

## Market Commentary

➔ **The View:** The PSEi slid by 26.33 points or 0.43% and ended at 6,161.89 yesterday. The benchmark index's 6-day winning streak was finally halted as the recent remarks by US Federal Reserve (Fed) Chairman Jerome Powell about monetary policy negatively affected stock markets globally. Fed Chairman Powell stated that the Fed is not confident that they have done enough to rein inflation back to their 2% target, which could mean additional upward adjustments in interest rates. In the US, the 3 major indices finished strong as bond yields failed to sustain their momentum from Thursday (US time). The Dow surged by 1.15%, while the S&P500 and the Nasdaq Composite climbed 1.56% and 2.05%, respectively. Tech stocks led Friday's rally. All three were also up for the week with Nasdaq notching a 2.4% gain, while the S&P500 and the Dow went up by 1.3% and 0.7%, respectively. For this week, investors will keep a close eye on the developments in Washington as another government shutdown looms. Moody's has already cut its US outlook to negative, mentioning deficit problems and political disunity. Meanwhile, European markets were down last Friday which was likely an effect of the recent Fed comments. The F&B sector led the declines, while oil and gas were the only ones to move up. In the Asia-Pacific, markets ended in the red as a reaction to the Fed Chairman Powell's statements. Hong Kong's Hang Seng led the losses in the region with 1.76% after China's largest chipmaker, Semiconductor Manufacturing International Corporation (SMIC), recorded an 80% drop in its 3Q2023 profit due weakened global demand. In the local bourse, sectors went down except Services (+0.43%). Property (-1.43%) had the biggest drop while the rest had sub-1% contractions. In the main index, BLOOM (+1.34%), MONDE (+1.33%), and WLCON (+1.00%) were the top performers while the rest of the 13 gainers had sub-1% additions. On the other end, NIKL (-3.85%), GTCAP (-2.54%), and CNPF (-2.43%) had the biggest drops among 16 laggards. The market's total turnover value slid by 40% to PHP2.76 billion. Foreigners switched to being net sellers again with a net sell of PHP62.12 million. The Philippine Peso weakened by 7 cents against the US dollar and closed at PHP55.96. The benchmark index could trade sideways this week as investors continue to exercise caution amidst escalations in both the Middle East and the Ukraine-Russia conflict. With local GDP and inflation data released last week, investors may take cues from the upcoming Bangko Sentral ng Pilipinas (BSP) meeting on Thursday, along with overseas developments like the movements in bond yields and the US inflation report to make their moves.

## Stock Picks

Stock	Date	Initial Price	Current Price	Return since Recommendation	
				Stock	PSEi
TEL	3/13/20	1,029.00	1,245.00	20.99%	6.35%
CNPF	3/13/20	13.10	28.05	114.12%	6.35%
FGEN	9/23/20	24.80	18.30	-26.21%	4.57%
AP	9/23/20	25.55	36.75	43.84%	4.57%
BDO	11/17/20	92.60	133.80	44.49%	-10.93%
BPI	11/17/20	83.00	104.10	25.42%	-10.93%
MBT	11/17/20	44.35	52.40	18.15%	-10.93%
SECB	11/17/20	103.90	74.00	-28.78%	-10.93%
CNVRG	6/13/22	22.50	8.77	-61.02%	-4.72%
ALI	6/13/22	30.05	28.95	-3.66%	-4.72%
SGP	6/13/22	12.06	6.97	-42.21%	-4.72%
<b>Ave. Return</b>				<b>9.56%</b>	<b>-3.28%</b>

## PSEI INTRADAY



### INDICES

Index	Prev	Last	% Chg
PSEi	6,188.22	6,161.89	-0.43%
All Shares	3,329.38	3,316.86	-0.38%
Financial	1,773.25	1,764.39	-0.50%
Industrial	8,679.69	8,642.72	-0.43%
Holding Firms	5,893.73	5,878.00	-0.27%
Property	2,663.08	2,628.11	-1.31%
Services	1,489.55	1,496.00	0.43%
Mining & Oil	9,746.06	9,693.13	-0.54%

### TOP 10

BLOOM	1.34%	NIKL	-3.85%
MONDE	1.33%	GTCAP	-2.54%
WLCON	1.00%	CNPF	-2.43%
ICT	0.77%	AGI	-2.42%
URC	0.71%	JGS	-2.31%
SCC	0.68%	ALI	-1.86%
DMC	0.66%	MBT	-1.60%
TEL	0.57%	SMPH	-1.26%
LTG	0.55%	MER	-1.08%
SM	0.49%	JFC	-0.92%

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### MARKET DATA

Market Volume	311,898,174
Market Turnover ( Value)	2,760,577,116
Foreign Buying	1,449,781,528
Foreign Selling	1,511,901,979
Net Foreign Buy / (Sell)	(62,120,452)

