

## Market Commentary

➔ **The View:** The PSEi went down by 54.66 points or 0.89% and closed at 6,088.44 yesterday. The local bourse continued to decline as bearish sentiments prevailed amidst concerns over the ongoing Middle East conflict along with growing interest rates and inflation concerns moving forward. The benchmark index went below the 6,100-level and could be expected to test the 6,000-level this week. In the US, the 3 major indices had varied results. The Dow and the S&P500 slid by 0.58% and 0.17%, respectively, while the Nasdaq Composite inched up by 0.27%. Investors picked up tech stocks ahead of big earnings reports from Alphabet and Microsoft yesterday. Meta and Amazon are also scheduled to report on Wednesday (US time). Rising bond yields continued to pose a concern in the stock market and are likely to keep sentiment weak in the short term. Meanwhile, European markets had mixed results as investors continued to geopolitical and economic concerns. Investors also digested some earnings report while looking ahead to the European Central Bank (ECB)'s monetary policy meeting. In the Asia-Pacific, markets also extended their losses from last week. China's major indices, the Shanghai Composite, and the broader CSI 300, fell by 1.47% and 1.04%, respectively. It was the latter's worst close since February 2019. Japan's Nikkei also went down by 0.83% ahead of the Tokyo inflation report scheduled for Friday. In the local bourse, all sectors finished negative for the second straight session. Financial (-1.73%) had the biggest decline as large cap banks like BDO and BPI continued to have sizable contractions. Mining&Oil (-1.44%) also took big hits while the rest had sub-1% contractions. In the main index, SMC (+2.53%) and MBT (+1.93%) were the top performers among 12 gainers. On the flip side, DMC (-6.43%), CNVRG (-4.00%), and BPI (-2.94%) had the biggest losses among 17 laggards. The market's total turnover value decreased by 18% to PHP3.30 billion, while total foreign activity went down by 20% to PHP3.20 billion. Net foreign selling went up by 10% to PHP777.62 million. The Philippine Peso moved sideways but ended unchanged at PHP56.84 yesterday. The local bourse is likely to continue facing selling pressure amidst the worrisome steepening of bond yield curves. Market sentiment remains tilted downward. Investors will also have the 3Q2023 earnings season to watch, but it may be overshadowed by the ongoing conflict in the Middle East and mounting concerns about interest rates going higher and staying that way for a longer period.

## PSEI INTRADAY



## INDICES

Index	Prev	Last	% Chg
PSEi	6,142.90	6,088.44	-0.89%
All Shares	3,329.42	3,303.06	-0.79%
Financial	1,748.96	1,718.63	-1.73%
Industrial	8,746.61	8,664.20	-0.94%
Holding Firms	5,870.31	5,828.77	-0.71%
Property	2,602.37	2,594.51	-0.30%
Services	1,506.73	1,497.03	-0.64%
Mining & Oil	10,175.11	10,028.37	-1.44%

## TOP 10

SMC	2.53%	DMC	-6.43%
MBT	1.93%	CNVRG	-4.00%
BLOOM	0.81%	BPI	-2.94%
ACEN	0.79%	JFC	-2.42%
SMPH	0.65%	BDO	-2.32%
JGS	0.53%	MONDE	-2.01%
AGI	0.35%	CNPF	-1.89%
URC	0.27%	ALI	-1.75%
TEL	0.25%	AEV	-1.46%
WLCON	0.23%	NIKL	-1.43%

## BOTTOM 10

## Stock Picks

Stock	Date	Initial Price	Current Price	Return since Recommendation	
				Stock	PSEi
TEL	3/13/20	1,029.00	1,220.00	18.56%	5.08%
CNPF	3/13/20	13.10	28.55	117.94%	5.08%
FGEN	9/23/20	24.80	18.06	-27.18%	3.32%
AP	9/23/20	25.55	35.25	37.96%	3.32%
BDO	11/17/20	92.60	126.40	36.50%	-11.99%
BPI	11/17/20	83.00	102.20	23.13%	-11.99%
MBT	11/17/20	44.35	52.85	19.17%	-11.99%
SECB	11/17/20	103.90	76.65	-26.23%	-11.99%
CNVRG	6/13/22	22.50	8.88	-60.53%	-5.85%
ALI	6/13/22	30.05	28.15	-6.32%	-5.85%
SGP	6/13/22	12.06	7.75	-35.74%	-5.85%
<b>Ave. Return</b>				<b>8.84%</b>	<b>-4.43%</b>

## MARKET DATA

Market Volume	551,506,930
Market Turnover ( Value)	3,302,556,646
Foreign Buying	1,209,172,616
Foreign Selling	1,986,792,766
Net Foreign Buy / (Sell)	(777,620,150)

Mandarin Securities Corp.

