basis-point rate hike before the end of the year. The BSP has been aggressive in its rate hikes to combat inflation and stabilize the peso, raising key policy rates by 425 basis points between May 2022 and March 2023. Despite six consecutive months of inflation decline, the central bank is expected to deliver one more rate hike in the fourth quarter of this year. HSBC also anticipates that the BSP will eventually start an easing cycle, cutting key policy rates by 50 basis points in the second half of 2024 and by another 100 basis points in 2025. However, this easing is expected to be gradual and dependent on the global economic environment and the evolving inflation situation. HSBC also forecasts the peso to hover around the PHP57:\$1 level, citing the country's wide current account deficit and growing trade gap as contributing factors. The local currency has weakened recently due to aggressive rate hikes by the US Federal Reserve and a credit rating downgrade for the US by Fitch Ratings. (*Philstar*)
- ➔ **NGCP sees Batangas-Mindoro link completed 2 years ahead of schedule.** The National Grid Corp. of the Philippines (NGCP) has agreed to accelerate the completion of the Batangas-Mindoro interconnection project by two years, according to the Department of Energy. Originally scheduled for completion in 2027, the project will now be finished by the end of 2025. The interconnection of Mindoro to the Luzon grid is expected to reduce the universal charge for missionary electrification (UCME) by 20%. UCME is collected from end-users under the Electric Power Industry Reform Act of 2001 to fund electrification in remote communities not connected to the main transmission grid. The project will involve laying submarine cables, installing overhead transmission lines, and developing substations to improve power transmission services and ensure reliable and affordable electricity in Mindoro. (*Philstar*)

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## Corporate Developments

- ➔ **Aboitiz Power Corporation (AP), Vivant Corporation (VVT).** Aboitiz Renewables, Inc. (ARI), the renewable energy arm of AP, has entered into a joint venture agreement with Vena Energy and Vivant Energy Corporation (VVT) to develop, construct, and operate the 206-megawatt San Isidro Wind Power Project in San Isidro, Northern Samar, Visayas. The project is expected to achieve financial close and commence construction in the fourth quarter of 2023, with commercial operations slated to begin in the first quarter of 2025. This initiative aligns with ARI's goal to expand its renewable energy capacity to 4,600 MW and achieve a 50:50 balance between renewable and thermal portfolios. ARI's President and Chief Operating Officer, James Arnold Villaroman, expressed excitement about contributing to the Philippines' clean energy goals through this partnership. Emmanuel Rubio, President, and CEO of AP emphasized the project's importance in enhancing their wind energy portfolio and supporting a well-managed energy transition. VVT President and COO, Emil Andre Garcia, highlighted the partnership's role in helping the country achieve energy security, promote renewable energy, and expand its renewable energy portfolio to 30% by 2030. *(AP Disclosure)*
- ➔ **First Gen Corporation (FGEN).** FGEN is on track to make its liquefied natural gas (LNG) terminal in Batangas fully operational by the end of the year. The company's president and COO, Francis Giles Puno, stated that they anticipate the "normalization of operations" by November, aiming to have the facility fully operational before the year concludes. The FGEN LNG terminal will serve the natural gas requirements of existing and future gas-fired power plants owned by both FGEN and third parties, playing a critical role in ensuring energy security for the Luzon grid and the Philippines. The FGEN LNG terminal project is progressing with the commissioning of the gas and connection of onshore and offshore facilities. This development is part of FGEN's efforts to introduce LNG to the Philippines, enhancing energy security and meeting the country's growing demand for natural gas. *(Philstar)*

## Other Developments

- ➔ **Mitsubishi Motors will stop making cars in China—Nikkei.** Mitsubishi Motors Corp. is reportedly ending production in China, following a two-month suspension of its business operations in the country due to poor sales. The Japanese automaker is making final arrangements with its Chinese venture partner, Guangzhou Automobile Group Co., to cease manufacturing. The venture, GAC Mitsubishi Motors Co., has a factory in Hunan province, southern China. Earlier this year, Mitsubishi Motors announced the indefinite halt of its China business and staff layoffs due to sales falling far below expectations, especially as the Chinese market rapidly shifts to electric vehicles (EVs). Mitsubishi's struggles in China mirror the challenges faced by other Japanese automakers that have been slow to introduce EVs and have lost market share to newer competitors like Tesla and BYD. Chinese buyers are increasingly embracing EVs, with one in every four cars sold in the country being electric. While Japanese carmakers have committed to expanding their EV offerings, they are playing catch-up to market leaders, making it a competitive challenge to regain market share in China. Mitsubishi Motors, which sold only 515 electric Airtrek sport-utility vehicles in China in 2022, is planning to invest up to ¥1.8 trillion (\$12 billion) in electrification by 2030. *(Bloomberg)*