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## Economic Developments

- ➔ **FDI net inflows slipped by 1% YoY in August to \$789 million.** In August, the Philippines experienced a 1% decline in net inflows of foreign direct investments (FDI), dropping to \$789 million from \$797 million compared to the same period the previous year. Despite the year-on-year decrease, this marked the highest monthly FDI inflow in four months, rising 4.8% from July's \$753 million. The Bangko Sentral ng Pilipinas (BSP) attributed the overall decline to a contraction in non-residents' net investments in debt instruments, which fell 7.8% to \$537 million. However, growth in foreigners' investments in equity capital, which rose 13.3% to \$36 million, contributed positively, with equity placements surging 171.6% to \$216 million. The decline in FDIs is attributed to concerns among investors due to sustained uncertainty in the global economy, particularly influenced by elevated inflation and high-interest rates. Rizal Commercial Banking Corp. Chief Economist Michael L. Ricafort highlighted that FDIs might be affected by increased global inflation and high-interest rates, making investments more costly. Despite these challenges, the BSP expects FDI net inflows to reach \$8 billion in 2023 and \$10.5 billion in 2024, anticipating potential improvements in investment sentiment with easing inflation and ongoing economic reforms, including measures to ease foreign ownership limits. Further initiatives, such as amendments to the Public Services Act and Foreign Investments Act, are expected to encourage more FDIs into the country. (*BusinessWorld*)
- ➔ **2023 national budget adjusted upward to a new record-high of ₱5.53 trillion.** The Philippine government has adjusted its national budget, increasing it by approximately ₱261 billion to reach a record-high ₱5.53 trillion for the year 2023, according to the Department of Budget and Management (DBM). Nearly 96% of this budget, amounting to around ₱5.294 trillion, has been released as of October. The entire additional budget of ₱261 billion has been allocated to unprogrammed appropriations, providing standby authority for additional agency obligations when revenue collection exceeds targets or when extra grants or foreign funds are generated. The adjustments include support for foreign-assisted projects, priority infrastructure programs, social programs, and healthcare worker allowances, among other allocations. Unprogrammed appropriations, which allow additional agency obligations for priority programs or projects when revenue collection exceeds targets, have received the bulk of the adjustments, totaling ₱261 billion. The DBM has released ₱3.5 trillion under the 2023 General Appropriations Act (GAA), representing 95.5% of the total ₱3.66 trillion financing. Releases for departments, special purpose funds, automatic appropriations, interest payments, and net lending have all seen increases. The government aims to boost various sectors, including foreign-assisted projects, infrastructure, agriculture, healthcare, and social welfare, with the adjusted budget. (*Philstar*)

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## Economic Developments

- ➔ **Philippine factories extended growth streak in September.** In September, local factories in the Philippines maintained their output growth, marking their best performance so far in the year, despite facing high inflation. The Volume of Production Index (VoPI), a measure of manufacturing performance, expanded by 9.1% year-on-year, surpassing the 6.8% growth recorded in August. This continued growth streak brings factory output to 15 months of expansion. The resilience of local manufacturers is evident, with the manufacturing sector showing strength even amidst resurgent inflation that reached a four-month high of 6.1% in September. The growth in September was largely attributed to a 78.6% year-on-year increase in the manufacture of coke and refined petroleum products. Despite sustained growth, factories were operating below capacity, with an average capacity utilization rate of 74.3% in September. (*Inquirer*)
- ➔ **Pampanga steel bar production project granted green lane certificate.** The Board of Investments (BoI) has granted a green lane certificate to Real Steel Corp.'s (RSC) steel bar production facility project in San Simon, Pampanga. With an investment cost of ₱10.3 billion, the reinforcing steel bar production facility is expected to be fully operational in December 2024. Green lane endorsements, governed by Executive Order No. 18, streamline the approval and registration processes for strategic investments. The RSC steel mill, which will use local recycled scrap and full automation, aims to provide 480 jobs for Filipinos. BoI Governor Marjorie Ramos-Samaniego emphasized the importance of sourcing and producing steel locally to support the government's infrastructure programs. The project features electric arc furnace technology, generating 23 megawatts of renewable energy. (*BusinessWorld*)

