



Market Commentary

➔ **The View:** The PSEi gained 11.79 points or 0.20% and ended at 5,973.78 last Tuesday. The benchmark index inched up on some bargain hunting as most investors remained on the sidelines due to the shortened trading week while also waiting for stronger catalysts. PSE trading resumes today after a 2-day holiday break. In the US, the 3 major indices rallied as investors welcomed signals of the end of rate hikes, along with an improved assessment of economic growth in the recently concluded US Federal Reserve (Fed) meeting. The Dow went up by 1.70%, while the S&P500 and the Nasdaq Composite climbed 1.89% and 1.78%, respectively. Insights from the Fed's policy meeting were the headlines, but the possibility of a more sustained rally may hinge on the October jobs report which is scheduled for release today (US time). Meanwhile, European markets also closed higher as a reaction to the Fed's meeting. Momentum also built up after the Bank of England also opted to keep its policy rates steady. UK bond yields dropped following the decision. In the Asia-Pacific, markets also cheered the Fed's decision and follow-up remarks. South Korea's Kospi and Japan's Nikkei led the gains in the region with 1.81% and 1.1%, respectively. Investors are also monitoring the latest inflation and trade data from Asia-Pacific countries. In the local bourse, sectors were mostly up. Industrial (-0.66%) and Mining&Oil (-0.64%) declined. Property (+1.08%) had the biggest advance while the rest had sub-1% additions. In the main index, AGI (+4.54%), LTG (+4.12%), and ALI (+3.92%) were the top performers among Tuesday's 14 gainers. On the other end, MONDE (-3.64%), SCC (-3.49%), and DMC (-2.96%) had the biggest drops among 13 laggards. The market's total turnover value increased by 9% to PHP4.09 billion, while total foreign activity inched up by 6% to PHP5.28 billion. Net foreign selling increased to PHP415.89 million. The Philippine Peso strengthened against the US dollar and closed at PHP56.73 from PHP56.955. The strong rallies from markets globally may spill to the local bourse in today's session as the investors in the Philippine stock market have yet to see the effects of the Fed's policy decision on equities. The Bangko Sentral ng Pilipinas (BSP)'s off-cycle hike along with the Fed's pause may cause further strengthening of the local currency as well. A rally back above the 6,000-level is likely given the recent string of positive catalysts.

PSEI INTRADAY



INDICES

Index	Prev	Last	% Chg
PSEi	5,961.99	5,973.78	0.20%
All Shares	3,246.47	3,254.17	0.24%
Financial	1,705.71	1,712.36	0.39%
Industrial	8,533.89	8,477.16	-0.66%
Holding Firms	5,722.15	5,726.65	0.08%
Property	2,513.41	2,540.67	1.08%
Services	1,451.32	1,453.07	0.12%
Mining & Oil	9,846.12	9,782.95	-0.64%

TOP 10

AGI	4.54%	MONDE	-3.64%
LTG	4.12%	SCC	-3.49%
ALI	3.92%	DMC	-2.96%
JGS	2.37%	JFC	-2.01%
NIKL	1.87%	TEL	-1.39%
SMC	1.64%	AEV	-1.29%
BPI	1.62%	BDO	-0.78%
ACEN	0.95%	CNPF	-0.71%
ICT	0.85%	URC	-0.64%
MER	0.80%	SM	-0.56%

BOTTOM 10

Stock Picks

Stock	Date	Initial Price	Current Price	Return since Recommendation	
				Stock	PSEi
TEL	3/13/20	1,029.00	1,210.00	17.59%	3.10%
CNPF	3/13/20	13.10	28.00	113.74%	3.10%
FGEN	9/23/20	24.80	18.08	-27.10%	1.38%
AP	9/23/20	25.55	35.95	40.70%	1.38%
BDO	11/17/20	92.60	127.50	37.69%	-13.65%
BPI	11/17/20	83.00	100.50	21.08%	-13.65%
MBT	11/17/20	44.35	52.30	17.93%	-13.65%
SECB	11/17/20	103.90	77.00	-25.89%	-13.65%
CNVRG	6/13/22	22.50	8.37	-62.80%	-7.63%
ALI	6/13/22	30.05	27.85	-7.32%	-7.63%
SGP	6/13/22	12.06	7.40	-38.64%	-7.63%
Ave. Return				7.91%	-6.23%

MARKET DATA

Market Volume	416,556,824
Market Turnover (Value)	4,093,658,363
Foreign Buying	2,434,182,510
Foreign Selling	2,850,072,447
Net Foreign Buy / (Sell)	(415,889,937)

