

Market Commentary

➔ **The View:** The PSEi went down by 67.51 points or 1.08% and closed at 6,198.83. The benchmark index fell to the 6,100-level as investors remained cautious amidst the worsening situation between Israel and Hamas which affected the increase in oil prices last Friday. In the US, the 3 main indices posted modest gains. The Dow rose by 0.34%, while the S&P500 and the Nasdaq Composite went up by 0.34% and 0.27%, respectively. Optimism about the 3Q2023 earnings season was enough to overshadow another increase in the 10-year US Treasury yields. Notable companies that will be reporting their earnings today (US time) are Bank of America, Goldman Sachs, and Lockheed Martin. Still, the situation between Israel and Hamas continue to raise concerns for investors. Worries that the conflict would affect the oil supply, particularly a big producer like Iran, are expected to keep market sentiment in check. Investors will also be looking at the September retail sales and industrial production today scheduled to be released today (US time). Meanwhile, European markets also opened the week strong. Retail stocks led the gains with 2%. Investors are keeping an eye on the developments Israel-Hamas situation which has cause some weakening in the global sentiment. In the Asia-Pacific front, markets ended in the red ahead of key economic data from China. Japan's Nikkei had the biggest contraction with 2.03%, followed by Hong Kong's Hang Seng and China's CSI 300 which fell 1% each. China's 3Q2023 gross domestic product (GDP) data will be released tomorrow and is estimated to show a 4.4% YoY growth, lower compared to the previous quarter's 6.3% expansion. In the local bourse, Mining&Oil (+0.29%) was the lone sector to gain. Holding Firms (-1.53%) and Financial (-1.21%) had the biggest losses while the rest had sub-1% contractions. In the main index, there were only 6 advancers led by NIKL (+0.68%), ACEN (+0.58%), and WLCON (+0.46%). On the flip side, MONDE (-3.96%), SM (-2.79%), and BLOOM (-2.65%) were the worst performers among 20 laggards. The market's total turnover value went down by 29% to PHP3.76 billion, while total foreign activity decreased by 10% to PHP4.24 billion. Foreigners turned net sellers again after two days of net buys. Net foreign selling amounted to PHP369.15 million yesterday. The Philippine Peso slightly strengthened against the US dollar and ended at PHP56.78 from PHP56.811. Negative sentiment in the local bourse is likely to persist as investors monitor the Middle East situation and the fluctuations in oil prices. The positive August remittances data could help buoy the local stock market today but investors are still likely to remain cautious and mostly on the sidelines until the upcoming policy meeting of both the Fed and the BSP.

PSEI INTRADAY



INDICES

Index	Prev	Last	% Chg
PSEi	6,266.34	6,198.83	-1.08%
All Shares	3,384.57	3,359.90	-0.73%
Financial	1,811.02	1,789.08	-1.21%
Industrial	8,844.28	8,765.80	-0.89%
Holding Firms	5,945.38	5,854.26	-1.53%
Property	2,638.15	2,625.25	-0.49%
Services	1,531.33	1,524.02	-0.48%
Mining & Oil	11,005.47	11,037.40	0.29%

TOP 10

NIKL	0.68%	MONDE	-3.96%
ACEN	0.58%	SM	-2.79%
WLCON	0.46%	BLOOM	-2.65%
CNPF	0.17%	MBT	-1.86%
LTG	0.11%	PGOLD	-1.85%
MER	0.05%	ALI	-1.54%
AEV	0.00%	GTAP	-1.49%
AGI	0.00%	BPI	-1.39%
TEL	0.00%	JGS	-1.30%
ICT	0.00%	JFC	-1.18%

BOTTOM 10

Stock Picks

Stock	Date	Initial Price	Current Price	Return since Recommendation	
				Stock	PSEi
TEL	3/13/20	1,029.00	1,217.00	18.27%	6.99%
CNPF	3/13/20	13.10	29.50	125.19%	6.99%
FGEN	9/23/20	24.80	18.42	-25.73%	5.19%
AP	9/23/20	25.55	37.00	44.81%	5.19%
BDO	11/17/20	92.60	135.20	46.00%	-10.40%
BPI	11/17/20	83.00	106.20	27.95%	-10.40%
MBT	11/17/20	44.35	52.90	19.28%	-10.40%
SECB	11/17/20	103.90	77.40	-25.51%	-10.40%
CNVRG	6/13/22	22.50	9.83	-56.31%	-4.15%
ALI	6/13/22	30.05	28.85	-3.99%	-4.15%
SGP	6/13/22	12.06	7.85	-34.91%	-4.15%
Ave. Return				12.28%	-2.70%

MARKET DATA

Market Volume	815,384,491
Market Turnover (Value)	3,761,463,455
Foreign Buying	1,935,028,593
Foreign Selling	2,304,174,266
Net Foreign Buy / (Sell)	(369,145,674)