## Corporate Developments

- ➔ **Converge Information and Communications Technology Solutions, Inc. (CNVRG).** CNVRG demonstrated robust performance in the third quarter of 2023. The company's total subscriber base had exceeded 2 million. The Company strategically introduced new products like Bida Fiber and Surf2Sawa, contributing to a substantial net addition of 170,925 subscribers in the first nine months, with 78,623 added in the third quarter alone. The resilience of CNVRG was particularly evident in its financials, with consolidated revenues reaching ₱26.2 billion in 9M2023, a 7.2% increase year-over-year. The residential segment, which comprised 85.6% of consolidated revenues, saw a 5.2% growth to ₱22.5 billion. Despite heightened churn due to economic conditions, the company strategically managed customer plans, and its enterprise business witnessed a remarkable 21.1% increase in revenues to ₱3.8 billion. CNVRG's prudent financial management was evident in its stable EBITDA growth, industry-leading ROIC of 15.4%, and a net debt position decreasing to ₱23.1 billion. The company's strategic initiatives extended beyond its core business, with the introduction of free access to BlastTV for all residential subscribers, enhancing customer stickiness. The Company also expanded its wholesale footprint internationally through Converge Singapore, aiming to capitalize on growth opportunities in the region. The expected completion of subsea cable systems Bifrost and SEA-H2X by mid-2024 positions CNVRG for further success in the wholesale market. (*CNVRG Disclosure*)

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## Corporate Developments

- ➔ **Universal Robina Corporation (URC).** URC showcased strong financial performance, with sales reaching ₱117.6 billion for the nine months ending September 2023, marking a substantial 9% increase compared to the same period last year. Despite macroeconomic challenges such as higher inflation, the third quarter saw a commendable 6% growth in sales compared to the previous year. The operating income for the first nine months exhibited impressive double-digit growth, reaching ₱12.6 billion, representing a significant 17% increase. The third quarter witnessed accelerated growth of 19% in operating income compared to the same period last year. The net income for the first nine months amounted to ₱10.3 billion, reflecting a solid 6% increase over the corresponding period last year. The core net income grew by an impressive 11% for the first nine months and surged by 12% for the third quarter. URC's financial position remains robust, featuring a healthy cash balance of ₱11.3 billion, net debt of ₱13.3 billion, and a low gearing ratio of 0.22. Examining sales performance by business segments, the Branded Consumer Foods group (excluding Packaging) achieved notable results, securing ₱81.1 billion in sales for the first nine months, reflecting a commendable 3% growth. BCF Philippines contributed significantly with revenues of ₱56.2 billion, marking a noteworthy 4% growth. Meanwhile, BCF International closed the first nine months at ₱24.9 billion, posting a commendable 2% growth. The Agro-Industrial & Commodities divisions demonstrated exceptional momentum, closing the first nine months with robust sales of ₱35.6 billion, indicating an impressive 27% increase compared to the same period last year. This segment's outstanding performance was attributed to double-digit growth in all three businesses – Agro-Industrial Group, Sugar and Renewables, and Flour – during the third quarter, driven by higher volumes. *(URC Disclosure)*
- ➔ **LTG Group, Inc. (LTG).** In the first nine months of 2023, LTG reported an attributable net income of ₱19.25 billion, representing a 6% decrease from the same period in 2022. The tobacco business contributed 47% to the total income, PNB added 40%, Tanduary contributed 6%, while Asia Brewery and Eton each accounted for 2%. A special cash dividend of ₱0.30 per share, totaling ₱3.25 billion, was declared in August. The debt-to-equity ratio for LTG was 3.42:1 with the bank and 0.13:1 without the bank. Tobacco business's net income for the first nine months of 2023 was ₱9.06 billion, 25% lower than the previous year, mainly due to a 20% decrease in industry volume and increased illicit incidence. PNB's net profit under the pooling method was ₱13.52 billion, marking an 18% increase from the same period in 2022. The bank's loans and receivables slightly decreased, but net interest margin improved to 4.0%, resulting in a 23% increase in net interest income. Provisions for credit losses were higher at ₱5.15 billion compared to ₱714 million in the previous year. Tanduary Distillers, Inc. (TDI) reported a net income of ₱1.15 billion for the first nine months of 2023, a 34% increase from the previous year. Both liquor and bioethanol volumes were lower year-on-year, but liquor revenues remained flat due to price increases. TDI's nationwide market share for distilled spirits increased to 33.6% as of September 2023. Asia Brewery, Inc. (ABI) reported a net income of ₱449 million, a 5% increase from 9M22, driven by higher revenues and increased volume for bottled water. Cobra energy drink maintained its leadership with a 61.1% market share. Eton Properties Philippines, Inc. (Eton) reported a net income of ₱347 million for the first nine months of 2023, a 4% increase from the previous year. This growth was attributed to a 17% increase in leasing revenues. Eton has resumed selling the remaining inventory of previously launched projects. *(LTG Disclosure)*

