

Market Commentary

➔ **The View:** The PSEi plunged by 119.60 points or 1.90% and ended at 6,178.60 yesterday. The benchmark index took a nosedive following the release of the latest Philippine consumer price index (CPI) data which showed that headline inflation sped up to 6.1% in September from 5.3% in August. It was the second consecutive month that inflation quickened its pace. It fell on the upper edge of the Bangko Sentral ng Pilipinas (BSP)' target range of 5.3%-6.1%. Inflation and interest rate concerns among investors likely flared up after seeing the report. In the US, the 3 main indices experienced minor changes as the market awaits a September US jobs report today (US time). The Dow inched down by 0.03%, while the S&P500 and the Nasdaq Composite decreased by 0.13% and 0.12%, respectively. Market participants are looking for a less robust jobs report to ease rising bond yields, which have been impacting stocks. This week, the 10-year US Treasury yield reached a 16-year high, reaching up to 4.884%. The Dow is down 1.16% so far, while the S&P500 is off by 0.7%. The Nasdaq is quite flat so far. In the European front, markets inched higher after US Treasury yields slightly cooled down from multi-year highs since the weaker-than-expected ADP payrolls report. Oil and gas stocks continued to suffer as prices kept declining. Meanwhile, Asia-Pacific markets mostly ended higher, influenced by the pullback in US Treasury yields and weak US jobs data. Japan's Nikkei led the gains in the region with 1.8%, followed by Australia's ASX200 with 0.51%. South Korea's Kospi bucked the trend with a 0.09% after the country's September inflation print came in at 3.7%, higher than estimates of 3.4%. In the local bourse, sectors were negative across the board led by Property (-2.45%), Industrial (-1.73%), and Mining&Oil (-1.71%). In the main index, BLOOM (+0.60%) and ACEN (+0.58%) were the only gainers. The rest declined with SMPH (-4.36%), URC (-4.17%), and MONDE (-4.00%) taking the biggest hits. The market's total turnover value went up by 16% to PHP5.43 billion, while total foreign activity increased by 23% to PHP6.29 billion. Net foreign selling continued and amounted to PHP475.80 million yesterday. With inflation speeding up quickly again for the second straight month, investors are worried about the possibility of more interest rate hikes by the BSP. The central bank has already stated its readiness to impose an off-cycle policy hike, if necessary, but it may hold off in doing so given that its next meeting takes place in mid-November. Negative sentiment is expected to persist and perhaps continue another round of selling in the local bourse before having a correction.

Stock Picks

Stock	Date	Initial Price	Current Price	Return since Recommendation	
				Stock	PSEi
TEL	3/13/20	1,029.00	1,170.00	13.70%	6.64%
CNPF	3/13/20	13.10	28.90	120.61%	6.64%
FGEN	9/23/20	24.80	18.58	-25.08%	4.85%
AP	9/23/20	25.55	34.95	36.79%	4.85%
BDO	11/17/20	92.60	138.70	49.78%	-10.69%
BPI	11/17/20	83.00	107.00	28.92%	-10.69%
MBT	11/17/20	44.35	52.60	18.60%	-10.69%
SECB	11/17/20	103.90	77.80	-25.12%	-10.69%
CNVRG	6/13/22	22.50	9.35	-58.44%	-4.46%
ALI	6/13/22	30.05	28.60	-4.83%	-4.46%
SGP	6/13/22	12.06	8.21	-31.92%	-4.46%
Ave. Return				11.18%	-3.01%

PSEI INTRADAY



INDICES

Index	Prev	Last	% Chg
PSEi	6,298.20	6,178.60	-1.90%
All Shares	3,398.56	3,348.75	-1.47%
Financial	1,839.69	1,810.17	-1.60%
Industrial	8,986.73	8,831.61	-1.73%
Holding Firms	5,981.62	5,887.76	-1.57%
Property	2,619.15	2,555.09	-2.45%
Services	1,515.67	1,492.00	-1.56%
Mining & Oil	10,786.26	10,601.28	-1.71%

TOP 10

BLOOM	0.60%	SMPH	-4.36%
ACEN	0.58%	URC	-4.17%
WLCON	-0.23%	MONDE	-4.00%
EMI	-0.24%	GTCAP	-3.39%
JGS	-0.26%	NIKL	-3.23%
ALI	-0.35%	AGI	-3.09%
CNVRG	-0.43%	PGOLD	-2.87%
AEV	-0.90%	SCC	-2.76%
BDO	-0.93%	BPI	-2.73%
MER	-1.03%	LTG	-2.47%

