

Market Commentary

➔ **The View:** The PSEi inched up by 9.10 points or 0.15% and closed at 6,263.06 yesterday. The local bourse experienced tepid market activity again as investors prepared for the release of the latest US consumer price index (CPI) data. In the US, the three major indices went down after inflation remained steady in September against expectations of a slight deceleration. The Dow fell by 0.51% while the S&P500 and the Nasdaq Composite slid by 0.51% and 0.62%, respectively. Still, all remained up for the week as of yesterday. Headline inflation stood at 3.7% YoY and 0.4% in September, against estimates of 3.6% and 0.3%. On the other hand, core CPI slowed to 4.1% from 4.3% in August. Shelter costs were the main driver of inflation, followed by energy costs. Investors are likely to wonder how the latest CPI report will affect the US Federal Reserve (Fed)'s next policy decision. The US Treasury yields went up again in the aftermath of the report. The US earnings season will kick off with big banks reporting today (US time) and fears have heightened as expectations are that lending margins have compressed and loan demand went down amidst persistent high borrowing costs last quarter. Meanwhile, European indices mostly closed higher as investors waited for the latest US CPI print. Sentiment in the region was also lifted by further comments from the European Central Bank (ECB) suggesting that its rates have peaked. In the Asia-Pacific, most markets went up yesterday. Hong Kong's Hang Seng and Japan's Nikkei led the gains in the region with 1.86% and 1.75%, respectively. Investors were optimistic that they would see a slight decline in US inflation. In the local bourse, sectors mostly ended lower. Property (+0.80%) and Holding Firms (+0.27%) were the ones who advanced. The rest had minor contractions. In the main index, JGS (+2.66%), ALI (+2.27%) had the biggest gains while the rest of the 11 advances had sub-1% additions. On the other hand, ACEN (-3.48%), WLCON (-2.43%), and GTCAP (-1.91%) were the worst performers among 17 laggards. The market's total turnover value stood at PHP3.21 billion while total foreign activity settled at PHP3.17 billion. Foreigners posted a net buying of PHP19.62 million, snapping an 8-day streak of net selling. The Philippine Peso strengthened further against the US dollar and ended at PHP56.66 from PHP56.755. Additional downward pressure may be experienced by the local bourse after US inflation missed expectations. Focus will now shift on the Fed's decision in early November which will be followed by the BSP's own policy meeting. A down performance in the US markets yesterday may spillover to the local bourse and instill selling pressure to end the week.

PSEI INTRADAY



INDICES

Index	Prev	Last	% Chg
PSEi	6,253.96	6,263.06	0.15%
All Shares	3,384.45	3,383.41	-0.03%
Financial	1,808.11	1,806.47	-0.09%
Industrial	8,869.95	8,856.45	-0.15%
Holding Firms	5,942.97	5,959.00	0.27%
Property	2,621.94	2,642.81	0.80%
Services	1,518.64	1,515.78	-0.19%
Mining & Oil	10,983.83	10,964.98	-0.17%

TOP 10

JGS	2.66%	ACEN	-3.48%
ALI	2.27%	WLCON	-2.73%
MBT	0.84%	GTCAP	-1.91%
JFC	0.73%	SMC	-1.14%
ICT	0.59%	LTG	-1.10%
URC	0.52%	GLO	-1.00%
AEV	0.41%	PGOLD	-0.85%
AGI	0.34%	DMC	-0.76%
SMPH	0.32%	BLOOM	-0.75%
SM	0.24%	MONDE	-0.69%

BOTTOM 10

Stock Picks

Stock	Date	Initial Price	Current Price	Return since Recommendation	
				Stock	PSEi
TEL	3/13/20	1,029.00	1,230.00	19.53%	8.10%
CNPF	3/13/20	13.10	29.00	121.37%	8.10%
FGEN	9/23/20	24.80	18.70	-24.60%	6.28%
AP	9/23/20	25.55	36.90	44.42%	6.28%
BDO	11/17/20	92.60	135.50	46.33%	-9.47%
BPI	11/17/20	83.00	108.00	30.12%	-9.47%
MBT	11/17/20	44.35	53.90	21.53%	-9.47%
SECB	11/17/20	103.90	78.75	-24.21%	-9.47%
CNVRG	6/13/22	22.50	9.92	-55.91%	-3.15%
ALI	6/13/22	30.05	29.30	-2.50%	-3.15%
SGP	6/13/22	12.06	8.02	-33.50%	-3.15%
Ave. Return				12.96%	-1.69%

MARKET DATA

Market Volume	886,878,454
Market Turnover (Value)	3,208,103,174
Foreign Buying	1,596,177,125
Foreign Selling	1,576,561,553
Net Foreign Buy / (Sell)	19,615,571