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## Corporate Developments

- ➔ **Nickel Asia Corporation (NIKL).** NIKL reported an attributable net income (net of minority interest) of ₱3.6 billion during this period, marking a 47% decline from ₱6.9 billion year-on-year. The decrease was attributed to lower nickel ore prices caused by increased nickel production in Indonesia. NIKL also registered a loss of ₱379.8 million from its combined equity interests in the two High Pressure Acid Leach (HPAL) plants, compared to a profit of ₱1 billion in the previous year due to lower nickel and cobalt prices. Revenues from the sale of ore declined by 15% to ₱16.8 billion from ₱19.9 billion in the same period last year. The company sold a combined 13 million wet metric tons (WMT) of nickel ore, showing a 5% improvement compared to the same period the previous year. The weighted average nickel ore sales price during the period decreased by 21% to \$23.24 per WMT from \$29.46 per WMT last year. NIKL exported 7.3 million WMT of saprolite and limonite ore at an average price of \$29.15 per WMT during the period, compared to 6.7 million WMT at \$38.87 per WMT in the previous year. The company delivered 5.7 million WMT of limonite ore to the Coral Bay and Taganito HPAL plants, realizing an average price of \$10.53 per pound of payable nickel for the nine-month period. The group's consolidated earnings before interest, taxes, depreciation, and amortization (EBITDA) amounted to ₱8.5 billion, reflecting a 31% decline from the same period last year. This decline was attributed to lower revenues and losses from the company's combined equity interests in the two HPAL plants. However, productivity measures led to a 7% reduction in cost per WMT. Regarding renewable energy, Emerging Power, Inc.'s subsidiary, Jobin-SQM Inc. (JSI), increased its electricity generation by 36% to 106,032-megawatt hours, with revenues rising by 34% to ₱529 million during the nine-month period. JSI is constructing an additional 72-MWp solar farm in its existing Sta. Rita site, expected to go online by the end of 2023. NIKL's Board of Directors approved the declaration of a special cash dividend of ₱0.07 per share of common stock, payable on December 7, 2023, to shareholders of record on November 24, 2023. *(NIKL Disclosure)*
- ➔ **Philex Mining Corporation (PX).** PX reported a core net income of ₱163 million for the third quarter of 2023, contributing to a 9-month core net income of ₱864 million. This reflects a decrease compared to the ₱210 million core net income in 3Q2022 and ₱1.543 billion for 9M2022. The EBITDA for 3Q2023 amounted to ₱337 million, down from ₱611 million in 3Q2022, and 9M2023 EBITDA was ₱1.525 billion, a decline from ₱2.964 billion in 9M2022. Despite gold and copper prices showing a slight increase compared to the same period in 2022, the Company faced challenges in production with lower tonnage milled, resulting in reduced gold and copper outputs for 3Q2023 and 9M2023. PX's operating costs and expenses for 3Q2023 were ₱1.634 billion, lower than ₱1.800 billion in 3Q2022, attributed to efficiency measures despite increased power costs. The Silangan Copper and Gold Project in Surigao del Norte is progressing, with ongoing tunneling and imminent awards for the tailings storage facility and process plant contracts. The syndicated debt facility, led by BDO Capital and Investment Corporation, is set to complete Silangan's funding requirements. Looking ahead, PX remains positive about new mining opportunities, including the potential extension of Padcal Mine's life beyond 2027 and exploring nickel mining to meet the rising demand from the electric vehicle industry. Chairman Manuel V. Pangilinan emphasized that sustainability relies on green technology, underscoring the importance of continued mining activities. *(PX Disclosure)*

