

## Market Commentary

➔ **The View:** The PSEi inched up by 10.84 points or 0.17% and ended at 6,385.52 yesterday. The benchmark index sustained its ongoing rally to a 6<sup>th</sup> session on continued bargain hunting and window dressing. In the US, the 3 main indices notched small gains yesterday. The Dow went up by 0.35%, while the S&P500 and the Nasdaq Composite rose by 0.59% and 0.83%, respectively. This month, the S&P500 is poised to close down 4.6%, marking the worst month of 2023 for the index, and the quarter will end 3.4% lower. Similarly, the Nasdaq Composite is down nearly 6% for the month and 4.3% for the quarter, making it the worst month this year for the index. The Dow is set for a 3% decline in September and a 2.2% drop for the quarter. Investors are looking toward the personal consumption expenditure (PCE) data set to be released before the week ends (US time). Meanwhile, European markets snapped their losing streaks as investors cheered the lower-than-expected preliminary inflation print of the embattled Germany. It was the lowest since Russia's invasion of Ukraine. However, investors remained cautious as they continued to assess global uncertainties. In the Asia-Pacific, markets mostly closed lower led by Japan's Nikkei with a 1.54% decline. Hong Kong's Hang Seng also dropped by 1.36%, while Australia's ASX200 had a marginal loss of 0.08%. China's Shanghai Composite bucked the trend after gaining 0.1%. In the local bourse, Services (+1.15%) had the biggest change. The rest had sub-1% movements. In the main index, AEV (+4.05%), ACEN (+3.67%), and CNVRG (+3.54%) were the top performers among Thursday's 16 gainers. On the other hand, PSEi newcomer, CNPF (-2.69%), led the 9 laggards along with GTCAP (-2.54%) and MER (-1.85%). The market's total turnover value fell by 23% to PHP5.17 billion while total foreign activity fell to PHP4.97 billion. Foreigners finally snapped the 27-session net sell streak and finished with a net buy of PHP194.03 million yesterday. The Philippine Peso depreciated by 3 cents and closed at PHP56.98 against the US dollar, its weakest level since November 2022. The benchmark index held its ground amidst some hints of profit taking after the PSEi went up to the 6,400-level momentarily, as we approach the end of September, a historically weak month and quarter for the stock market. Still, the PSEi is currently up by 3.95% this week and could finish both the week and the month strong after its struggles since the latter part of August. However, the local bourse has become highly susceptible to profit taking given the strong rally recently, paired with the absence of strong catalysts and definite outlook for inflation and interest rates so far.

## Stock Picks

Stock	Date	Initial Price	Current Price	Return since Recommendation	
				Stock	PSEi
TEL	3/13/20	1,029.00	1,228.00	19.34%	10.21%
CNPF	3/13/20	13.10	28.90	120.61%	10.21%
FGEN	9/23/20	24.80	18.72	-24.52%	8.36%
AP	9/23/20	25.55	35.70	39.73%	8.36%
BDO	11/17/20	92.60	141.40	52.70%	-7.70%
BPI	11/17/20	83.00	111.00	33.73%	-7.70%
MBT	11/17/20	44.35	54.15	22.10%	-7.70%
SECB	11/17/20	103.90	79.60	-23.39%	-7.70%
CNVRG	6/13/22	22.50	9.64	-57.16%	-1.26%
ALI	6/13/22	30.05	29.20	-2.83%	-1.26%
SGP	6/13/22	12.06	8.20	-32.01%	-1.26%
<b>Ave. Return</b>				<b>13.48%</b>	<b>0.23%</b>

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## PSEI INTRADAY



### INDICES

Index	Prev	Last	% Chg
PSEi	6,374.68	6,385.52	0.17%
All Shares	3,412.88	3,419.21	0.19%
Financial	1,864.86	1,862.55	-0.12%
Industrial	9,042.69	9,038.76	-0.04%
Holding Firms	6,058.11	6,082.15	0.40%
Property	2,637.75	2,631.79	-0.23%
Services	1,516.82	1,534.29	1.15%
Mining & Oil	10,506.67	10,526.57	0.19%

