

## Market Commentary

➔ **The View:** The PSEi had a marginal gain of 1.46 points or 0.02% and closed at 6,305.99 yesterday. The benchmark index struggled to find a definite direction ahead of the release of the local inflation data tomorrow. In the US, the 3 main indices tumbled following the latest jobs report which showed a strong labor market and fueled the continued rise of bond yields. The Dow fell by 1.29%, while the S&P500 and the Nasdaq Composite contracted by 1.37% and 1.87%, respectively. This pulled the former down to negative territory for this year at -0.4%, while the latter two remain up by 10% and 24% in 2023 so far. Both the 10-year and the 30-year US Treasury yields hit 16-year highs as the likelihood of further hikes increased as the labor market remains strong, and inflation continues to be beyond the US Federal Reserve (Fed)'s target. Meanwhile, European markets ended negative again as sentiment continues to suffer from surging bond yields even amidst some improving economic data. UK's retail inflation slowed to 6.2% last month, the lowest for this year and down from the 6.9% in August. In the Asia-Pacific, Hong Kong's Hang Seng erased previous gains and led the losses in the region with a 2.69% drop. This was followed by Japan's Nikkei and Australia's ASX200 which went down by 1.64% and 1.28%, respectively. The Reserve Bank of Australia opted to keep its policy rates unchanged as expected. In the local bourse, sectors had mixed results. Mining&Oil (+3.19%) had the biggest advance followed by Industrial (+0.91%) and Services (+0.50%). The rest had sub-1% contractions. In the main index, UBP (+5.10%) led the 18 gainers on its last day in the PSEi. MONDE (+4.67%) and SMC (+3.36%) rounded up the top 3. On the other hand, BPI (-2.07%), SM (-1.66%), and DMC (-1.32%) were the worst performers among Tuesday's 9 laggards. The market's total turnover value rose by 54% to PHP5.94 billion, while total foreign activity went up to PHP4.94 billion. Net foreign selling continued and amounted to PHP881.06 million, higher than PHP402.01 million in the previous session. The Philippine Peso was almost unchanged against the US dollar and ended at PHP56.78. The latest off-cycle PSE rebalancing takes effect today. UBP will be out of the main index and replaced by NIKL. The local bours could continue to trade sideways while waiting for the PH inflation data. However, the big drops in the US markets along with the strong JOLTS report could put more downward pressure on other markets like the Philippines.

## Stock Picks

Stock	Date	Initial Price	Current Price	Return since Recommendation	
				Stock	PSEi
TEL	3/13/20	1,029.00	1,175.00	14.19%	8.84%
CNPF	3/13/20	13.10	29.45	124.81%	8.84%
FGEN	9/23/20	24.80	18.60	-25.00%	7.01%
AP	9/23/20	25.55	34.90	36.59%	7.01%
BDO	11/17/20	92.60	141.00	52.27%	-8.85%
BPI	11/17/20	83.00	109.00	31.33%	-8.85%
MBT	11/17/20	44.35	54.35	22.55%	-8.85%
SECB	11/17/20	103.90	79.90	-23.10%	-8.85%
CNVRG	6/13/22	22.50	9.58	-57.42%	-2.49%
ALI	6/13/22	30.05	29.20	-2.83%	-2.49%
SGP	6/13/22	12.06	8.58	-28.86%	-2.49%
<b>Ave. Return</b>				<b>13.14%</b>	<b>-1.01%</b>

## PSEI INTRADAY



### INDICES

Index	Prev	Last	% Chg
PSEi	6,304.53	6,305.99	0.02%
All Shares	3,399.12	3,405.62	0.19%
Financial	1,852.38	1,844.67	-0.42%
Industrial	8,943.44	9,024.47	0.91%
Holding Firms	6,023.71	5,995.30	-0.47%
Property	2,600.00	2,597.98	-0.08%
Services	1,509.90	1,517.45	0.50%
Mining & Oil	10,745.38	11,088.66	3.19%

### TOP 10

UBP	5.10%	BPI	-2.07%
MONDE	4.67%	SM	-1.66%
SMC	3.36%	DMC	-1.32%
ACEN	2.99%	ALI	-1.02%
MER	1.85%	PGOLD	-0.85%
WLCON	1.55%	JFC	-0.35%
BLOOM	1.52%	AC	-0.32%
MBT	1.21%	BDO	-0.28%
CNVRG	1.05%	AGI	-0.16%
JGS	0.93%	URC	0.00%

### BOTTOM 10

### MARKET DATA

Market Volume	858,828,944
Market Turnover ( Value)	5,943,089,596
Foreign Buying	2,030,084,734
Foreign Selling	2,911,140,509
Net Foreign Buy / (Sell)	(881,055,775)

Mandarin Securities Corp.