Hanz Elmer Torres

hanz.torres@mandarinsecurities.com

Information and opinions presented represent the judgment of the author and securities offered and sold by Mandarin Securities Corp. are subject to price movements and possible loss of amount invested. The information is based upon sources we believe to be reliable and has been obtained from public sources. Opinions and estimates are subject to change without notice. Mandarin Securities, and/or its employees may act or take a view in a different and inconsistent way contained in this report. This report is for informational purposes only, and is not an offer or solicitation to buy or sell any financial instrument or product or financial security.



## Economic Developments

- ➔ **BIR finalizes 1% tax for online sellers.** The Bureau of Internal Revenue (BIR) is nearing the implementation of a new tax policy that will affect online platform providers used for the sale of goods and services due to the significant growth in digital transactions. According to the final draft of the revenue regulation, the BIR intends to impose a one percent creditable withholding tax on income payments made by electronic marketplace operators to online merchants. This tax aims to capture a portion of the income generated from online sales, driven by the surge in digital transactions, especially during the pandemic. The withholding tax will not apply if an online merchant's annual gross remittances have not exceeded PHP250,000, and it also excludes duly registered cooperatives with a valid certificate of tax exemption. The BIR's definition of electronic marketplaces includes various online platforms that connect consumers with merchants, process payments, handle logistics, and oversee the completion of transactions. This withholding tax will be an additional obligation for e-marketplace operators on top of existing withholding taxes on payments to transportation contractors and commissions on goods and services sold through the platform. Although the tax is withheld by the buyer or e-marketplace operator, the ultimate responsibility for paying the income tax falls on the seller. The BIR is actively seeking ways to tax online sellers as online sales transactions continue to rise, and the final draft of the regulation is open for public comments until October 27, after which it is expected to be implemented. (*Philstar*)
- ➔ **Government eyes EV-dedicated manufacturing zone.** The Philippine government is embarking on an ambitious plan to bolster the electric vehicle (EV) manufacturing industry. In a presentation at the Philippine Electric Vehicle Summit (PEVS), Trade Undersecretary Rafaelita Aldaba outlined the government's strategy, which includes creating dedicated zones for EV manufacturing. These zones will host various EV-related manufacturing firms, such as parts manufacturers and assembly facilities, promoting a clustering effect that enhances logistics efficiency. The government aims to attract more investors by showcasing these EV clusters. The development of these dedicated zones will involve collaboration with agencies like the Philippine Economic Zone Authority (PEZA) and the Authority of the Freeport Area of Bataan (AFAB). As part of its broader efforts to boost the EV sector, the government plans to incentivize the production of four million EV units over the next decade through an EV incentives scheme. This initiative will primarily focus on two-wheelers, e-trikes, e-public utility vehicles (e-PUVs), and e-buses. The incentives provided will be time-bound and performance-based, intended to narrow the cost gap between EVs and traditional vehicles, thereby accelerating the transition to EVs. The scheme will also encompass the e-PUV program, dedicated to manufacturing commercial EVs in the country, enabling the development of local manufacturing capabilities for these vehicles. Additionally, the government is considering incentives for EV battery manufacturers, further supporting the growth of the EV industry in the Philippines. (*Philstar*)

Mandarin Securities Corp.

Hanz Elmer Torres

hanz.torres@mandarinsecurities.com



## Economic Developments

- ➔ **New vehicle sales were up 9.5% in September.** In September, new vehicle sales in the Philippines experienced a 9.5% annual growth rate, marking the slowest pace of expansion in 19 months, according to a report jointly published by the Chamber of Automotive Manufacturers of the Philippines, Inc. (CAMPI) and the Truck Manufacturers Association (TMA). The data showed that vehicle sales increased to 38,628 units in September, thanks in part to promotional campaigns and new model launches in August. Commercial vehicles were the dominant segment, representing two-thirds of the sales, with a 6.5% increase to 29,070 units. Passenger car sales saw a significant jump of 19.8%. Although the growth rate slowed in September, CAMPI-TMA members managed to sell 314,843 units in the first nine months of the year, indicating a steady recovery in the automotive industry. Toyota Motor Philippines Corp. retained its position as the market leader during this period, with Mitsubishi Motors Philippines Corp. and Ford Motor Co. Phils., Inc. following closely behind. This slower growth in vehicle sales in September marked the end of an 18-month streak of double-digit growth, signifying some moderation in the industry's rapid expansion. However, the Philippine automotive market has shown resilience since 2021, and CAMPI President Rommel R. Gutierrez expressed optimism that the industry was on track to fully recover this year. The automotive sector aims to breach its highest pre-pandemic sales performance, and CAMPI revised its 2023 sales target upward to 423,000 units, a 20% increase compared to 2022. Toyota Motor Philippines Corp. maintained its position as the dominant player, with Mitsubishi Motors Philippines Corp., Ford Motor Co. Phils., Inc., Nissan Philippines, Inc., and Suzuki Phils., Inc. rounding out the top five in terms of market share and sales performance. *(BusinessWorld)*
- ➔ **Philippines urged by the World Bank to raise power investments to \$62 billion.** The World Bank has highlighted the need for the Philippines to significantly increase investments in its power systems to the tune of \$62 billion by 2040 to expedite the reduction of carbon dioxide emissions in the energy sector. Currently, the government's ambitions in this area fall short of this requirement. Power generation is the largest contributor to greenhouse gas emissions in the country, making a transition to clean energy essential. This transition would enhance energy security, reduce reliance on imported fossil fuels, and lead to a more affordable and competitive economy. Furthermore, it would have positive effects on public health by reducing air pollution, and help the country fulfill its commitments under the Paris Agreement. To achieve these goals, the World Bank recommends scaling up investments in solar and onshore wind power, enhancing grid integration capacity, and intensifying energy efficiency efforts, while addressing policy gaps and constraints to competition and financing. *(Philstar)*

