

Market Commentary

➔ **The View:** The PSEi went down by 76.26 points or 1.23% and closed last week at 6,142.90. The benchmark index is currently on a 3-day slump as interest rate worries flared up amidst the continued surge of bond yields. In the US, the Dow fell by 0.86%, while the S&P500 and the Nasdaq Composite slid by 1.26% and 1.53%, respectively. The 10-year US Treasury yield went above 5% for the first time since July 2007. The S&P500 declined by 2.4% for the week, the Dow fell by 1.6%, and the Nasdaq Composite, marking its second consecutive week of losses, dropped by 3.2% as worries over the course of interest rates weighed down on market sentiment. Meanwhile, European markets also ended last week in the red. The Stoxx 600 dropped to its lowest level since January 2 this year. Global sentiment continues to be negatively affected by the rise in bond yields despite signs that inflation is cooling down. 30-year UK government bond's yield touched 5.158%, its highest level since 1998 which furthered clouded the outlook for equities in the region. In the Asia-Pacific, markets continued to decline last Friday on negative sentiment following US Federal Reserve (Fed) Chairman Jerome Powell's speech in which he mentioned that the current monetary policy is "not too tight" yet. South Korea's Kospi and Australia's ASX200 led the drop with 1.69% and 1.16%, respectively. Furthermore, Hong Kong's Hang Seng and Japan's Nikkei shed 0.72% and 0.52%. In the local bourse, sectors were all negative amidst a broad selloff. Mining&Oil (-6.05%) was hit the most fueled by the steep 11.40% drop of SCC. Property (-2.03%) and Financial (-1.24%) also lost big while the rest had sub-1% contractions. In the main index, there were only 4 index gainers led by TEL (+0.91%) and MER (+0.91%). On the other hand, CNVRG (-3.65%) and ALI (-2.88%) were next to SCC as last Friday's worst performers among 24 laggards. The market's total turnover value decreased by 5% to PHP4.01 billion, while total foreign activity went down by 23% to PHP4 billion. Net foreign selling went up by 34% to PHP704.73 million. The Philippine Peso appreciated by 3 cents and closed at PHP56.84 against the US dollar. The PSEi dropped by almost 2% week-on-week which created more opportunities for bargain hunting. However, market sentiment could be expected to remain tilted downward as interest rate and economic growth concerns continue to swell. While the market still expect the Fed to hold policy rates steady in November but the outlook beyond is getting dim. With the Middle East situation also flaring up, investors are likely to exercise added caution, especially against equities, more so on those of emerging markets like the Philippines.

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% | 6.02% |
| CNPF | 3/13/20 | 13.10 | 29.10 | 122.14% | 6.02% |
| FGEN | 9/23/20 | 24.80 | 18.02 | -27.34% | 4.25% |
| AP | 9/23/20 | 25.55 | 35.55 | 39.14% | 4.25% |
| BDO | 11/17/20 | 92.60 | 129.40 | 39.74% | -11.20% |
| BPI | 11/17/20 | 83.00 | 105.30 | 26.87% | -11.20% |
| MBT | 11/17/20 | 44.35 | 51.85 | 16.91% | -11.20% |
| SECB | 11/17/20 | 103.90 | 77.00 | -25.89% | -11.20% |
| CNVRG | 6/13/22 | 22.50 | 9.25 | -58.89% | -5.01% |
| ALI | 6/13/22 | 30.05 | 28.65 | -4.66% | -5.01% |
| SGP | 6/13/22 | 12.06 | 7.81 | -35.24% | -5.01% |
| Ave. Return | | | | 10.10% | -3.57% |

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PSEI INTRADAY



INDICES

| Index | Prev | Last | % Chg |
|---------------|-----------|-----------|--------|
| PSEi | 6,219.16 | 6,142.90 | -1.23% |
| All Shares | 3,365.79 | 3,329.42 | -1.08% |
| Financial | 1,770.99 | 1,748.96 | -1.24% |
| Industrial | 8,824.68 | 8,746.61 | -0.88% |
| Holding Firms | 5,897.06 | 5,870.31 | -0.45% |
| Property | 2,656.40 | 2,602.37 | -2.03% |
| Services | 1,520.26 | 1,506.73 | -0.89% |
| Mining & Oil | 10,830.69 | 10,175.11 | -6.05% |

TOP 10

| | | | |
|-------|--------|-------|---------|
| TEL | 0.91% | SCC | -11.40% |
| MER | 0.91% | CNVRG | -3.65% |
| AC | 0.74% | ALI | -2.88% |
| LTG | 0.23% | MONDE | -2.87% |
| EMI | 0.00% | CNPF | -2.84% |
| ACEN | 0.00% | JFC | -2.54% |
| JGS | -0.13% | GTAP | -2.33% |
| DMC | -0.19% | SMPH | -2.23% |
| WLCON | -0.23% | NIKL | -2.11% |
| SM | -0.37% | AEV | -2.04% |