### TOP 10

AEV	4.05%	CNPF	-2.69%
ACEN	3.67%	GTCAP	-2.54%
CNVRG	3.54%	MER	-1.85%
PGOLD	3.48%	MONDE	-1.54%
WLCON	3.29%	ALI	-1.02%
TEL	3.19%	BPI	-0.89%
DMC	2.12%	SM	-0.41%
URC	1.53%	ICT	-0.29%
LTG	1.44%	BDO	-0.07%
BLOOM	1.32%	AGI	0.00%

### BOTTOM 10

### MARKET DATA

Market Volume	777,992,027
Market Turnover ( Value)	5,170,162,920
Foreign Buying	2,580,939,807
Foreign Selling	2,386,905,419
Net Foreign Buy / (Sell)	194,034,389

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## Economic Developments

- ➔ **Government sets lower PHP150 billion domestic borrowings.** The Philippine government has reduced its borrowing program for October, aiming to raise only PHP150 billion (\$2.84 billion) through the issuance of Treasury bills (T-bills) and Treasury bonds (T-bonds) in the local debt market. This amount is 16.7% lower than the programmed PHP180 billion (\$3.41 billion) borrowing for September. Last month, the government raised only PHP121.1 billion (\$2.29 billion) or 67.3% of the intended amount. The Treasury will auction off PHP60 billion (\$1.14 billion) worth of T-bills and PHP90 billion (\$1.71 billion) in long-term debt securities in October. The government has been borrowing heavily to cover its budget deficit, with plans to borrow at least PHP2.21 trillion (\$41.7 billion) for the year. The reduced borrowing program for October reflects the government's efforts to manage its borrowing needs and stabilize its finances. Despite the deficit narrowing by 12.1% from January to August this year compared to the previous year, the government continues to spend more than it earns. The reduction in borrowing may also be influenced by market conditions and the need to ensure favorable interest rates amid concerns about higher borrowing costs. The government's ability to successfully manage its borrowing program will be crucial in maintaining fiscal stability and managing its budget deficit. *(Philstar)*
- ➔ **Japanese positive on looser PHL investment regulations, but wary about business climate.** Japanese investors have shown interest in the liberalization program taking place in the Philippines, according to the Board of Investments (BoI). During the 10th Consultative Group meeting for the Philippines-Japan Economic Partnership Agreement, 15 Japanese investors expressed optimism about the opening of key Philippine industries and the country's economic outlook and trade policies. However, they also raised concerns related to the business environment in the Philippines, including issues with the value-added tax refund system, tax incentives under the Corporate Recovery and Tax Incentives for Enterprises Act, and the application process for the transfer of assets in economic zones, among other challenges. The BoI noted the importance of addressing these concerns to further attract Japanese investment. On a separate note, the Philippine Economic Zone Authority (PEZA) is optimistic about attracting more Chinese investors, especially in its economic zones. PEZA Director General Tereso O. Panga expressed confidence in the Philippines' ability to provide a conducive business ecosystem for Chinese investors. The Philippines has seen an increasing number of Chinese companies and projects registered with PEZA, with significant investments and job creation as a result. Philippine Ambassador to China Jaime A. FlorCruz also reported active interest from Chinese executives seeking investment opportunities across various industries in the Philippines. *(BusinessWorld)*

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## Economic Developments

- ➔ **Peso drops to new 10-month low.** The Philippine peso fell to a new 10-month low against the US dollar, closing at PHP56.98 pesos per US dollar, its weakest level since November 2022. The drop was attributed to concerns in the market regarding the possibility of a US government shutdown, coupled with the ongoing strength of the US dollar and elevated global crude oil prices. The peso's performance was also influenced by a decrease in trading volume, which fell from \$1.35 billion on Wednesday to \$980.6 million on Thursday. Analysts anticipate further depreciation of the peso in the coming days, with potential pressure from stronger US producer inflation data. The US government shutdown concerns have added to the peso's challenges, as it faces headwinds from various factors, including a stronger US dollar and rising oil prices. These developments may continue to affect the peso's performance in the near term, and analysts are closely monitoring economic data releases and global events for potential impacts on the currency's exchange rate. *(BusinessWorld)*

