



Market Commentary

➔ **The View:** The PSEi fell by 12.63 points or 0.20% and settled at 6,268.27. The benchmark index succumbed to selling pressure amidst investors' cautiousness brought by concerns over the Middle East situation and another surge in US bond yields. The decline, however, looks mitigated by bargain hunting as valuations remain considerably cheap. In the US, the 3 major indices fell sharply as the 10-year US Treasury yield hit 4.9%, a fresh 16-year high. The Dow went down by 0.98%, while the S&P500 and the Nasdaq Composite tumbled by 1.34% and 1.62%, respectively. Investors also digested a mixed batch of earnings reports headlined by Netflix beating expectations and Tesla missing targets. Interest rates remain the focal point as US Federal Reserve Chair Jerome Powell's speech happens today (US time). Despite recent signs of improved inflation, rising US Treasury yields raise questions about future monetary policy. Additionally, forthcoming economic data includes US weekly jobless claims and September's existing home sales. Meanwhile, European markets declined again, likely influenced by the slightly higher than expected UK inflation print in September. UK inflation came in at 6.7%, unchanged from August, and more than the 6.6% estimate. The consensus is that the Bank of England will hold rates steady again in their next policy meeting in November. In the Asia-Pacific, markets had mixed results with minor changes. China's Shanghai Composite led the declines in the region with 0.8%, followed by Hong Kong's Hang Seng with a 0.23% drop. Japan's Nikkei, Australia's ASX200, and South Korea's KOSPI all inched higher. In the local bourse, sectors mostly ended in the red. Industrial (+1.01%) and Financial (+0.11%) were the gainers. The rest had sub-1% contractions led by Property (-0.77%) and Mining&Oil (-0.70%). In the main index, MONDE (+5.64%), MBT (+2.96%), and JFC (+2.28%) were the best performers among Wednesday's 8 gainers. On other hand, NIKL (-3.54%), CNVRG (-2.54%), and BLOOM (-2.34%) had the biggest losses among 19 laggards. The market's total turnover value went down by 10% to PHP5.12 billion, while total foreign activity slid by 4% to PHP7.19 billion. Investors returned to being net sellers amounting to PHP32.59 million. The Philippine Peso continued to strengthen against the US dollar so far this week. It ended 4.46 cents stronger at PHP56.70 yesterday. The local bourse may be due for a bigger drop today following the notably negative performance in US markets. The surge in US Treasury yields is expected to weigh down on equities further. The 6,200-support level may be tested again.

PSEI INTRADAY



INDICES

Index	Prev	Last	% Chg
PSEi	6,280.90	6,268.27	-0.20%
All Shares	3,391.38	3,385.40	-0.18%
Financial	1,797.52	1,799.46	0.11%
Industrial	8,826.52	8,916.02	1.01%
Holding Firms	5,939.32	5,907.47	-0.54%
Property	2,673.19	2,652.59	-0.77%
Services	1,548.56	1,541.10	-0.48%
Mining & Oil	10,930.38	10,853.49	-0.70%

TOP 10

MONDE	5.64%	NIKL	-3.54%
MBT	2.96%	CNVRG	-2.54%
JFC	2.28%	BLOOM	-2.34%
MER	2.26%	DMC	-2.28%
ALI	1.54%	SMPH	-2.04%
CNPF	0.84%	URC	-1.65%
GLO	0.39%	JGS	-1.54%
SCC	0.14%	ACEN	-1.33%
AC	0.00%	SMC	-0.96%
AGI	0.00%	BDO	-0.67%

BOTTOM 10

Stock Picks

Stock	Date	Initial Price	Current Price	Return since Recommendation	
				Stock	PSEi
TEL	3/13/20	1,029.00	1,226.00	19.14%	8.19%
CNPF	3/13/20	13.10	30.00	129.01%	8.19%
FGEN	9/23/20	24.80	18.48	-25.48%	6.37%
AP	9/23/20	25.55	36.95	44.62%	6.37%
BDO	11/17/20	92.60	134.40	45.14%	-9.39%
BPI	11/17/20	83.00	107.50	29.52%	-9.39%
MBT	11/17/20	44.35	53.95	21.65%	-9.39%
SECB	11/17/20	103.90	80.00	-23.00%	-9.39%
CNVRG	6/13/22	22.50	9.98	-55.64%	-3.07%
ALI	6/13/22	30.05	29.75	-1.00%	-3.07%
SGP	6/13/22	12.06	7.96	-34.00%	-3.07%
Ave. Return				13.63%	-1.61%

