



Market Commentary

➔ **The View:** The PSEi gained 82.07 points or 1.32% and closed at 6,280.90 yesterday. The benchmark index rebounded after a 1.08% drop last Monday. The positive August remittances data helped lift market sentiment along with a strong foreign buying. In the US, markets had minor changes as bond yields increased anew, offsetting the strong batch of earnings reports yesterday. The Dow inched up by 0.04%, while the S&P500 and the Nasdaq Composite fell by 0.01% and 0.25%, respectively. Bond yields increased after stronger than expected September retail sales data. The Nasdaq Composite was largely pulled down by Nvidia and Advanced Micro Devices following the announcement of further tightening restrictions on AI chip exports to China. The earnings batch today (US time) is headed by Morgan Stanley, Procter & Gamble, and Tesla. Meanwhile, European markets also finished slightly lower as investors digested the US' strong consumer spending last month which fueled the notion of a "higher for longer" interest rate environment. Retail stocks led the gains. The European earnings season has also kicked off with Rio Tinto and Ericsson reporting yesterday. In the Asia-Pacific, markets rose ahead of China's gross domestic product (GDP) data which will be released today. Japan's Nikkei and South Korea's Kospi led the gains in the region with 1.2% and 0.98%, respectively. Hong Kong's Hang Seng and China's Shanghai Composite also went up. In the local bourse, Mining&Oil (-0.97%) was the lone sector to decline, contrary to it being the sole gainer last Monday. Property (+1.83%), Services (+1.61%), and Holding Firms (+1.45%) had the biggest advances while the rest had sub-1% additions. In the main index, SCC (-1.96%), MBT (-0.95%), and BLOOM (-0.39%) were the ones to contract. On the other hand, CNVRG (+4.17%), SMPH (+3.07%), and JGS (+3.04%) had the best performances among yesterday's 24 gainers. The market's total turnover value went up by 51% to PHP5.69 billion, while total foreign activity ended at PHP7.49 billion. Foreign investors became net buyers again with a net amount of PHP276.42 million. The Philippine Peso slightly strengthened to PHP56.746 from PHP56.78 against the US dollar. Market activity picked up yesterday as the local bourse gained some positive momentum. However, investors are expected to maintain a cautious approach to equities. With the spike in US bond yields yesterday amidst a surprising US retail sales expectation beat in September, equity markets may again be negatively affected. This could bar bigger upsides in the local bourse for now despite the strong rally yesterday.

PSEI INTRADAY



INDICES

Index	Prev	Last	% Chg
PSEi	6,198.83	6,280.90	1.32%
All Shares	3,359.90	3,391.38	0.94%
Financial	1,789.08	1,797.52	0.47%
Industrial	8,765.80	8,826.52	0.69%
Holding Firms	5,854.26	5,939.32	1.45%
Property	2,625.25	2,673.19	1.83%
Services	1,524.02	1,548.56	1.61%
Mining & Oil	11,037.40	10,930.38	-0.97%

TOP 10

CNVRG
SMPH
JGS
ICT
WLCON
SM
ALI
BPI
AC
PGOLD

4.17%
3.07%
3.04%
2.87%
2.05%
1.87%
1.56%
1.51%
1.47%
1.37%

BOTTOM 10

SCC
MBT
BLOOM
AGI
LTG
NIKL
BDO
AEV
GLO
EMI

-1.96%
-0.95%
-0.39%
0.00%
0.00%
0.00%
0.07%
0.10%
0.11%
0.24%

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%	8.40%
CNPF	3/13/20	13.10	29.75	127.10%	8.40%
FGEN	9/23/20	24.80	18.30	-26.21%	6.59%
AP	9/23/20	25.55	36.85	44.23%	6.59%
BDO	11/17/20	92.60	135.30	46.11%	-9.21%
BPI	11/17/20	83.00	107.80	29.88%	-9.21%
MBT	11/17/20	44.35	52.40	18.15%	-9.21%
SECB	11/17/20	103.90	78.10	-24.83%	-9.21%
CNVRG	6/13/22	22.50	10.24	-54.49%	-2.88%
ALI	6/13/22	30.05	29.30	-2.50%	-2.88%
SGP	6/13/22	12.06	7.93	-34.25%	-2.88%
Ave. Return				12.98%	-1.41%