BOTTOM 10

MARKET DATA

Market Volume	676,780,116
Market Turnover (Value)	5,433,964,168
Foreign Buying	2,906,914,016
Foreign Selling	3,382,718,638
Net Foreign Buy / (Sell)	(475,804,622)

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Economic Developments

- ➔ **PH inflation quickens anew to 6.1% in September.** The country's headline inflation surged to 6.1% in September, according to the Philippine Statistics Authority (PSA). This marked an increase from the 5.3% rate in August. The latest figure pushed the average inflation for the year from January to September to 6.6%. The main drivers of the acceleration were food and non-alcoholic beverages, particularly cereal food items like rice, as well as transportation due to multiple fuel price hikes during the month. In Metro Manila, inflation also increased to 6.1% from 5.9% in the previous month, primarily attributed to higher prices in fuel, housing, power, and water. Areas outside the capital experienced a similar jump in the rate of price increase to 6%, with Central Luzon registering the highest inflation rate at 7.9% and Central Visayas the lowest at 3.8%. Concerns about rising inflation in the 'Ber' months, when consumer spending typically increases, remain, particularly related to food and transportation costs. The government has pledged to provide targeted assistance to vulnerable segments of the population while taking steps to ease transportation costs and invest in the agriculture sector. *(CNN Philippines)*
- ➔ **BSP: Within-target inflation by end-2023 still possible despite upticks.** Despite a second consecutive month of rising inflation rates in September, the Bangko Sentral ng Pilipinas (BSP) remains optimistic about achieving its inflation target by the end of 2023. The Philippine Statistics Authority reported that the domestic headline inflation rate increased to 6.1% in September, driven by higher food and non-alcoholic beverage prices, as well as transport costs due to rising oil prices. The BSP noted that this inflation level falls within the upper end of its 5.3%-6.1% forecast range for September and is expected to remain elevated in the coming months due to ongoing supply shocks and global oil price increases. However, the BSP believes that inflation will decelerate and return to within the target range by the end of 2023 unless further supply shocks occur. Average inflation year-to-date stands at 6.6%, significantly above the government's 2%-4% target band until 2025. The BSP identified several upside risks to the inflation outlook, including potential transport fare adjustments, higher prices for key food items, minimum wage hikes in areas outside the capital region, El Niño weather conditions impacting food prices and utility rates, and higher electricity rates. Despite these risks, the BSP is prepared to resume monetary policy tightening as necessary to prevent broadening price pressures and additional second-order effects. *(Philippine News Agency)*
- ➔ **Philippines gets \$300 million ADB loan for 'financial inclusion goals'.** The Asian Development Bank (ADB) has granted a \$300 million loan to the Philippines as part of its inclusive finance development program aimed at expanding financial inclusion in the country. The program seeks to enhance the nation's financial infrastructure, including the expansion of the digital financing ecosystem, and strengthen the capabilities of financial service providers like rural banks and nonbank financial institutions. ADB's objective is to ensure that all Filipinos have access to a wide range of financial products and services, including digital platforms, to enhance their quality of life and economic opportunities. The loan comes as more Filipino adults have begun using financial institutions and mobile money providers, with their numbers increasing from 34% in 2017 to 51% in 2021, a trend that was accelerated by the COVID-19 pandemic lockdowns. This initiative aligns with ADB's commitment to supporting climate resilience efforts and providing faster government assistance during crises and emergencies. The loan will also help bolster the financial stability of farmers and micro, small, and medium-scale businesses through expanded insurance coverage. *(Philstar)*

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Economic Developments

- ➔ **Ban on poultry imports from Chile, Turkey lifted.** The Philippines' Department of Agriculture (DA) has lifted the ban on poultry products from Chile and Turkey after these countries were declared free of H5N1 Highly Pathogenic Avian Influenza (HPAI). The DA issued separate memorandum orders permitting the resumption of imports from these nations, including domestic and wild birds, poultry meat, day-old chicks, eggs, and semen. The DA assessed the risk of contamination from these imports as negligible, based on their evaluation. The ban on poultry imports from Chile was imposed following reports of a confirmed bird flu outbreak, which the Chilean government has since declared resolved. Similarly, the ban on imports from Turkey was lifted after the Turkish government reported that all cases of HPAI had been resolved. In the eight months leading up to August, the Philippines imported significant quantities of chicken, duck meat, and turkey. (*BusinessWorld*)