MARKET DATA

Market Volume	1,115,904,992
Market Turnover (Value)	5,115,066,776
Foreign Buying	3,577,126,335
Foreign Selling	3,609,711,478
Net Foreign Buy / (Sell)	(32,585,143)

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Economic Developments

- ➔ **IMF urges BSP to keep tight monetary policy.** The International Monetary Fund (IMF) has encouraged the Philippines to maintain its current restrictive monetary policy stance to combat inflation. The IMF suggests that this policy will help bring inflation down to 2%-4% target range by the first quarter of 2024. The Bangko Sentral ng Pilipinas (BSP) is aiming to bring inflation back into the target range by next month, as inflation averaged 6.6% from January to September, above the central bank's target range. The IMF predicts upside risks to inflation, projecting it to reach 6% this year, rising from 5.8% last year, before falling to 3.5% in 2024. It recommends that the central bank maintain its monetary policy tightening and consider further interest rate hikes if necessary to combat inflation. The Philippines has been grappling with elevated inflation, a tight or restrictive monetary policy, and government underspending, which contributed to a decline in the country's GDP growth rate to 4.3% in the second quarter of this year, down from 6.4% in the first quarter. The IMF has revised its GDP growth forecast for the Philippines, lowering it to 5.3% for 2023 from the original projection of 6.2% but raising its projection for 2024 to 6% from 5.9%. These forecasts are slightly below the government's growth targets of 6%-7% for 2023 and 6.5%-8%, respectively. *(Philstar)*
- ➔ **Government ramps up efforts to exit FATF 'gray list'.** President Ferdinand R. Marcos, Jr. has set a deadline of November 30 for state agencies to rectify shortcomings in their anti-money laundering measures as part of the nation's initiative to exit the Financial Action Task Force's (FATF) "gray list" by January. This list subjects the Philippines to heightened scrutiny of international financial transactions and reduces trade opportunities. To be removed from the gray list, the country must address eight of the 18 action plans outlined by the International Cooperation Review Group (ICRG) and complete a national risk assessment of money laundering and terrorist financing. The Philippines has been on the FATF's gray list since June 2021, despite making some progress in implementing measures against financial crimes. To achieve this goal, the Anti Money Laundering Council (AMLC) has been directed to provide a comprehensive report on the status of the implementation of the National Anti-Money Laundering, Counter-Terrorism Financing, and Counter-Proliferation Financing Strategy (NACFS) 2023-2027 by December 8. This strategy includes a directive to address strategic deficiencies identified in international assessments to ensure effective and sustainable outcomes. *(BusinessWorld)*

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Economic Developments

➔ **Meat imports decline over 9% in the January-September period.** Meat imports in the Philippines declined by 9.37% year-on-year in the first nine months of the year, with total shipments amounting to 923.16 million kilograms, according to a report from the Bureau of Animal Industry (BAI). In September alone, imports stood at 105.81 million kilograms, reflecting a drop from 115.11 million in August and 166.69 million in the same month the previous year. Among the meat categories, beef imports registered the most significant decrease, with a 21.1% drop to 106.68 million kilograms. Brazil was the primary beef supplier to the Philippines, delivering 40.64 million kilograms, followed by Australia with 30.88 million and Ireland with 11.51 million. Pork imports also saw a notable decline of 12.68% from the prior year, amounting to 458.7 million kilograms. Spain led the way as the primary pork supplier, contributing 112.35 million kilograms, followed by Canada with 85.93 million and Brazil with 78.24 million. In contrast, chicken imports in the Philippines rose by 18.27% to 324.98 million kilograms over the nine-month period, constituting 35.21% of total meat shipments. Leading chicken suppliers included Brazil with approximately 186.13 million kilograms, the US with 116.98 million, and Canada with 10.91 million. (*BusinessWorld*)