MARKET DATA

Market Volume	1,247,968,455
Market Turnover (Value)	5,689,668,919
Foreign Buying	3,884,925,899
Foreign Selling	3,608,509,866
Net Foreign Buy / (Sell)	276,416,033

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Economic Developments

- ➔ **President Marcos suspends Maharlika fund implementation.** President Ferdinand Marcos Jr. has halted the implementation of the Maharlika Investment Fund (MIF) and directed further study of the plan. A memorandum dated October 12, addressed to the heads of the Bureau of the Treasury, Land Bank of the Philippines, and Development Bank of the Philippines (DBP), informed them of the directive to suspend the implementing rules and regulations (IRR) of the law that established the MIF. The suspension is pending further study, and the heads of these agencies are expected to notify all concerned departments and bureaus, although the memorandum did not elaborate on the reasons for this decision. Republic Act No. 11954, which was enacted on July 18, mandated the national treasurer to develop the IRR for the MIF within 90 days, and the Treasury released the IRR on August 28, 41 days later. The MIF law designates the finance secretary as the chair of the Maharlika Investment Corp. (MIC), which will manage the MIF, with the CEOs of Landbank and DBP holding seats on the MIC board. Both banks contributed substantial amounts to the MIF and sought relief from compliance with the Bangko Sentral ng Pilipinas' capital requirements after making their contributions. The advisory body for the MIF has been processing applications for the remaining seats on the MIC board. *(Inquirer)*
- ➔ **The government borrowed PHP30 billion T-bonds at higher rates.** The Philippines government successfully borrowed PHP30 billion through the issuance of seven-year Treasury bonds, despite having to offer higher rates to attract investors. The bonds had an average rate of 6.675%, up by 15.5 basis points from the 6.52% BVAL Reference Rate, signaling those investors demanded higher returns. This marks the second consecutive full award for such bonds. The yield was also above the 6.37% rate seen in the last seven-year auction on September 12. The government has set a target of raising PHP150 billion from the local debt market this month, with PHP90 billion expected from Treasury bonds, and it has raised PHP60 billion so far. *(Philstar)*
- ➔ **Financial system's resources jump 7% to PHP29.079 trillion as of end-August.** According to the Bangko Sentral ng Pilipinas (BSP), the total resources of the Philippine financial system expanded further at the end of August. Preliminary data from the central bank indicates that the resources held by banks and non-bank financial institutions grew by 6.98% to reach PHP29.079 trillion in the eight-month period, compared to the previous year. This growth was more pronounced than the 6.61% increase recorded the previous month. These resources encompass a wide range of assets such as deposits, capital, bonds, and debt securities and play a vital role in the overall stability and development of the financial system. The year-on-year growth reflects the profitability of banks and other financial institutions, which has led to an increase in capital and funds for lending, further supporting loan growth and investment activities. Specifically, banking resources witnessed a strong growth of 7.94%, reaching PHP24.046 trillion by the end of August from the previous year. This category includes various types of banks, from universal and commercial banks to thrift banks and rural and cooperative banks. Universal and commercial banks contributed significantly to this increase, with their resources rising by 7.8% during this period. Thrift banks and rural and cooperative banks also experienced notable growth. Meanwhile, resources held by non-banking financial institutions, such as investment houses, finance companies, and security dealers, increased by 2.59% to PHP5.033 trillion. *(BusinessWorld)*

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Corporate Developments

- ➔ **Bank of the Philippine Islands (BPI).** BPI has successfully priced PHP5 billion worth of 1.5-year Peso Fixed-Rate Bonds due in 2025, with the option to increase the total amount. These bonds, constituting the second tranche under BPI's PHP100.0 Billion Bond Program, will be issued at par value and carry an interest rate of 6.425% per annum, paid quarterly. Investors can purchase the bonds with a minimum amount of PHP1,000,000 and in increments of PHP100,000. The net proceeds from this offering will be allocated for BPI's general corporate purposes, contributing to the diversification of its funding sources. The offer period for these bonds will run from October 17, 2023, to November 3, 2023, and the bonds are anticipated to be issued and listed with the Philippine Dealing and Exchange Corp. on November 13, 2023. BPI Capital Corporation and ING Bank N.V., Manila Branch act as the Joint Lead Arrangers and Selling Agents for this offering.
- ➔ **Cebu Air, Inc. (CEB).** CEB's Cebu Pacific is considering an order of 100-150 aircraft from Boeing or Airbus, with an estimated value of up to \$12 billion based on list prices, according to the airline's president, Alexander Lao. Typically, airlines secure discounts on substantial orders, reducing the cost significantly. The move comes as Cebu Pacific is preparing for a long-term expansion of its fleet to tap into the rising travel demand post-pandemic. The airline currently operates a fleet of 80 Airbus aircraft and will solicit proposals from both Boeing and Airbus for this significant aircraft order. (*BusinessWorld*)