BOTTOM 10

MARKET DATA

| | |
|--------------------------|---------------|
| Market Volume | 627,066,487 |
| Market Turnover (Value) | 4,007,282,151 |
| Foreign Buying | 1,650,325,044 |
| Foreign Selling | 2,355,051,603 |
| Net Foreign Buy / (Sell) | (704,726,559) |

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Economic Developments

- ➔ **The government eyes more perks for e-vehicles.** The Philippines is taking steps to develop its electric vehicle (EV) sector by offering incentives for the manufacture of four million EV units over the next decade. The government aims to provide incentives to help speed up the transition from traditional motor vehicles to EVs, with a focus on two-wheelers, e-trikes, e-PUVs (public utility vehicles), and e-buses. The incentives will be time-bound and performance-based to narrow the cost gap between EVs and traditional vehicles. This push aligns with the goal of promoting and accelerating the adoption of electric vehicles. A significant component of the initiative is the e-PUV program, which aims to jumpstart local manufacturing of commercial EVs in the country. This program will enhance the Philippines' automotive manufacturing capacity and capabilities for flagship commercial EV models, making it more competitive in the global market. Additionally, the government plans to offer consumer subsidies, with PHP10,000 for two-wheeler EV buyers, PHP20,000 for three-wheeled EV buyers, and PHP500,000 for e-PUV buyers. These efforts represent a commitment to reducing greenhouse gas emissions from the transport sector by promoting e-mobility. (*Philstar*)
- ➔ **Energy-efficiency projects eligible for more incentives.** The Board of Investments (BoI) in the Philippines has issued a memorandum circular (MC) that extends incentives to self-financed energy-efficiency projects (EEPs), allowing them to benefit from duty-free equipment imports and other incentives. The new MC amends the previous one and opens the incentive of "duty-free importation of capital equipment" to self-financed EEPs. These projects will also be entitled to an income tax holiday and a duty exemption on imported raw materials, spare parts, and accessories. This move is in line with the country's goal of attracting investment in desirable activities to enhance energy efficiency. The first private entity to take advantage of these additional incentives is Japan's MinibeaMitsumi, which recently inaugurated a P500-million solar power farm in Danao City, Cebu. The project is expected to generate 12.8 gigawatts of energy annually and reduce carbon dioxide emissions by 6,833 tons per year. Minibea Group Executive Officer Caesar Augusto mentioned the company's commitment to renewable energy and carbon neutrality by 2030. MinibeaMitsumi is a major investor in the Philippines, employing thousands of workers across its facilities. (*BusinessWorld*)

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Corporate Developments

- ➔ **ACEN Corporation (ACEN).** ACEN and its subsidiary Yindjibarndi Energy Corporation (YEC) have signed a memorandum of understanding (MOU) with Rio Tinto to explore collaborative opportunities in renewable energy projects on Yindjibarndi country in Western Australia's Pilbara region. The focus of this collaboration is on assessing the potential development of a solar power generation facility that could supply energy to Rio Tinto. As part of its efforts to transition to renewable energy, Rio Tinto is looking into the development of about 300 MW of solar projects and aims to reduce gas consumption in its Pilbara operations by using renewable energy. ACEN and YEC's initial plans include a target of 750 MW combining wind, solar, and battery storage for construction within the next few years. ACEN International CEO Patrice Clause emphasized that this collaboration reflects a shared vision of sustainable energy development in the region, combining modern technology with the cultural significance of the Yindjibarndi people's connection to their land. Rio Tinto Iron Ore Chief Executive Simon Trott expressed the company's commitment to transitioning to renewable energy to reduce its carbon footprint in the Pilbara. He sees the region as an attractive place to harness solar and wind power for clean energy generation and looks forward to deepening the partnership with the Yindjibarndi People in this endeavor. *(ACEN Disclosure)*
- ➔ **EEl Corporation (EEl).** EEl has signed a Memorandum of Understanding (MOU) with Samsung Engineering NEC Co. Ltd. (SENEC) in Saudi Arabia. The MOU aims to facilitate collaboration on projects within the Kingdom of Saudi Arabia (KSA) and expand work opportunities overseas for Filipinos. EEl and SENEK are committed to exploring opportunities that align with KSA's development goals. The MOU also outlines mutual commitments and obligations, including the mobilization of Filipino manpower to KSA, expanding work opportunities for Filipinos. EEl's presence in Saudi Arabia dates to 1993 through its joint venture with Al Rushaid Construction Company Limited (ARCC). ARCC has been integral in providing overseas employment opportunities for Filipinos and currently employs 4,965 Filipinos out of its 8,341 workforces. Henry D. Antonio, EEl's President and CEO, emphasized the company's commitment to generating jobs in the Philippines and overseas. He anticipates an increasing need for skilled and hardworking Filipinos to support upcoming projects in Saudi Arabia. EEl is constructing a 500-person training facility in Tanza, Cavite, Philippines, to enhance labor skills in various construction-related crafts, targeting the training of at least 2,000 Filipinos annually by 2024 and over 15,000 workers in the next five years. *(EEl Disclosure)*