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Economic Developments

- ➔ **PH electronic exports rise 5.9% to \$4.21 billion in August.** Philippine electronics exports increased by 5.91% year-on-year to \$4.21 billion in August, with five product categories showing export growth. The categories that saw growth included medical or industrial instrumentation, telecommunications, communication or radar, semiconductor components or devices, and office equipment. In contrast, some segments such as automotive electronics, electronic data processing, and consumer electronics posted declines. Month-on-month, electronics exports rose by 6.58% from July. However, electronics exports for the first eight months of the year declined by 3.6% to P29.35 billion, accounting for 61.4% of all Philippine exports. Hong Kong was the top export destination, followed by the United States, China, Japan, and Singapore, among others. The Semiconductor and Electronics Industries in the Philippines, Inc. (SEIPI) had previously revised its export growth forecast for 2023 from 5% to 0% after a 6% decline in the first six months, indicating continued uncertainty in the industry. *(BusinessWorld)*
- ➔ **BSP sees inflation easing below 6% in October.** The Bangko Sentral ng Pilipinas (BSP) anticipates that inflation in the Philippines likely eased to below 6% in October after increasing for two consecutive months, hitting 6.1% in September. The BSP's month-ahead inflation forecast indicated that inflation was expected to fall within a range of 5.1%-5.9% in October. Lower prices of rice, meat, vegetables, and petroleum products contributed to the easing of inflation in the country. However, higher prices of electricity, liquefied petroleum gas, fruits, and fish, along with a recent jeepney fare increase, were sources of upward price pressures in October. The BSP expects that inflation will briefly return within the target range in early 2024 before breaching the upper end of the target between May and June next year. It has raised key policy rates by a total of 450-basis points (bps) since May last year to combat inflation and stabilize the peso. The central bank recently raised the benchmark interest rate to a fresh 16-year high of 6.50%. However, concerns are growing about the impact of rate hikes on economic growth, and the BSP may need to balance its efforts to combat inflation with the need to support economic activity. *(Philstar)*
- ➔ **PAGCOR income jumps to PHP4.9 billion in 9 months.** The Philippine Amusement and Gaming Corp. (PAGCOR) reported a nearly 40% increase in earnings to around PHP5 billion in the first nine months of the year. PAGCOR's net income rose by 39.7% from January to September, reaching PHP4.86 billion, up from PHP3.48 billion in the same period last year. The company's third-quarter income significantly exceeded its target for the nine-month period of PHP766.3 million. Revenues increased by 32% to PHP51.66 billion, outperforming government expectations of at least PHP50.69 billion. PAGCOR has been aiming to create a favorable business environment and improve regulatory policies to make the Philippines a more attractive gaming and entertainment hub. The company plans to focus on its regulatory role by privatizing its over 40 casinos nationwide and generate up to PHP80 billion. PAGCOR is mandated to provide portions of its earnings to the Bureau of the Treasury, the Bureau of Internal Revenue, the Philippine Sports Commission, and local governments hosting PAGCOR casinos, among others, to fund vital programs and initiatives in the country. *(Philstar)*