Corporate Developments

- ➔ **International Container Terminal Services Inc. (ICTSI).** ICT has begun construction on a new terminal in East Java, Indonesia, with a focus on serving the hinterlands of Lamongan, Tuban, and central Java. The East Java Multipurpose Terminal (EJMT) development includes a 300-meter quay line, breakwater, super-heavy lift breakbulk deck, and dredging of the navigational channel to a depth of -13.5 meters. It will be equipped with two post-Panamax mobile harbor cranes and other cargo handling equipment. The project is set to support the growing economy of East Java and Indonesia by providing an accessible gateway for the hinterland customers, catering to industries such as oil and gas, as well as forthcoming project developments in the region. (*BusinessMirror*)
- ➔ **Filinvest Development Corporation (FDC).** FDC is collaborating with FDC Water Utilities Inc. and Hitachi Ltd. to develop a water recycling facility and an upgraded sewage treatment plant in Muntinlupa. The project is expected to commence in December and be completed by March 2026. The sewage treatment plant will process up to 15 million liters of wastewater per day, while the water recycling facility can produce at least 10.5 million liters daily. The project aims to revolutionize wastewater treatment and water production while setting a new standard for environmentally responsible development. FDC Water Utilities Inc. is a subsidiary of FDC Utilities Inc., the utility arm of the FDC, and has previously entered into a 25-year bulk supply agreement with Metro Cebu Water District for facilities in Lapu-Lapu, Cebu, and Talisay cities. Hitachi will serve as a technical partner for the projects and is one of Japan's largest corporations involved in telecom, power, and infrastructure. (*Inquirer*)

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Other Developments

- ➔ **China's third-quarter growth exceeds forecast, consumer spending and industrial production offer hope.** China's third-quarter economic growth exceeded expectations, with GDP expanding by 4.9% year-on-year, surpassing economists' expectations of 4.6%. On a quarter-on-quarter basis, the economy grew by 1.3% in the third quarter, exceeding forecasts of 0.9% growth. The strong performance in the third quarter follows GDP growth of 6.3% in the second quarter and 4.5% in the first quarter. In addition to GDP figures, China also reported robust growth in industrial production (4.5%) and retail sales (5.5%) for September, both exceeding market expectations. However, the property sector remains a drag on the economy, with property investment falling by 9.1% in the first nine months of the year. China's leaders acknowledged that the external environment is becoming more complex and severe, domestic demand is insufficient, and the foundation for economic recovery needs consolidation. Consumer sentiment has been affected by a debt crisis in the real estate sector, and challenges remain in achieving the annual development goals. (CNBC)
- ➔ **10-year Treasury yield breaks above 4.9% for the first time since 2007.** US Treasury yields surged, with the 10-year yield reaching a multi-year high of 4.911%, its first time above 4.9% since 2007. The 2-year Treasury yield also rose to levels last seen in 2006, while the 5-year Treasury reached its highest point since 2007. Yields and prices move inversely, and this uptick in yields reflects investor considerations of economic data and the uncertain outlook for US Federal Reserve (Fed) interest rates. Recent economic data has raised concerns about the future of interest rates. Housing starts increased in September, albeit at a slower-than-expected pace. Building permits fell but not as much as anticipated. Additionally, September's retail sales, which came in at 0.7%, exceeded expectations and signaled consumer resilience in the face of higher interest rates and other economic pressures. While markets are currently pricing in a 90% chance that the Fed will keep rates unchanged in its upcoming monetary decision, the probability of a December rate hike has risen, according to the CME Group's FedWatch tool. The future path of interest rates remains uncertain, and investors are closely watching for further indications from Fed officials, including Chairman Jerome Powell, and upcoming economic data releases. (CNBC)
- ➔ **UK inflation holds steady for September after the Bank of England pauses rate hikes.** UK inflation remained at 6.7% in September, meeting expectations and staying unchanged from the previous month. On a monthly basis, the consumer price index increased by 0.5%, in line with forecasts. Food and non-alcoholic beverages contributed to the downward movement in prices. The headline rate of Core CPI, which excludes volatile food, energy, alcohol, and tobacco prices, came in at 6.1% year-on-year, down from 6.2% in August but slightly above the consensus projection. The market is currently pricing in a 77% chance that the Bank of England will hold interest rates steady at its next meeting on November 2. Marcus Brookes, CIO at Quilter Investors, suggests that the UK's slow path towards the Bank of England's 2% inflation target is unlikely to accelerate in the near term. He believes that the central bank may need "at least another rate rise" considering the latest inflation reading. Hetal Mehta, Head of Economic Research at St James's Place, also indicated that the CPI reading is not a significant surprise that might change the Bank of England's decision to hold rates steady at its next meeting in November. (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
LPZ	Lopez Holdings Corporation	Php0.10	Cash	Common	09/28/23	09/29/23	10/25/23
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
ASLAG	Raslag Corp.	Php0.05	Cash	Common	11/06/23	11/07/23	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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