Mandarin Securities Corp.

Hanz Elmer Torres

hanz.torres@mandarinsecurities.com



## Corporate Developments

- ➔ **PSE to formally start short selling on November 6.** The Philippine Stock Exchange (PSE) has officially announced that its short selling program will be launched on November 6, a delay from the original scheduled date of October 23. This adjustment aims to provide market participants with more time to prepare and meet the requirements for securities borrowing and lending and short selling. PSE's CEO, Ramon S. Monzon, considers the implementation of short selling as a crucial milestone for the Philippine stock market. It will give investors a tool to hedge their investments, potentially attracting foreign investors and increasing trading activity. Initially, 53 securities, including those from the PSE index, MidCap and Dividend Yield indices, as well as an exchange-traded fund, will be eligible for short selling, with updates to the list as index compositions change. The PSE has established guidelines for short selling, limiting short positions to 10% of a stock's outstanding shares, with securities exceeding this threshold automatically excluded from the list until their short interest ratio returns within prescribed limits. The Securities and Exchange Commission (SEC) and the Bureau of Internal Revenue (BIR) have approved necessary measures to facilitate short selling, with the SEC focusing on boosting trading activity in the equities market. It has worked collaboratively with the PSE and market participants to ensure readiness for the implementation of these guidelines, aligning the short selling environment with major Asian markets to enhance liquidity and market stability. (*BusinessMirror*)
- ➔ **San Miguel Corporation (SMC).** SMC has undertaken the construction of the Pangasinan Link Expressway (PLEx), a 76.8-kilometer tollway connecting the Tarlac-Pangasinan-La Union Expressway (TPLEx) exit in Binalonan to Alaminos. The project is expected to enhance road mobility and economic activities in central and northern parts of Luzon. The first phase of the project, costing PHP34.34 billion, spans 42.67 kilometers and consists of three segments: the Binalonan-Manaoag portion, the Manaoag-Calasiao junction, and the Calasiao-Lingayen segment, with a spur road in Calasiao. It is designed to reduce travel time between municipalities from 1.5 to 2 hours to as little as half an hour. The second phase, contingent on demand, will extend the tollway to Alaminos. This project, spearheaded by SMC, aims to transform transportation and tourism, enhance accessibility to major towns and cities, boost business and livelihood opportunities, increase economic activity, develop infrastructure, and preserve the environment. SMC will bear the construction costs, and the agreement follows a recent pact between SMC and Metro Pacific Tollways for the design, construction, and operation of the Cavite-Batangas Expressway (CBEx) and Nasugbu-Bauan Expressway (NBEX), a P72-billion project set to break ground next year. SMC holds concessions for various expressways in the Philippines, including the South Luzon Expressway, Skyway, Naia Expressway, and Star Tollway. (*Inquirer*)

Mandarin Securities Corp.

Hanz Elmer Torres

hanz.torres@mandarinsecurities.com



## Corporate Developments

➔ **Security Bank Corporation (SECB).** The Philippine Board of Investments (BOI) has accredited SECB as a depository bank for its Special Investor's Resident Visa (SIRV) program. The SIRV program offers foreign investors a residence visa with multiple-entry privileges in exchange for a minimum investment of \$75,000 in eligible businesses in the service or manufacturing industry. The agreement with SECB is expected to facilitate foreign investments, allowing investors to send their funds to the Philippines through the bank to qualify for the SIRV program. The company joins other accredited depository banks for the program, including the Development Bank of the Philippines, Land Bank of the Philippines, and East West Banking Corporation (EW). The BOI's SIRV program is part of its efforts to attract foreign investments to the Philippines, and it has been reporting a growing trend in foreign investments approved. For the first nine months of the year, the BOI approved nearly 60% of the total approved investments, with a significant portion coming from German investors, particularly in the renewable energy sector. The government's efforts to invite investors and policy reforms have attracted interest from European investors, making the Philippines a more favorable destination for foreign investments, particularly in sectors like renewable energy, telecoms, mineral processing, and high-technology manufacturing. (*PhilStar*)