Hanz Elmer Torres

hanz.torres@mandarinsecurities.com



## Economic Developments

- ➔ **IMF cuts Philippine growth outlook this year.** The International Monetary Fund (IMF) has lowered its growth forecast for the Philippines in 2023 to 5.3%, down from its previous estimate of 6.2% in July. This revised projection falls significantly below the Philippine government's target of 6-7% GDP growth and is notably slower than the 7.6% expansion witnessed in 2022. The IMF cited a weak global economy and tightened policy settings as factors contributing to the reduced growth outlook. The IMF also expressed concerns about persistently high global and domestic inflation, which could necessitate further monetary policy tightening. The organization expects inflation to rise to around 6% in 2023 before declining to 3.5% in 2024, which is higher than the Bangko Sentral ng Pilipinas' (BSP) full-year estimate of 5.8% for 2023. To address inflation risks, the IMF suggested a "higher-for-longer policy rate path" until inflation firmly falls within the target range, highlighting the importance of monetary policy in managing economic challenges. *(BusinessWorld)*
- ➔ **PH's durian export deal with China nets almost PHP500 million so far this year.** The Philippines has earned nearly PHP500 million from the export of fresh durian to China since the beginning of the year as part of a \$2 billion fruit export deal with Beijing. Local durian growers are expected to make \$260 million or approximately PHP14.3 billion from this deal. Additionally, the country recently resumed exporting fresh mangoes to Australia and began exporting fresh avocados to South Korea, opening new markets for high-value crops like bananas, pineapples, and coconuts. The Department of Agriculture is hoping to secure additional funding to support the export of these crops as new overseas markets become available. The success of these fruit exports highlights the Philippines' efforts to expand its agricultural exports and diversify its markets. With the support of government initiatives and trade agreements, the country aims to boost its agricultural sector and increase revenue from high-value crops. These developments are positive signs for both local farmers and the Philippine economy, as they contribute to increased income opportunities and economic growth. *(BusinessMirror)*
- ➔ **Government ready to lift rice price caps.** The Philippine government is considering lifting the price ceilings on rice due to decreasing prices in both the global and domestic markets and the expected increase in rice supply. The price caps were imposed on rice on September 5. The decision to lift these caps will ultimately be up to President Ferdinand Marcos Jr. The recommendation to lift the price ceilings came from the Departments of Agriculture and Trade and Industry and is supported by the National Economic and Development Authority. The government is expecting nearly 1.9 million metric tons of rice this month, enough for 74 days, up from 52 days' supply in September. Meanwhile, the Department of Trade and Industry (DTI) is asking the Senate for a PHP300-million fund to create a quick response task force that would go after hoarders and profiteers, especially in the regions. The fund would support the enforcement of consumer protection measures and regulations, as well as the enforcement of Republic Act 11900, which regulates vaping products such as e-cigarettes and heated tobacco products. The move aims to centralize consumer protection activities in the head office and create an inter-DTI strike team to augment enforcement activities nationwide. *(Philstar)*

Mandarin Securities Corp.

Hanz Elmer Torres

hanz.torres@mandarinsecurities.com



## Corporate Developments

- ➔ **PH Resorts Group Holdings, Inc. (PHR)**. PHR has signed a debt restructuring arrangement with China Banking Corp. (CHIB) to alleviate its financial struggles. As part of the restructuring, PHR signed a sale and leaseback agreement with CHIB for the land of the yet-to-be-completed Emerald Bay casino resort in Cebu. The resort, originally scheduled to open in 2022, was delayed due to the COVID-19 pandemic, resulting in short-term loans with CHIB amounting to around PHP6 billion as of June 30. Additionally, PHR has signed a Memorandum of Understanding (MoU) with Cebu-based AppleOne Properties Inc. The MoU allows AppleOne to invest in PHR's subsidiaries with the intention of obtaining at least most of the equity interest or purchasing the land and improvements of the Emerald Bay resort. AppleOne will conduct due diligence as the next step, and negotiations are expected to be completed within 60 days based on the MoU. The restructuring agreement with CHIB enables PHR to repay a peso bridge loan facility extended by the bank in 2018 while allowing continued possession and use of the property for the completion of Emerald Bay's construction and development. PHR also has the option to buy back the properties if desired. This move comes after an earlier plan for Bloomberry Resorts Corp. (BLOOM), owned by Enrique Razon, to invest in Emerald Bay Resort Hotel and PHR's Base Resort Hotel and Casino was called off following due diligence. *(Philstar)*
- ➔ **MerryMart Consumer Corporation (MM)**. MM has achieved a significant milestone by converting its 100th sari-sari store into a modern and competitive Minimart. This initiative is part of MM Wholesale's efforts to transform traditional sari-sari stores into Minimarts while equipping them with the MM Wholesale App for managing inventory. The program's primary goal is to help sari-sari stores thrive in a competitive retail landscape, allowing them to maintain and enhance their household livelihood income. MerryMart offers various retail formats, including MerryMart Express, MerryMart Market, MerryMart Grocery, and MerryMart Wholesale, catering to different customer needs. Injap Sia emphasized the importance of supporting small and medium-sized enterprises (SMEs) and sari-sari store owners in adapting to the changing retail landscape. The conversion into Minimarts equipped with digital tools and a wider range of products can help these traditional stores remain competitive and sustainable. *(Inquirer)*

Mandarin Securities Corp.