## Corporate Developments

- ➔ **Union Bank of the Philippines (UBP), Nickel Asia Mining Corporation (NIKL).** UBP will be removed from the 30-member Philippine Stock Exchange Index (PSEi) and other sub-indices effective October 4, 2023. The decision is due to new rules governing shares held by state pension funds, which reclassified shares held by these funds as non-public unless the fund has a board seat in the company. Consequently, UBP's public float fell below the 20% minimum required for PSEi inclusion. The unexpected change comes just eight months after UBP joined the PSEi, and it will be replaced by NIKL in the index. UBP clarified that its ownership structure hasn't changed, and the removal from the PSEi was due to the reclassification of Social Security System (SSS) shares. SSS, which owns nearly 10% of UBP, has two directors on the bank's board. UnionBank emphasized that it remains listed and actively traded on the Philippine Stock Exchange. *(PSE Circular, Inquirer)*
- ➔ **DMCI Holdings, Inc. (DMC).** DMC's Berong Nickel Corporation (BNC) has achieved 88% of its annual land preparation target in just six months, focusing on the rehabilitation of over 30 hectares of the Berong mine. This surpasses the full-year goal of 34 hectares. BNC has also accelerated erosion control and soil stabilization efforts, installing 672 coconets (nearly six times its annual target) and laying down 1,721 meters of geo-textiles to enhance ecological stability in the rehabilitation areas. The company aims to expedite the final mine rehabilitation of Berong, exceeding its seedling production and transplantation targets for 2023 by producing 214,052 seedlings, 152% higher than its 85,000 target. The Berong mine, which operated from October 2006 to December 2021, has contributed to job creation, nickel ore production, and mining-related revenues. BNC's six-year final rehabilitation program, which began in June 2022, covers surface mine areas, silt control structures, and stockpile areas. After rehabilitation, these areas may be repurposed for eco-tourism, agro-forestry, and inland fish farming by the Department of Environment and Natural Resources (DENR), local government units (LGUs), and host communities. *(DMC Disclosure)*

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## Other Developments

- ➔ **Citicore Renewable Energy Corp. (CREC).** CREC has entered a one-year contract to supply 7.5 megawatts (MW) of solar power to Clark Electric Distribution Corp. (CEDC) in the Philippines. This supply will be generated from the Citicore Solar Tarlac 1 and 2 plants, which have a combined capacity of 15 MW, and will continue until December 2024. Citicore intends to extend this agreement to a 10-year supply contract once its 60-MW Bato solar plant in Zambales province reaches full commercial operation, resulting in a total supply of 30 MW for CEDC. CEDC, which distributes power exclusively within the Clark Special Economic Zone and sub-zone, is 65% owned by Manila Electric Co., the sole power distributor in Metro Manila. Earlier this month, Citicore secured a \$100 million loan from Singapore-based debt financing firm Pentagreen Capital to support its ambitious portfolio expansion over the next five years, starting with the development of four new solar projects in Luzon. The initial \$30 million from the loan will be allocated for the construction of the Lumbangan, Luntal, Bolbok 1, and Bolbok 2 solar plants in Batangas, as well as the operation of the existing Arayat 1 and 2 plants in Pampanga. Currently, Citicore boasts 680 MW of committed renewable energy capacity. *(Philstar)*
- ➔ **Oil prices surged to the highest level in more than a year.** Oil prices reached their highest level in over a year due to falling crude inventories in Cushing, Oklahoma, a key storage hub. Crude stocks in Cushing dropped to 22 million barrels, nearing operational minimum levels, with a 943,000-barrel decline compared to the previous week, according to the U.S. Energy Information Administration (EIA). West Texas Intermediate (WTI) futures touched \$95.03 per barrel during Asian trading, the highest since August 2022. Global benchmark Brent rose to \$97.56 a barrel. Analysts attribute the price surge to the Cushing inventory levels, which, if they continue to drop, could make it challenging to supply crude to the market. This trend is expected to keep oil prices at a high level for the remainder of the year, especially if OPEC+ maintains tight supply controls. OPEC+ production cuts, including Saudi Arabia's voluntary reduction of 1 million barrels per day and Russia's 300,000-barrel-per-day export cut extension, have significantly lowered inventories and supported prices. Forecasts suggest that Brent crude could trade between \$90 and \$100 per barrel in the coming months, with a year-end target of \$95 per barrel. Refinery throughputs are also expected to decline as refinery maintenance season approaches, potentially keeping prices elevated. *(CNBC)*
- ➔ **German inflation sinks to lowest since before Ukraine war.** German inflation has dropped to its lowest level in two years, with consumer prices rising 4.3% YoY in September, compared to 6.4% in August, as the effect of heavily discounted public transport last summer faded from comparisons, according to data from the country's statistics office. While this is the slowest pace since Russia's invasion of Ukraine sent energy costs soaring, it remains more than double the European Central Bank's 2% target for the euro zone. The data is expected to solidify expectations that the ECB will stop raising interest rates following an unprecedented 10 straight hikes, although no cut is imminent, as officials plan to keep borrowing costs at restrictive levels for a prolonged period to bring price gains back to the target. *(Bloomberg)*