Other Developments

- ➔ **US curbs export of more AI chips, including Nvidia H800, to China.** The US Department of Commerce has unveiled new restrictions aimed at limiting the sale of advanced artificial intelligence (AI) chips to China. These regulations intend to address loopholes that emerged after previous restrictions on AI chip exports were imposed in 2021. The previous restrictions targeted the Nvidia H100, a preferred processor for US AI firms, which Chinese companies could purchase in a slightly slowed-down version compliant with U.S. restrictions, known as the H800 or A800. The latest rules will also ban these chips, according to senior administration officials. Additionally, these restrictions could affect chips from Intel and AMD, while other rules may hinder the sale and export of semiconductor manufacturing equipment to China, including products from companies like Applied Materials, Lam, and KLA. The primary objective of these restrictions is to control access to advanced computing power that has potential military applications and could significantly slow China's development of next-generation AI technologies. While these measures aim to hinder the military application of advanced semiconductors, they are not intended to undermine China's economic growth, according to U.S. Commerce Secretary Gina Raimondo. The US government will restrict the export of data center chips that exceed specified performance thresholds, and companies wishing to export AI chips to China or other embargoed regions will be required to notify the US government. The rules will be subject to public notice for 30 days before becoming effective. (*CNBC*)

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Other Developments

- ➔ **US retail sales rose 0.7% in September, much stronger than estimate.** Retail sales in the US have defied expectations by unexpectedly surging in September, showing a robust increase of 0.7% against the anticipated 0.3% rise, according to a report from the Commerce Department. This unexpected surge, primarily driven by strong sales at gas stations, comes despite concerns over rising interest rates and signs of a weakening economy. On an annual basis, sales have increased by 3.8%, outpacing the 3.7% rise in the Consumer Price Index (CPI), indicating that consumers have managed to keep up with rising prices. The positive retail sales figures have influenced an uptick in Treasury yields, which could complicate the Federal Reserve's decisions regarding monetary policy. Although the market expects the Fed to cease rate hikes in the current cycle, a strong consumer could challenge this outlook. These retail sales gains were broad-based, with the biggest increase observed in miscellaneous store retailers, who reported a 3% rise in sales. Online sales saw a robust climb of 1.1%, while motor vehicle parts and dealers recorded a 1% increase. Food services and drinking places led all categories with a substantial 0.9% increase, contributing to an annual growth rate of 9.2%. However, there were some categories that saw declines, such as electronics and appliance stores, and clothing retailers, which reported a drop of 0.8%. This retail report is a critical factor for the US Federal Reserve (Fed) as it assesses future monetary policy, and despite market expectations that the Fed has concluded its rate-hiking cycle, an unexpectedly strong consumer could influence the central bank's decisions. *(CNBC)*
- ➔ **Ex-Bank of China chairman arrested on bribery charges.** Liu Liange, the former chairman of the Bank of China, has been arrested on corruption charges, according to Chinese state media. Liu, who led the state-owned bank from 2019 until March of this year, was arrested by the Supreme People's Procuratorate on suspicion of bribery and providing illegal loans. His case has been transferred to the procuratorate for review and prosecution. Liu's arrest comes about a week after he was expelled from the ruling Chinese Communist Party following accusations of wrongdoing by the country's anti-corruption watchdog, the Central Commission for Discipline Inspection. Liu is a prominent figure in China's financial circles, with previous senior positions in the central bank and the Export-Import Bank of China. Chinese President Xi Jinping has been waging an extensive campaign to root out corruption since taking power in 2012, and this drive has ensnared numerous prominent financial executives at state-owned banks. Critics, however, have accused Xi of using corruption charges to purge his political rivals. *(Al Jazeera)*

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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
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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