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Economic Developments

- ➔ **OFW remittances went up 3% to \$3.1 billion in August.** In August, Filipinos working abroad sent home \$3.1 billion, marking a nearly 3% increase in remittances, according to the Bangko Sentral ng Pilipinas (BSP). These personal remittances, which encompass the sum of net compensation of employees, personal transfers, and capital transfers between households, outstripped the previous year's figure by 2.8% and improved from the 2.5% growth seen in the previous month. The boost was primarily fueled by a 3.1% rise in remittances from land-based workers with employment contracts lasting one year or more, amounting to \$2.38 billion, up from \$2.31 billion. Furthermore, remittances from sea and land-based workers with contracts lasting less than one year also increased, albeit at a slower pace of 1.4%, reaching \$660 million, compared to \$650 million in the same month the previous year. From January to August, personal remittances saw a 2.9% uptick, totaling \$24.01 billion, up from \$23.34 billion during the same period in 2022. Meanwhile, cash remittances facilitated through banks grew by 2.7%, reaching \$2.8 billion. The expansion in cash remittances in August can be attributed to increased receipts from both land and sea-based workers. Cash remittances from land-based workers increased by 3.2% to \$2.2 billion, while remittances from sea-based workers inched up by 1% to \$600 million. For the eight-month period, cash remittances increased by 2.8% to reach \$21.58 billion, compared to \$20.99 billion in the previous year. *(Philstar)*
- ➔ **Moody Analytics' PH trade outlook dims as global economy slows.** Moody's Analytics has expressed concern that a global economic slowdown, elevated inflation, and high interest rates could continue to have a dampening effect on the Philippines' trade in the upcoming months. Despite an August trade deficit reduction to \$4.13 billion, largely due to increased exports, Moody's Analytics believes that slowing global economic conditions will limit demand from key markets. This concern arises despite growth in electronic product exports, which constitute over half of the Philippines' total exports in August, and a resurgence in semiconductor exports, which have grown for four consecutive months. The report also highlights China's impact on the Philippines' trade outlook, as the slowdown in China is affecting Philippine exports to the country. Moody's Analytics noted that imports might remain constrained as high borrowing costs and elevated inflation are making households and businesses more cautious about spending. It is anticipated that these factors will continue to weigh on the Philippines' trade performance. *(BusinessWorld)*

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Corporate Developments

- ➔ **Alternergy Holdings Corporation (ALTER)**. ALTER has reported a consolidated net income of PHP38 million in the first half of the year, marking a significant turnaround from a PHP145.2-million net loss in the same period last year. The listed energy company attributed this positive shift to higher revenues. During the first half of the year, the firm's cash and consolidated assets rose by 113% to PHP1.2 billion and 41% to PHP4.9 billion, respectively. The surge in consolidated assets was driven by ongoing investments in the company's projects, including a solar farm and battery storage project in Palau and two run-of-river hydro projects in Nueva Ecija and Ifugao. According to ALTER, they have allocated PHP720 million from the proceeds of their initial public offering to the pre-development of six renewable projects with a total capacity of 183 megawatts (MW), covering wind, solar, and hydropower. The company has ambitious plans to develop up to 1,370 MW of renewable energy sources, including onshore and offshore wind, solar, and run-of-river hydropower. They anticipate their 13.2-MW alternating current solar farm and battery projects to begin commercial operations by the fourth quarter of this year, setting the stage for further growth in the coming years as they roll out their project pipeline. *(BusinessWorld)*
- ➔ **Manila Electric Company (MER)**. MER is pushing for a quick resolution of any issues related to the procurement of its 1,800-megawatt (MW) capacity requirement. The company is eager to initiate the competitive selection process (CSP), which is the mandated transparent bidding for power supply. After the CSP, the resulting power supply agreement (PSA) will be submitted for approval before the regulator. This 1,800 MW supply is essential to meet the growing demand of MER's customers. The company has already submitted new terms of reference (TOR) to the Department of Energy (DoE) to conduct the CSP to replace the capacity covered under terminated contracts. However, the responsibility to review the TOR rests with the Energy Regulatory Commission (ERC) according to the CSP guidelines. The recent approval of the withdrawal of a PSA application jointly filed by MER and San Miguel Corporation (SMC) has made this CSP crucial. The two companies under San Miguel's power arm, San Miguel Global Power Holdings Corp., were set to deliver MER's needed capacity by 2024 and 2025, but the application was withdrawn due to the lapse of the long stop date. The new CSP guidelines issued on October 6 aim to streamline the process and make it easier for distribution utilities to comply with ERC guidelines. *(BusinessWorld)*

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Other Developments

➔ **Southeast Asia looks to renewable power for energy security.** Southeast Asia, home to some of the world's fastest-growing economies, is experiencing a surging demand for energy. This demand has increased at an average rate of 3% annually over the past two decades and is expected to continue until 2030. However, fossil fuels still dominate the region's energy mix, constituting about 83% of its energy supply in 2020, while renewables only accounted for 14.2%, according to research from the ASEAN Center for Energy. By 2050, it is predicted that oil, natural gas, and coal will still comprise 88% of the region's primary energy supply. This heavy reliance on fossil fuels makes Southeast Asia vulnerable to energy price fluctuations and supply disruptions. Recent global events, such as the COVID-19 pandemic and geopolitical tensions, have driven up energy prices, posing significant challenges to the region's economic stability. If Southeast Asian nations do not make substantial discoveries or expand their energy production infrastructure, the region could become a net importer of natural gas by 2025 and coal by 2039, which would further raise fossil fuel prices and burden consumers. To mitigate these risks, the region must diversify its energy sources to ensure economic growth and energy security. Most Southeast Asian countries have already begun taking steps to transition to clean energy and have set renewable energy targets as part of their low-carbon energy transition plans. (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
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
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
FRUIT	Fruitas Holdings, Inc.	Php0.01	Cash	Common	11/07/23	11/08/23	11/29/23
HTI	Haus Talk, Inc.	Php0.01	Cash	Common	11/07/23	11/08/23	12/08/23
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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