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Other Developments

- ➔ **10-year Treasury yield rises to 5%, the highest level for the key rate in 16 years.**
 The benchmark 10-year Treasury yield reached a 16-year high on Thursday (US time), crossing 5% for the first time since 2007. The 10-year yield has risen for four consecutive days, with October gains of around 40 basis points. In contrast, the 2-year Treasury yield fell 6 basis points to 5.16% after briefly reaching levels last seen in 2006. These bond market movements followed remarks from US Federal Reserve Chairman Jerome Powell. He stated that monetary policy did not yet feel too restrictive, and that inflation remained too high, suggesting that the labor market and economic growth might need to slow to achieve the Fed's inflation goal. Factors contributing to rising bond yields include concerns that the Fed will maintain high benchmark rates to combat inflation, a strong economy and labor market, growing government deficits necessitating more bond supply, and increased term premiums as investors worry about potential rate changes. *(CNBC)*
- ➔ **US wraps up fiscal year with a budget deficit near \$1.7 trillion, up 23%.** The US federal government concluded its fiscal year in September with a deficit just under \$1.7 trillion, according to the US Department of the Treasury. This deficit is up by about 23.2% from the previous fiscal year. It came as revenue fell by \$457 billion, and expenses only decreased by \$137 billion. The total US debt reached \$33.6 trillion earlier in the week, and of the government's total expenditures last year, approximately \$659 billion went towards net interest on the accumulated debt, up from \$475 billion in the previous fiscal year. This huge budget shortfall adds to the growing US debt total, which has swelled by over \$10 trillion since the first quarter of 2020 when the government initiated significant spending to address the economic damage caused by the COVID-19 pandemic. Treasury Secretary Janet Yellen stated the administration's commitment to addressing long-term fiscal challenges and noted several measures aimed at reducing the deficit over the next decade. She also mentioned the resilience of the US economy despite global challenges and dismissed previous expectations of a recession in 2023. The report on the federal budget came the same week President Biden requested Congress to allocate \$105 billion for national security priorities, including funding for Ukraine and humanitarian assistance in Israel and Gaza. *(CNBC)*
- ➔ **China, world's top graphite producer, tightens exports of key battery material.**
 China has imposed export permits for some graphite products, a critical material used in electric vehicle (EV) battery anodes, to protect national security. The move has taken observers by surprise and is seen as an effort to secure the country's supplies while responding to global concerns over China's manufacturing dominance. These export curbs are part of a broader effort among Chinese authorities to tighten control over critical mineral supplies. Kien Huynh, Chief Commercial Officer at Alkemy Capital Investments, noted that this move will impact the global supply chain and has arrived much earlier than anticipated. This development comes as many foreign governments are increasing pressure on Chinese companies due to their industrial practices. China is the world's top graphite producer and exporter, and these restrictions may lead to supply shortages outside China. Top graphite buyers from China include Japan, the United States, India, and South Korea. The move could prompt South Korean companies, which heavily rely on China for graphite imports, to seek alternatives such as mines in the United States or Australia. Japan is also looking to ask China about the "operational policies" of the new measures and will "take appropriate steps" if they violate World Trade Organization rules. *(Reuters)*

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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 | 10/31/23 | 11/03/23 | 11/29/23 |
| DDMPR | DDMP REIT, Inc. | Php0.0254766 | Cash | Common | 11/03/23 | 11/06/23 | 11/29/23 |
| MWP2B | Megawide Construction Corporation | Php1.4375 | Cash | Preferred | 11/06/23 | 11/07/23 | 11/28/23 |
| ASLAG | Raslag Corp. | Php0.05 | Cash | Common | 11/06/23 | 11/07/23 | 11/29/23 |
| PSB | Philippine Savings Bank | Php0.75 | Cash | Common | 11/07/23 | 11/08/23 | 11/20/23 |
| 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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