Corporate Developments

- ➔ **Globe Telecom, Inc. (GLO).** GLO has sold its 77% stake in Electronic Commerce Payments Inc. (ECPay), an e-commerce platform, to the operator of GCash, a leading e-wallet service in the country. The deal, valued at PHP2.31 billion (approximately \$43 million), involves GLO selling its majority share in ECPay to Globe Fintech Innovations Inc. (Mynt), which operates GCash. This move is expected to broaden ECPay's reach in the digital landscape by leveraging GCash's platform while allowing GCash to enhance its position in the e-wallet market by expanding its financial technology services. The transaction is currently undergoing various reviews and regulatory approval processes. GLO President and CEO, Ernest Cu, sees significant potential for both ECPay and Mynt to improve their products and services in response to the growing digital lifestyle of Filipinos. The acquisition is expected to facilitate the sharing of strengths and resources between Mynt and ECPay, resulting in an upgraded experience for customers. GLO's Chief Finance Officer, Rizza Maniego-Eala, believes this strategic move will enable GCash to solidify its leadership in the e-wallet market while differentiating itself from the competition in the evolving mobile wallet landscape. (*Philstar*)
- ➔ **Prime Media Holdings, Inc. (PRIM).** PRIM is planning to expand its presence into other platforms through its joint venture company, Media Serbisyo Production Corp. (MSPC), formed with ABS-CBN Corp. MSPC President Marah Capuyan envisions milestones for the future, including transitioning to 24/7 operations and extending their reach to platforms such as YouTube and other social media networks. TeleRadyo Serbisyo and DWPM Radyo 630, part of the joint venture, have already been operating seven days a week since their launch in June 2023 and are setting new standards in Philippine broadcasting. TeleRadyo Serbisyo is currently available on cable TV. The partnership between TeleRadyo Serbisyo, DWPM Radyo 630, and nearly 30 regional radio stations nationwide has revolutionized news connectivity from Luzon to Mindanao. Supported by cable subscriptions and various partnerships, it has gained the trust of both the public and corporate sectors, paving the way for future growth. ABS-CBN ceased the operations of TeleRadyo on June 30, and PRIM subsequently entered a joint venture agreement, becoming the majority stakeholder in the new entity, MSPC, which produces various programs supplied by third-party platforms and broadcasters. (*BusinessWorld*)

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Other Developments

- ➔ **IMF chief says the global economy has shown resilience in the face of COVID, war and high rates.** The head of the International Monetary Fund (IMF), Kristalina Georgieva, has stated that the global economy is displaying "remarkable resilience" but still bears significant scars from the COVID-19 pandemic, the conflict in Ukraine, and rising interest rates. She mentioned that while the recovery from these shocks is ongoing, it remains slow and uneven. Global economic growth is expected to remain well below the 3.8% average of the past two decades, and the world has suffered a loss of \$3.7 trillion in economic output due to these successive shocks since 2020. Georgieva highlighted that the United States is the only major economy where output has returned to its pre-pandemic path, while the rest of the world is still lagging. She also expressed concern for the poorest countries, as they have limited capacity to support their economies and vulnerable populations. Despite these challenges, Georgieva mentioned that the global economy has been surprisingly resilient in the face of rising interest rates, which were introduced by central banks, including the U.S. Federal Reserve, to combat inflation. She emphasized the importance of continuing to fight inflation and advised central banks to keep interest rates "higher for longer" to avoid a premature easing of policy. *(AP News)*
- ➔ **Oil plunges \$5 in the biggest one-day drop in more than a year.** Oil prices experienced a significant drop, with Brent crude settling at \$85.81 a barrel, down 5.6%, and West Texas Intermediate falling to \$84.22, also down 5.6%. This rapid decline was driven by concerns that rising borrowing costs due to higher interest rates could dampen economic growth and, consequently, oil demand. Last week, oil prices came close to reaching \$100 a barrel on strong global demand and the decision by Saudi Arabia and Russia to extend oil production cuts until the end of 2023. However, surging interest rates have added new economic pressures, potentially affecting oil consumption. Higher interest rates can increase the cost of borrowing and reduce consumer and business spending, which could lead to slower economic growth and lower oil demand. Additionally, the increase in interest rates has a direct impact on the energy sector, as many oil companies have substantial debt loads. The drop in oil prices is seen as a reaction to these concerns, and it highlights the sensitivity of the energy market to changes in economic conditions and interest rates. *(Financial Times)*

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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
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
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
JFCPA	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

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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
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

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