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## Corporate Developments

- ➔ **Security Bank Corporation (SECB).** SECB reported improved quarterly profits, with net profit reaching ₱2.65 billion in Q3-2023, marking a 4% increase quarter-on-quarter and a 15% increase year-on-year. Net interest income for the same quarter rose to ₱9 billion, up 8% over the quarter and 19% over the year. The net interest margin also increased to 4.86%, reflecting a 28 basis points quarter-on-quarter and 66 basis points year-on-year improvement. Service charges, fees, and commissions grew to ₱1.5 billion, showing a 1% quarter-on-quarter and 15% year-on-year increase. The Bank set aside ₱1 billion as provisions for credit losses in Q3-2023. For the first nine months of 2023 (9M-2023), Security Bank posted a net profit of ₱7.6 billion, driven by growth in core businesses, an increase in quarterly net interest margin, and normalized credit provisions. Net interest income for 9M-2023 increased by 12% year-on-year to ₱24.7 billion, while total non-interest income reached ₱6.5 billion. Operating expenses rose by 14%, driven by investments in manpower and technology, resulting in a cost-to-income ratio of 60.7%, compared to 56.3% a year ago. Pre-provision operating profit was ₱12.3 billion, and provisions for credit losses in 9M-2023 amounted to ₱2.6 billion. The gross non-performing loan ratio was 3.15%, with an NPL reserve cover of 92%. Return on shareholders' equity was 7.81%, and return on assets was 1.22%. The bank's balance sheet remained strong, with total deposits at ₱562 billion, a healthy Liquidity Coverage Ratio (LCR) at 174%, and Net Stable Funding Ratio (NSFR) at 131% as of September 30, 2023. Security Bank's Common Equity Tier 1 Ratio was 15.5%, and Total Capital Adequacy Ratio (CAR) was 16.3%. Total assets increased to ₱815 billion, up 2% year-on-year, and shareholders' capital increased to ₱132.6 billion, a 7% increase over the year. The bank's Board of Directors approved the second semestral regular cash dividend of ₱1.50 per common share, with a payment date on November 24, 2023, bringing the total cash dividends for the year to ₱3.00 per common share. *(SECB Disclosure)*
- ➔ **Philippine National Bank (PNB).** PNB reported a consolidated net income of ₱13.5 billion for the first nine months of 2023, marking a 19% increase compared to the same period last year. The growth was attributed to the bank's core lending and fee-based operations. Net interest income rose by 23% to ₱33.0 billion, driven by higher loan volumes and an improved net interest margin of 4.2%, up from the previous year's 3.4%. PNB's gross loans amounted to ₱635 billion as of end-September 2023, a 4% increase from the end-December 2022 level. Deposit liabilities also increased by 5%, reflecting the bank's efforts to build up its CASA portfolio and offer competitive deposit products. Net fee-based income grew by 21% year-on-year, supported by increased volumes of lending and deposit-related transactions. Despite limited trading opportunities and market liquidity, the bank improved its treasury-related income by 36% by capitalizing on market rate movements. PNB continued its strategy to dispose and monetize foreclosed properties, although the gains were lower than the previous year. Operating expenses for the first nine months of 2023 amounted to ₱21.4 billion, a 4% reduction year-on-year due to prudent spending. The bank set aside additional provisions of ₱5.2 billion amid prevailing uncertainties in 2023. As of end-September 2023, PNB's consolidated assets stood at ₱1.18 trillion, up 3% from the end-December 2022 level, driven by higher loans and investment securities. Total equity expanded by 10% year-on-year, resulting in Capital Adequacy Ratio of 16.6% and Common Equity Tier 1 Ratio of 15.7%, both well above the minimum regulatory requirement of 10.0%. *(PNB Disclosure)*

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## Corporate Developments

➔ **East West Banking Corporation (EW).** EW reported a net income of ₱4.9 billion in the first nine months of 2023, surpassing its full-year net income for 2022. The strong financial performance, driven by robust loan growth, exceeded pre-pandemic levels. Net income increased by 60% compared to the same period last year, reaching ₱3.0 billion, while revenues grew by 26% to ₱25.6 billion, primarily due to the expansion of its consumer lending portfolio, which accounts for 79% of total loans. Consumer lending, including credit cards, auto loans, salary loans, and personal loans, grew by 26%, supported by stable funding sources as total deposits increased by 6% to ₱338.0 billion, mainly from CASA deposits, maintaining a net interest margin (NIM) expansion to 7.7%. Non-interest income grew by 59% to ₱5.1 billion, with fees and commission increasing by 35% to ₱3.5 billion, driven by growing banking transactions in line with lending growth. Trading income also contributed ₱453.5 million to non-interest income growth despite the volatile macroeconomic environment. Operating expenses reached ₱14.6 billion, growing by 16%, primarily driven by manpower, IT, and business-related expenses. EW Bank CEO Jerry G. Ngo emphasized ongoing investments in people and technology to enhance customer experience and efficiency. Total assets grew by 10% to ₱444.7 billion, total loans and receivables increased by 18% to ₱283.7 billion, and total deposits grew by 6% to ₱338.0 billion. Capital ratios remain healthy at 13.7% for Capital Adequacy Ratio (CAR) and 12.9% for Common Equity Tier 1 (CET1) ratio, well above regulatory requirements. EW introduced EastWest Pay, a first-in-market in-store mobile payment application powered by EastWest Visa credit cards, further showcasing the bank's commitment to innovation and customer-centric solutions. *(EW Disclosure)*