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Corporate Developments

- ➔ **DMCI Holdings, Inc. (DMC).** DMC reported a consolidated net income of PHP20 billion for the first nine months of the year, marking a 28% decline from PHP27.6 billion. This drop was primarily attributed to the normalization of coal and nickel prices, driven by factors such as China's economic slowdown and global oversupply. However, the company's power businesses, including SEM-Calaca, Southwest Luzon, and DMCI Power, showed significant growth during the same period, serving as buffers against the decline in resource-related sectors. For the third quarter alone, DMC recognized a consolidated net income of PHP4.1 billion, a 44% drop from PHP7.3 billion. This decline was attributed to lower contributions from Semirara Mining and Power Corporation (SCC) and DMCI Mining. SCC's net income contribution decreased by 37% from PHP20.4 billion to PHP12.8 billion due to lower shipments and average selling prices, partly offset by higher power generation, sales, and average selling prices. Other subsidiaries made various contributions: DMCI Homes contributed PHP3.8 billion, largely unchanged from the previous year, thanks to better selling prices and higher income from sales cancellations. D.M. Consunji, Inc. saw a 32% decline in profit contribution, dropping from PHP676 million to PHP459 million due to the absence of new projects and the completion of most infrastructure projects. DMCI Power contributed PHP632 million, marking a 15% increase from PHP549 million, driven by higher electricity sales volume, lower fuel costs, and improved margins. DMCI Mining experienced a 48% decrease in net income contribution, falling from PHP1.1 billion to PHP569 million, primarily due to lower selling prices and higher costs. On the other hand, affiliate Maynilad reported a 51% increase in contributions, rising from PHP1.1 billion to PHP1.7 billion, attributed to higher billed volume, a better customer mix, and improved average effective tariff. *(DMC Disclosure)*
- ➔ **Semirara Mining and Power Corporation (SCC).** SCC reported a 37% decline in net income for the first nine months of the year, falling from PHP35.9 billion to PHP22.6 billion. The decrease was primarily attributed to lower coal shipments and selling prices. SCC President and COO Maria Cristina C. Gotianun explained that the third quarter is typically a slow period due to the rainy season, making last year an outlier with high index prices. However, she noted that the power business delivered outstanding results this year, offsetting the sharp earnings decline in the coal business. For the third quarter, SCC's net income saw a 66% plunge from PHP10.1 billion to PHP3.4 billion. Over the nine-month period, the average selling price of Semirara coal dropped by 23%, from PHP5,224 per metric ton (MT) to PHP4,042 per MT, aligning with stabilizing index prices. In contrast, the power segment achieved its best-ever overall plant performance, with plant availability improving by 31% from 62% to 81%. This led to a 28% increase in gross generation, from 2,881 gigawatt hours (GWh) to 3,695 GWh, and a 24% rise in sales volume, from 2,778 GWh to 3,437 GWh over the nine months. The average selling price increased by 2%, reaching PHP5.75, as higher contract prices offset the impact of decreasing spot market prices, which fell by 14% from PHP7.33 to PHP6.33 due to stabilized fuel prices and additional capacity in the main grid. *(SCC Disclosure)*

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Corporate Developments

- ➔ **Union Bank of the Philippines (UBP).** UBP reported a net income of PHP8.1 billion for the first nine months of 2023. Despite elevated operating expenses attributed to one-time integration costs related to the Citi consumer business acquisition, the bank's business fundamentals remain strong, with robust growth in topline revenues due to its focus on the consumer segment. Net revenues increased by 48% to PHP52.8 billion, with net interest income growing by 34% to PHP37.3 billion, driven by an 18% increase in the bank's loan portfolio, particularly in consumer loans. UBP maintains one of the industry's highest proportions of consumer loans to total loans at 56%, resulting in an above-industry net interest margin of 5.3%. Non-interest income also saw substantial growth, rising by 93% to PHP15.5 billion, primarily from recurring fee-based income on customer transactions. The bank's customer base has exceeded 13 million, averaging over 2 million new customers annually since 2019. Total assets as of September 2023 reached PHP1.1 trillion, an 8% increase from September 2022. Net loans and receivables grew by 18% to PHP531.0 billion, while total deposits increased by 6% to PHP724.7 billion. Operating expenses rose by 63% to PHP33.5 billion due to the full-year impact of the acquired Citi consumer business and UnionDigital. These new businesses were included in the banking group in the second half of 2022. The bank spent a total of PHP3.6 billion on one-time expenses related to the integration of the Citi consumer business. UBP remains confident in its profitability outlook and expects above-industry profitability once the integration process is completed. *(UBP Disclosure)*
- ➔ **AyalaLand Logistics Holdings Corporation (ALLHC).** ALLHC reported a 37% drop in net income for the first nine months of 2023, with earnings declining to PHP354 million from PHP565 million in the same period last year. Consolidated revenues for the same period also fell by 25% to PHP2.1 billion, down from PHP2.8 billion in 2022. General revenues were 31% lower at PHP834 million due to the early-stage completion of newly launched projects, while warehouse leasing revenues dipped slightly to PHP510 million from PHP518 million due to lower occupancy related to facility upgrades in ALogis Calamba. On the other hand, cold storage revenues increased to PHP129 million from PHP89 million, driven by higher occupancy in the ALogis Artico Mandaue facility. Commercial leasing revenues slightly decreased to PHP664 million from PHP665 million last year. ALLHC noted that property tenancy to logistics companies increased in ALogis Calamba, with an 88% lease-out rate, expecting overall occupancy to rise in the fourth quarter as tenants commence operations. Sales reservations were 10% higher at PHP1.4 billion, reflecting strong domestic demand for industrial lots. *(ALLHC Disclosure)*
- ➔ **DoubleDragon Corporation (DD).** DD's Hotel101 Global has completed the purchase of 6,593 square meters of prime commercial land in Valdebebas, Madrid, Spain. The new property is strategically located near key landmarks and transportation hubs. Hotel11-Madrid Spain is slated for completion in Q4 2025, with expected robust condotel sales revenue of about €143.3 million Euros (₱8.8 billion Pesos). Buyers of 3 Hotel101 units in Madrid will receive a free Golden Visa processing and advisory fee, applicable until December 31, 2023, or until units are sold out. *(DD Disclosure)*