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## Other Developments

- ➔ **China's chip equipment firms see revenue surge as Beijing seeks semiconductor self-reliance.** China's top semiconductor equipment manufacturers have reported a significant increase in revenue in the first half of the year, as the country continues to strive for self-reliance in its semiconductor industry. The top 10 domestic equipment makers recorded revenue of approximately CNY 16.2 billion (\$2.2 billion) during this period, marking a 39% year-on-year increase, according to Shanghai-based CINNO Research. China's semiconductor industry has traditionally relied heavily on foreign firms for equipment and technologies, but efforts to achieve self-reliance and reduce dependence on foreign technology have driven growth in the domestic chip equipment sector. Naura Technology Group Co. was identified as the leading Chinese semiconductor equipment maker by revenue, with operating revenue exceeding CNY 7 billion in the first half of the year, a 68% year-on-year increase. The increase in revenue for domestic chip equipment manufacturers is part of China's broader effort to boost its semiconductor industry in response to US sanctions and export restrictions on technology. China has sought to develop self-reliance in the semiconductor sector and reduce its reliance on foreign technology, particularly from the US. This has led to increased investment in domestic chip equipment manufacturing, resulting in significant revenue growth for companies like Naura Technology Group Co. and Advanced Micro-Fabrication Equipment Inc. China still faces challenges in accessing some of the most advanced chipmaking tools, as certain countries, such as the Netherlands, restrict the export of such equipment to China. Despite these challenges, China's semiconductor industry has shown progress in developing more advanced chips, even in the face of US sanctions. *(CNBC)*
- ➔ **China appoints Lan Foan as new finance ministry party chief.** The Communist Party of China has appointed Lan Foan as the new finance ministry party chief, paving the way for him to become the next finance minister, according to an official statement. Lan, aged 61, previously served as the party chief of China's northern Shanxi province before being appointed to this new role. Meanwhile, Liu Kun, the current finance minister, will step down from his role as the finance ministry's party chief but will continue as the finance minister, a position he has held since 2018. Liu has retained his position despite surpassing the official retirement age of 65 for minister-level officials. This leadership change comes at a time when China's economy is facing challenges such as a property market downturn, an aging population, high debt levels, and geopolitical tensions. Some policy advisers have been advocating for increased infrastructure spending to support economic growth, while others emphasize the need for structural reforms. The appointment of Lan Foan suggests the possibility of a more expansionary fiscal policy stance in the future, which could have positive implications for China's economy, according to analysts. However, it remains to be seen when and how this policy shift will take effect, as the fiscal year is already nearing its end. *(Reuters)*

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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
SLF	Sun Life Financial Inc.	CAD 0.75	Cash	Common	08/29/23	08/30/23	09/29/23
CREIT	Citicore Energy REIT Corp.	Php0.049	Cash	Common	09/08/23	09/09/23	10/04/23
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
JF CPA	Jollibee Foods Corporation	Php8.20525	Cash	Preferred	10/03/23	10/04/23	10/16/23
JF CPB	Jollibee Foods Corporation	Php10.60125	Cash	Preferred	10/03/23	10/04/23	10/16/23
GT PPA	GT Capital Holdings, Inc.	Php11.57475	Cash	Preferred	10/04/23	10/05/23	10/27/23
GT P PB	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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