➔ **Century Properties Group Inc. (CPG).** CPG reported solid performance in the first nine months of 2023 with consolidated revenues reaching ₱9.7 billion, marking a 10% increase from ₱8.7 billion in the same period last year. The growth in revenues was driven by the rising contribution of CPG's First-Home Residential Developments (First-Home) segment, accounting for ₱5.3 billion or 55% of total revenues—a notable 28% increase from ₱4.2 billion in 9M2022. Meanwhile, CPG's In-City Vertical Developments and Commercial Leasing segments contributed ₱2.9 billion (30%) and ₱1 billion (10%), respectively, while the Property Management segment contributed ₱376 million. CPG's earnings before interest, taxes, depreciation, and amortization (EBITDA) for 9M2023 surged by 30% to ₱2.5 billion, up from ₱1.9 billion in the same period last year. This was attributed to the higher contribution from the high-margin First-Home segment and improved operating efficiencies across other business segments. The company also achieved a healthy gross profit margin of 45% for 9M2023, compared to 41% in 9M2022. The net income after tax for 9M2023 reached ₱1.3 billion, reflecting a 13% growth from ₱1.1 billion in 9M2022. Marco R. Antonio, President and CEO of CPG, emphasized the company's dedication to addressing the housing needs of Filipinos and expressed commitment to intensify business efforts to meet the rising demand in the sector. CPG has also gained board approval to acquire Mitsubishi Corporation's stake in PHirst Park Homes, Inc., aiming to secure full ownership, with the acquisition receiving approval from the Philippine Competition Commission in August. *(CPG Disclosure)*

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## Corporate Developments

- ➔ **Holcim Philippines, Inc. (HLCM).** HLCM reported a 4% decrease in net sales to ₱18.4 billion for the period from January to September 2023. The decline was attributed to lower market demand in the cement business due to slow construction activities and adverse weather conditions. Despite this, the company's revenue diversification strategy, aligned with its transformation into a building solutions provider, showed positive results. The aggregates business contributed significantly, benefiting from improved pricing and volume, while the dry mix business experienced net sales growth. HLCM's commitment to sustainability and innovation, including optimized manufacturing and logistics operations, increased usage of alternative fuel and raw materials, and a shift to low-carbon cements, contributed to maintaining an Operating EBIT margin and delivering an Operating EBIT of ₱1.4 billion. Net Income for the period reached ₱999.4 million. In the third quarter of 2023, HLCM faced a 21% year-on-year decline in net sales, amounting to ₱5.5 billion. Operational efficiencies and cost-saving measures allowed the company to achieve resilient results, with an Operating EBIT of ₱202.5 million and Net Income of ₱164.3 million. The company continued its focus on sustainability and innovation, with blended cements accounting for 75% of volumes and revenues as part of its decarbonization efforts. HLCM partnered with the Construction Industry Authority of the Philippines (CIAP) to support the government's goals for the construction industry. The company also launched a disaster-resilient home improvement program in collaboration with Build Change and Alalay sa Kaunlaran Foundation, Inc. (ASKI), aligning with the call for prioritizing locally-produced building materials for government infrastructure projects and promoting sustainable economic growth and development. *(HLCM Disclosure)*
- ➔ **First Gen Corporation (FGEN).** FGEN reported a notable 28% increase in attributable recurring net income, amounting to ₱13.8 billion, compared to ₱10.2 billion in the previous year. This growth was attributed to the higher earnings from Energy Development Corporation's (EDC) geothermal portfolio and a slight increase in earnings from the natural gas portfolio. Revenues for the same period totaled ₱104.7 billion, showing a slight decrease from ₱105.2 billion in 2022, primarily influenced by lower natural gas and liquid fuel prices, reduced liquid fuel usage, and lower contracted revenues from the Pantabangan-Masiway facilities. The natural gas platform saw a 4% increase in recurring earnings to ₱8.1 billion, driven by the improved performance of the San Gabriel and Avion facilities. EDC's recurring earnings rose by 58% to ₱5.7 billion, benefiting from higher sales and operating income, especially in geothermal power plants. The hydro platform contributed ₱316 million to recurring earnings, facing a 12% decline due to reduced electricity volume sold, partially offset by increased WESM volumes, higher market prices, and cost savings. FGEN President and COO Francis Giles B. Puno expressed confidence in the positive performance, anticipating further milestones, including the commercial operations of the LNG terminal and the turnover of the Casecnan Hydroelectric Power plant in early 2024. *(FGEN Disclosure)*