## Other Developments

➔ **Chevron buys Hess for \$53 billion, second buyout among major producers this month as oil prices surge.** Chevron has announced its acquisition of Hess Corp. in a \$53 billion deal, part of a trend in the energy sector with major producers making acquisitions as they seek to invest in oil and gas assets in a world where lower-risk future fossil supplies and higher shareholder returns are prioritized. Crude oil prices have surged since early 2022, and big drillers are now flush with cash, looking for investment opportunities. This deal follows Exxon Mobil's acquisition of Pioneer Natural Resources for about \$60 billion, and both transactions reflect the abundant cash reserves of major oil companies due to the surge in oil prices. The acquisition will add a major oil field in Guyana and shale properties in the Bakken Formation in North Dakota to Chevron's portfolio. Guyana is set to become the world's fourth-largest offshore oil producer, surpassing Qatar, the United States, Mexico, and Norway. Despite concerns about climate change, elevated energy prices have led to increased exploration and drilling activities, as well as substantial payouts for investors. The consolidation trend in the energy sector started during the pandemic, and companies are focusing on US shale fields, such as Chevron's purchase of Noble Energy in 2020 for \$5 billion. This acquisition is expected to provide Chevron with more cash to distribute to shareholders, potentially increasing its dividend by 8% in January. The deal is set to close in the first half of next year, pending approval by Hess shareholders. (*Yahoo! Finance*)

Mandarin Securities Corp.

Hanz Elmer Torres

hanz.torres@mandarinsecurities.com



### Other Developments

- ➔ **10-year Treasury yield climbs back above 5%.** US Treasury yields continued to rise on Monday (US time), maintaining multiyear highs as investors assess the likelihood of sustained higher interest rates from the Federal Reserve. The yield on the benchmark 10-year Treasury note increased by 6 basis points to 4.988%, while the yield on the 30-year Treasury bond climbed by around 6 basis points to 5.143%. These rising yields come after the 10-year yield surpassed 5% last week for the first time since July 2007, following remarks from US Federal Reserve Chairman Jerome Powell. Powell stated that the central bank would remain committed to bringing inflation down to 2% sustainably and that achieving this goal might require lower economic growth. Market expectations indicate a 98% probability that the Fed will maintain its main interest rate within the current target range of 5.25-5.5% at the upcoming monetary policy meeting. Additionally, auctions for \$75 billion of three-month Treasury bills and \$68 billion of six-month bills are scheduled for Monday. (CNBC)

Mandarin Securities Corp.

**Hanz Elmer Torres**

hanz.torres@mandarinsecurities.com

Information and opinions presented represent the judgment of the author and securities offered and sold by Mandarin Securities Corp. are subject to price movements and possible loss of amount invested. The information is based upon sources we believe to be reliable and has been obtained from public sources. Opinions and estimates are subject to change without notice. Mandarin Securities, and/or its employees may act or take a view in a different and inconsistent way contained in this report. This report is for informational purposes only, and is not an offer or solicitation to buy or sell any financial instrument or product or financial security.





## 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

Mandarin Securities Corp.

Hanz Elmer Torres

hanz.torres@mandarinsecurities.com

## Disclaimer:

Information and opinions presented represent the judgment of the author and securities offered and sold by Mandarin Securities Corp. are subject to price movements and possible loss of amount invested. The information is based upon sources we believe to be reliable and has been obtained from public sources. Opinions and estimates are subject to change without notice. Mandarin Securities, and/or its employees may act or take a view in a different and inconsistent way contained in this report. This report is for informational purposes only, and is not an offer or solicitation to buy or sell any financial instrument or product or financial security.



## 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

Mandarin Securities Corp.

Hanz Elmer Torres

hanz.torres@mandarinsecurities.com

### Disclaimer:

Information and opinions presented represent the judgment of the author and securities offered and sold by Mandarin Securities Corp. are subject to price movements and possible loss of amount invested. The information is based upon sources we believe to be reliable and has been obtained from public sources. Opinions and estimates are subject to change without notice. Mandarin Securities, and/or its employees may act or take a view in a different and inconsistent way contained in this report. This report is for informational purposes only, and is not an offer or solicitation to buy or sell any financial instrument or product or financial security.

28/F LKG TOWER, 6801 AYALA AVENUE, MAKATI CITY : OFFICE: +63 (02) 884-1271 : FAX +63 (02)884-1384