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hanz.torres@mandarinsecurities.com



## Other Developments

- ➔ **Partial US government shutdown just four days away as congressional standoff continues.** Republican US House Speaker Kevin McCarthy rejected a stopgap funding bill, increasing the likelihood of a partial government shutdown. If no agreement is reached by September 30, it would be the fourth partial government shutdown in a decade. The Senate passed a bipartisan plan to fund the government through November 17, giving lawmakers more time to work on full-year funding levels, but McCarthy indicated that there is not enough support for this plan in the House. The House was focusing its efforts on passing more of the 12 separate full-year funding bills, although even if all four of them were signed into law, they wouldn't prevent a partial government shutdown. President Joe Biden has urged Congress to pass a short-term extension of fiscal 2023 spending along with emergency aid for natural disasters and support for Ukraine. The standoff could have serious implications, including disruptions to vital services like cancer research and food safety. Credit rating agencies like Moody's and Fitch have warned that it could damage the federal government's creditworthiness. The hardline stance by some Republicans, who are demanding deeper spending cuts and measures to stop immigration at the U.S.-Mexico border, is complicating the budget negotiations. The situation is causing concern and uncertainty, with preparations underway for determining which federal workers will continue to work without pay and which will be furloughed if a shutdown occurs. *(Reuters)*
- ➔ **Indonesia to ban purchases on social media like TikTok, says it will further regulate e-commerce.** Indonesia's Ministry of Trade is working to regulate e-commerce further, stating that the country does not permit transactions on social media platforms. This means that users in Indonesia cannot buy or sell products and services on platforms like TikTok and Facebook. The government aims to prevent the misuse of public data and protect personal information from being used for business purposes. These regulations could significantly impact TikTok's e-commerce ambitions in Indonesia, which is its second-largest market with 113 million users. Indonesia's move benefits competitors like Shopee, the e-commerce arm of Sea Limited, and domestic players, as they stand to gain from the potential disruptions TikTok sellers might experience during the transition. Indonesia's President Joko Widodo called for social media regulations due to the impact of these platforms on local businesses and the economy. While respecting local laws and regulations, TikTok hopes that the regulations consider the livelihoods of millions of sellers and creators who use TikTok Shop. *(CNBC)*

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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
SLF	Sun Life Financial Inc.	CAD 0.75	Cash	Common	08/29/23	08/30/23	09/29/23
ALCO	Arthaland Corporation	Php1.7319	Cash	Common	09/01/23	09/04/23	09/28/23
CREIT	Citicore Energy REIT Corp.	Php0.049	Cash	Common	09/08/23	09/09/23	10/04/23
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
DDPR	DoubleDragon Corporation	Php2.42125	Cash	Preferred	09/28/23	09/29/23	10/16/23
LPZ	Lopez Holdings Corporation	Php0.10	Cash	Common	09/28/23	09/29/23	10/25/23
FEU	Far Eastern University, Inc.	Php16.00	Cash	Common	10/02/23	10/03/23	10/18/23
JFPCA	Jollibee Foods Corporation	Php8.20525	Cash	Preferred	10/03/23	10/04/23	10/16/23
JFCPB	Jollibee Foods Corporation	Php10.60125	Cash	Preferred	10/03/23	10/04/23	10/16/23
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

**Mandarin Securities Corp.****Hanz Elmer Torres**

hanz.torres@mandarinsecurities.com

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



## Stocks Dividends/Property Dividends

Ticker	Company	Amount/Rate	Dividend Type	Share Type	Ex-date	Record Date	Payment Date
PNB	Philippine National Bank	0.156886019 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	AgriNuture, 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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28/F LKG TOWER, 6801 AYALA AVENUE, MAKATI CITY : OFFICE: +63 (02) 884-1271 : FAX +63 (02)884-1384