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## Corporate Developments

- ➔ **PAL Holdings, Inc. (PAL).** PAL reported a net income of \$98 million (₱5.4 billion) and operating income of \$130 million (₱7.2 billion) for the third quarter of 2023. These figures mark improvements from the \$63 million (₱3.5 billion) net income and \$87 million (₱4.9 billion) in operating income recorded in the third quarter of 2022. The positive financial performance is attributed to the continued growth of passenger travel and the expansion of flights across PAL's global network. In Q3 2023, PAL carried 4 million passengers, a 54% increase from the 2.6 million flown in Q3 2022. Passenger revenues for the third quarter grew to \$749 million (₱47.5 billion) compared to \$610 million (₱40.8 billion) in Q3 2022, while cargo revenues declined by 35% due to a softening in the air cargo market. For the full January to September 2023 period, PAL reported a net income of \$348 million (₱19.2 billion), compared to \$133 million (₱7.2 billion) for the same period in 2022. The operating income was \$444 million (₱24.6 billion) for January-September 2023, up from \$212 million (₱11.5 billion) in 2022. PAL flew 11 million passengers in the first nine months of 2023, an improvement from the 6.4 million carried in the same period of 2022. Passenger revenues for January-September 2023 grew to \$2.17 billion (₱120.1 billion), compared to \$1.47 billion (₱79.5 billion) last year. PAL's President and Chief Operating Officer, Mr. Lucio Tan III, stated the company's commitment to fortifying the airline against external challenges and building PAL as a resilient and dynamic competitor. The fleet expansion and service enhancements include the acquisition of Airbus A350-1000 long-range aircraft, the expansion of the Cebu hub network, a new customer relations management system, and an increase in staffing of customer care personnel. *(PAL Disclosure)*
- ➔ **Cosco Capital Inc. (COSCO).** COSCO exhibited robust financial performance, reporting a 4.8% growth in its consolidated net income for the first nine months of 2023, reaching ₱9.1 billion compared to ₱8.7 billion in the previous year. The strong performance across all business segments contributed to a 10.5% increase in consolidated revenues, totaling ₱150.3 billion. The grocery retailing businesses, particularly Puregold Price Club, Inc. and S&R Membership Shopping Club, accounted for 72% of the total net income, followed by Liquor Distribution with 20%, and Commercial Real Estate with 7%. The grocery retailing segment experienced a 9% rise in consolidated net sales to ₱139 billion, driven by positive same store sales growth (SSSG) of +4.8% from Puregold Stores and +4.1% from S&R Warehouse clubs. Despite compressed margins and higher operating expenses, the grocery retail group's net income increased by 2.1% year on year to ₱6.6 billion. The Liquor Distribution business, represented by The Keepers Holdings Inc., achieved a consolidated revenue of ₱10.2 billion, a 14% growth, with net income rising by 13% to ₱1.8 billion, fueled by strong sales performance in imported brandy, spirits, wines, and specialty beverages. The Commercial Real Estate segment demonstrated a 7.8% growth in rental revenue, amounting to ₱1.4 billion, and a 7.7% increase in net income to ₱672 million for the first nine months of 2023. Additionally, the Specialty Retailing business segment, represented by Office Warehouse, Inc., witnessed revenue growth of 10.5% at ₱1.66 billion, achieving a strong recovery with a +20.6% same-store sales growth. Net income for this segment improved by 18% to ₱63.6 million. Looking ahead, COSCO is exploring entry into the Renewable Energy business as part of its expansion strategy, aligning with the government's focus on renewable energy and contributing to the country's economic development. *(COSCO Disclosure)*

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## Other Developments

### ➔ Moody's cuts US outlook to negative, citing deficits and political polarization.

Moody's Investors Service has shifted the outlook on the US' government ratings from stable to negative, while maintaining the long-term issuer and senior unsecured ratings at Aaa. The downgrade is attributed to rising risks to the nation's fiscal strength, with concerns about large fiscal deficits and weakened debt affordability amid higher interest rates. Moody's highlighted the impact of political polarization in the US Congress, raising doubts about the ability to reach a consensus on fiscal measures to address the declining debt affordability. The ratings agency mentioned that without effective fiscal policy measures to reduce government spending or increase revenues, the fiscal deficits are expected to remain very large. Moody's indicated that continued political polarization in Congress increases the risk of successive governments failing to agree on a fiscal plan, further challenging the nation's fiscal position. Despite maintaining the Aaa rating, Moody's emphasized the need for effective fiscal policies to mitigate risks to the US fiscal strength. (CNBC)

### ➔ China's ICBC, the world's biggest bank, hit by cyberattack that reportedly disrupted Treasury markets.

The US financial services arm of China's Industrial and Commercial Bank of China (ICBC) fell victim to a ransomware attack, leading to disruptions in certain systems and reportedly impacting the trading of US Treasuries. ICBC Financial Services swiftly isolated the affected systems and initiated an investigation, collaborating with law enforcement to address the incident. While ICBC claims to have successfully cleared US Treasury trades, reports indicate disruptions to Treasury trades, preventing the settlement of trades for other market participants. The cyberattack utilized LockBit 3.0 ransomware, and although ICBC did not attribute the attack to a specific group, signs point to LockBit, a notorious entity employing a "ransomware-as-a-service" model. LockBit 3.0 is recognized for its evasiveness and modular structure, making it challenging for security researchers to analyze and detect. This strain of ransomware operates with a unique password requirement for each instance, hindering analysis. LockBit, as a group, is known for its ransomware-as-a-service business model, where it sells its malicious software to affiliates who execute cyberattacks. The group's leader, known as "LockBitSup" on dark web forums, has claimed responsibility for numerous attacks, including those on Boeing and the U.K.'s Royal Mail. The U.S. Department of Justice previously charged a Russian national for deploying LockBit ransomware in global cyberattacks, revealing the group's involvement in over 1,400 attacks and receiving substantial ransom payments. (CNBC)