Hanz Elmer Torres

hanz.torres@mandarinsecurities.com



## Other Developments

- ➔ **10-year Treasury yield hits 4.80%, a 16-year high.** The US 10-year Treasury yield, a crucial indicator for interest rates and investor sentiment, surged to its highest level since 2007, reaching 4.793%, while the 30-year Treasury yield also reached 4.924%, its highest level in 14 years. These surges in yields are due to a confluence of factors, including a tight labor market and concerns about persistent inflation. The August Job Openings and Labor Turnover survey highlighted the ongoing labor market tightness, giving the US Federal Reserve (Fed) the go-ahead to continue raising interest rates. While Fed policymakers have voiced varying opinions on the timing of further rate hikes, they generally agree that rates need to remain elevated for an extended period to address inflation concerns. Market uncertainty prevails regarding when and whether the rate increase will be implemented, with the possibility of a rate hike in December being considered. This rise in yields has reignited discussions about "bond vigilantes," investors who react to concerns about the U.S. debt and fiscal deficits by selling bonds, causing yields to climb. Persistently high fiscal deficits, coupled with rising public debt levels, have contributed to the growing costs of borrowing. The US public debt has exceeded \$32.3 trillion this year, surpassing 120% of the total gross domestic product. The worry is that an increasing federal budget deficit could result in an oversupply of bonds relative to demand, requiring higher yields to balance the market. These developments are closely monitored as they have implications for borrowing costs and the broader economy, impacting various sectors and financial markets. *(CNBC)*
- ➔ **August job openings top 9.6 million, more than expected as labor market remains strong.** In August, US job openings unexpectedly surged to 9.61 million, a significant increase of nearly 700,000 from July and surpassing estimates of 8.8 million, according to the Labor Department's monthly Job Openings and Labor Turnover Survey. Despite this increase in job openings, actual hiring saw only a modest rise to 5.857 million, up by just 35,000. The surge in openings was particularly notable in professional and business services, which saw an increase of 509,000 job openings. This data indicates that the labor market in the United States remains tight and robust, even in the face of the US Federal Reserve (Fed)'s efforts to slow economic growth by raising interest rates. A tighter labor market could exert more pressure on the Fed to maintain elevated interest rates. While job openings had been on the decline in recent months, suggesting that the Fed's rate hikes were impacting the labor market, the August surge in openings points to the ongoing challenges of supply and demand imbalances in the labor market. This report precedes the release of the nonfarm payrolls count for September, which economists expect to show an increase of 170,000 jobs. *(CNBC)*

Mandarin Securities Corp.

Hanz Elmer Torres

hanz.torres@mandarinsecurities.com



### Other Developments

➔ **US House ousts Kevin McCarthy as speaker, a first in US history.** In an unprecedented move, the US House of Representatives voted to oust Republican Kevin McCarthy as speaker, marking the first time in history that the chamber has removed its leader in a no-confidence vote. McCarthy, a California Republican, was removed from his position when eight hardline conservative Republicans joined Democrats in approving a "motion to vacate" introduced by GOP Rep. Matt Gaetz of Florida, a vocal critic of McCarthy. Following the vote, McCarthy announced that he would not seek the speakership again. Patrick McHenry of North Carolina, a close ally of McCarthy, temporarily assumed the role of speaker pro tempore. The ousting of McCarthy was set in motion after he secured an unexpected legislative victory on Saturday by getting Democrats and Republicans to approve a short-term funding bill to prevent a government shutdown. While this move pleased the White House, it intensified resentments among far-right members of the GOP caucus who were already unhappy with McCarthy's leadership. McCarthy's hold on the speakership had been fragile since his election in January due to opposition from a small group led by Gaetz. McCarthy allies reportedly attempted to convince some Democratic House members to vote in favor of retaining him as speaker. The last time a motion to vacate vote occurred on the House floor was in 1910, and McCarthy's removal reflects the deep divisions within the GOP caucus. (CNBC)

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
CREIT	Citicore Energy REIT Corp.	Php0.049	Cash	Common	09/08/23	09/11/23	10/04/23
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
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
VLL	Vista Land & Lifescapes, Inc.	Php0.062	Cash	Common	10/13/23	10/16/23	10/31/23
BKR	Bright Kindle Resources & Investments Inc.	Php0.0037	Cash	Common	10/13/23	10/16/23	TBA
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
DDMPR	DDMP REIT, Inc.	Php0.0254766	Cash	Common	11/03/23	11/06/23	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
BKR	Bright Kindle Resources & Investments Inc.	(1) BHDI share for every three (3) common BKR shares	Property	Common	10/13/23	10/16/23	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