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Other Developments

- ➔ **Fed holds rates steady, upgrades assessment of economic growth.** The US Federal Reserve (Fed) has decided to keep its benchmark interest rates unchanged in a target range between 5.25% and 5.5%, marking the second consecutive meeting with no change after a series of 11 rate hikes. This decision comes despite a strong economy, a robust labor market, and persistent inflation exceeding the central bank's target. Fed Chairman Jerome Powell emphasized that the process of reducing inflation to a sustainable 2% still has a long way to go. He also clarified that the Fed has not made any decisions yet for its December meeting, and there are no discussions about rate reductions at this time. While the post-meeting statement mentioned that economic activity expanded strongly in the third quarter, it also noted that employment gains had moderated since earlier in the year but remained robust. The statement indicated that both financial and credit conditions had tightened, contributing to the surge in Treasury yields. This restrictive stance by the Fed has been a factor behind the increase in yields, driven by several factors, including strong economic growth, persistent high inflation, a hawkish Fed, and a heightened "term premium" for investors demanding higher yields for longer-duration fixed income. (CNBC)
- ➔ **UK and Europe's borrowing costs slide after central banks hold rates.** Following the Bank of England's decision to keep interest rates steady for a second consecutive month, UK government bond yields saw a sharp drop. The 10-year yield on UK government bonds, known as gilts, fell 13 basis points to 4.366%, while the 2-year yield, reflecting interest rate expectations, was down 8 basis points at 4.711%. Despite comments from central bank officials suggesting that further rate hikes were still possible and that there was work to be done in achieving inflation targets, investors seemed to focus on the prospect of steady rates, leading to the rally in bond prices. Similar trends were observed in other European countries, with German 10-year bond yields falling around 5 basis points, and Italy's 10-year yield down 9 basis points. (CNBC)
- ➔ **Private sector payrolls rose 113,000 in October, less than expected, ADP says.** According to ADP, private sector payroll growth in October was modest, adding 113,000 workers for the month. While this figure was an improvement from the revised 89,000 in September, it fell short of the expected 130,000, as per Dow Jones consensus estimates. ADP also reported that pay increased by 5.7% compared to the previous year, marking the smallest annual gain since October 2021. In terms of job gains by sector, education and health services led with 45,000 new jobs, followed by trade, transportation, and utilities (35,000), financial activities (21,000), and leisure and hospitality (17,000). Most of the new jobs came from service-providing industries, with goods producers contributing just 6,000. ADP's chief economist, Nela Richardson, noted that there is no dominant industry in hiring for the month and that significant post-pandemic pay increases seem to be a thing of the past. The official nonfarm payrolls report from the Labor Department, which includes government jobs and often differs substantially from ADP estimates, is expected to be released in a couple of days. (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
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
SECB	Security Bank Corporation	Php1.50	Cash	Common	11/09/23	11/10/23	11/24/23
EURO	Euro-Med Laboratories Phil., Inc.	Php0.035	Cash	Common	11/09/23	11/10/23	11/27/23
ALI	Ayala Land, Inc.	Php0.2231	Cash	Common	11/10/23	11/13/23	11/24/23
ALCPD	Arthaland Corporation	Php7.50	Cash	Preferred	11/10/23	11/13/23	12/04/23
REG	Republic Glass Holdings Corporation	Php0.03	Cash	Common	11/14/23	11/15/23	11/28/23
LFM	Liberty Flour Mills, Inc.	Php0.20	Cash	Common	11/14/23	11/15/23	12/06/23
ACPAR	Ayala Corporation	Php39.741875	Cash	Preferred	11/15/23	11/16/23	11/29/23
APB2R	Ayala Corporation	Php6.02675	Cash	Preferred	11/15/23	11/16/23	11/29/23
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
ALCPC	Arthaland Corporation	Php1.7319	Cash	Preferred	11/28/23	11/29/23	12/27/23
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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