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Economic Developments

- ➔ **PEZA ties up with JICA, Japan firm for renewable projects.** The Philippine Economic Zone Authority (PEZA) has forged a partnership with the Japan International Cooperation Agency (JICA) and Advantec Philippines, Inc., a Japanese-led firm, to facilitate future renewable energy projects. As part of the agreement, Advantec will introduce its solar power technology within the Pampanga Economic Zone, with an anticipated annual energy yield of 3.6 million kilowatts. This initiative is expected to help reduce approximately 1,200 tons of carbon dioxide emissions annually, aligning with the Philippines' goal to achieve a 35% renewable energy share in its power mix by 2030 and 50% by 2040. PEZA Director General Tereso O. Panga emphasized that this partnership supports the government's efforts to promote clean and green production, energy efficiency, and the use of renewable energy sources. Advantec aims to establish and operate multiple solar power facilities initially within the Pampanga Economic Zone, with the goal of supplying generated electricity to PEZA and its locators within the zones. PEZA will aid, particularly in securing the necessary documentation with the government, identifying suitable land areas, and facilitating the registration of solar photovoltaics, all in accordance with relevant laws and regulations. *(BusinessWorld)*
- ➔ **Imported sugar release delayed in relief to farmers.** The Sugar Regulatory Administration (SRA) in the Philippines is postponing the release of imported sugar, allowed under Sugar Order No. 7, to help stabilize declining farmgate prices. Sugar Order No. 7 from 2022-2023 permitted the shipment of 150,000 metric tons of raw sugar that arrived on September 15. The SRA will hold the imported sugar as a reserve to create a two-month buffer stock to address falling farmgate prices, and applications for reclassification will be suspended until these prices stabilize. The SRA's goal is to increase local supply and discourage imports to ensure a stable market for sugar farmers. The first two weeks of the sugar trading period saw declining farmgate prices, which the SRA attributed to oversupply. To mitigate these effects, the SRA aims to boost local supply, as the fluctuating prices have affected sugar farmers and created uncertainty in the market. *(BusinessWorld)*

Corporate Developments

- ➔ **Manila Electric Company (MER), SP New Energy Corporation (SPNEC).** MGen Renewable Energy, the renewable energy arm of Meralco Powergen Corporation (MGen), is set to invest PHP15.9 billion (about \$295 million) in SPNEC through a subscription of common shares and preferred voting shares. This capital injection by MGen will support the development and expansion of its solar projects. Upon completion of the investment, MGen will become the controlling shareholder of SPNEC, with a 50.5% total voting interest. MGen, a subsidiary of the MER, and SPH have formed a partnership to develop 3,500 megawatts of solar panels and 4,000 megawatt-hours of battery energy storage systems in Luzon, making it one of the world's largest solar projects. This initiative aligns with the Department of Energy's goal to derive around 35% of the Philippines' energy from renewable sources. *(MER Disclosure)*

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Corporate Developments

- ➔ **PLDT Inc. (TEL).** TEL's information and communications technology subsidiary, ePLDT, has launched the Philippines' first sovereign cloud, named ePLDT Pilipinas Cloud (ePPC). The sovereign cloud will provide a secure platform for storing and processing highly sensitive government data and applications within the country's borders, in compliance with local data protection laws and regulations. ePPC will help government agencies address data sovereignty and cybersecurity issues as part of the nation's digitalization efforts. ePLDT aims to ensure seamless deployment and management of the sovereign cloud, which will benefit Filipinos by enhancing the delivery of government services and improving performance and response times for critical applications. *(Philstar)*

Other Developments

- ➔ **US inflation stayed unchanged in September.** The US consumer price index (CPI) remained unchanged in September, maintaining a 3.7% year-on-year increase, the same as the previous month. While this marks a considerable improvement from the pandemic-era peak of 9.1% in June 2022, economists anticipate a gradual easing of inflation in the months ahead. Despite recent improvements, a return to normal, stable inflation levels is expected to take some time. The US Federal Reserve (Fed) has set a long-term goal of 2% annual inflation but does not anticipate achieving this target until 2026. The primary drivers of recent inflationary pressures include imbalances between supply and demand, global energy price spikes caused by events like Russia's invasion of Ukraine, supply chain disruptions during the COVID-19 pandemic, and increased consumer spending. Nevertheless, these pressures have largely eased in recent months. The Fed has taken steps to cool the economy by raising interest rates to their highest level since the early 2000s. This move aims to make borrowing more expensive for both consumers and businesses to curb inflation. On the labor front, average wage growth declined from its peak of 9.3% in January 2022 to 4.4% in September 2023. Most signs indicate that while the economy remains strong, it may be gradually cooling, including labor market conditions. Nevertheless, a few potential sources of upward inflation pressure still exist, such as the Israel-Hamas conflict's potential impact on global energy prices or United Auto Workers strikes, which could drive up car prices if inventory levels decrease. *(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
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
SCC	Semirara Mining and Power Corporation	Php3.50	Special Cash	Common	10/20/23	10/23/23	11/08/23
DMC	DMCI Holdings, Inc.	Php0.72	Special Cash	Common	10/23/23	10/24/23	11/09/23
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
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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