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### Other Developments

➔ **Russia renews missile attacks on Kyiv, attacks intensify in the east.** Russia launched a missile attack on Ukraine's capital, Kyiv, and its surrounding region, marking the first such attack in over seven weeks, according to Ukrainian officials. The missile attacks targeted Kyiv, while drones pounded the east and south of Ukraine. Ukrainian border guards reported retaking a village in the northeast, adjacent to the Russian border. Despite the missile attack, Ukrainian air defense successfully intercepted the missile approaching Kyiv, preventing casualties or significant damage. Additionally, Ukrainian forces repelled multiple attacks by Russian troops in the east, particularly around the town of Avdiivka, which has been heavily bombarded for weeks. Ukrainian intelligence officials noted an increase in air alerts in recent days and successfully shot down 19 Iranian-made "Shahed" drones launched by Russian forces. The situation raises concerns about a potential escalation in hostilities and underscores the ongoing challenges faced by Ukraine in resisting Russia's military advances. *(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
BKR	Bright Kindle Resources & Investments Inc.	Php0.0037	Cash	Common	10/13/23	10/16/23	TBA
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
ACENA	ACEN Corporation	Php17.8325	Cash	Preferred	11/16/23	11/17/23	12/01/23
ACENB	ACEN Corporation	Php20.0000	Cash	Preferred	11/16/23	11/17/23	12/01/23
GLO	Globe Telecom, Inc.	Php25.00	Cash	Common	11/16/23	11/17/23	12/01/23
GLOPA	Globe Telecom, Inc.	Php0.32	Cash	Preferred	11/16/23	11/17/23	12/01/23
MREIT	MREIT, Inc.	Php0.2460	Cash	Common	11/17/23	11/20/23	12/14/23
RCR	RL Commercial REIT, Inc.	Php0.0979	Cash	Common	11/20/23	11/21/23	11/30/23
MFC	Manulife Financial Corporation	CAD\$0.365	Cash	Common	11/21/23	11/22/23	12/19/23
NIKL	Nickel Asia Corporation	Php0.07	Special Cash	Common	11/23/23	11/24/23	12/07/23
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
FILRT	Filinvest REIT Corp.	Php0.071	Cash	Common	11/28/23	11/29/23	12/15/23
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
PRF3A	Petron Corporation	Php17.17825	Cash	Preferred	11/28/23	11/29/23	12/26/23
PRF3B	Petron Corporation	Php17.84575	Cash	Preferred	11/28/23	11/29/23	12/26/23
TCB2B	Cirtek Holdings Philippines Corporation	US\$0.025	Cash	Preferred	11/30/23	12/01/23	12/18/23
SLI	Sta. Lucia Land, Inc.	Php0.04	Special Cash	Common	12/06/23	12/07/23	12/22/23
PRF4A	Petron Corporation	Php16.76975	Cash	Preferred	12/12/23	12/13/23	01/08/24
PRF4B	Petron Corporation	Php16.99300	Cash	Preferred	12/12/23	12/13/23	01/08/24
PRF4C	Petron Corporation	Php17.71525	Cash	Preferred	12/12/23	12/13/23	01/08/24
SMC2F	San Miguel Corporation	Php1.27635	Cash	Preferred	12/20/23	12/21/23	01/04/24
SMC2I	San Miguel Corporation	Php1.18790625	Cash	Preferred	12/20/23	12/21/23	01/04/24
SMC2J	San Miguel Corporation	Php0.890625	Cash	Preferred	12/20/23	12/21/23	01/04/24
SMC2K	San Miguel Corporation	Php0.84375	Cash	Preferred	12/20/23	12/21/23	01/04/24
SMC2M	San Miguel Corporation	Php1.5703125	Cash	Preferred	12/20/23	12/21/23	01/04/24

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## CASH DIVIDEND SCHEDULE

\*Arranged by ex-date

Ticker	Company	Amount/ Rate	Dividend Type	Share	Ex-date	Record Date	Payment Date
CREIT	Citicore Energy REIT Corp.	Php0.049	Cash	Common	12/22/23	12/26/23	01/22/24
8990B	8990 Holdings, Inc.	Php1.375	Cash	Preferred	01/26/24	01/29/24	02/10/24
PRF3A	Petron Corporation	Php17.17825	Cash	Preferred	02/29/24	03/01/24	03/25/24
PRF3B	Petron Corporation	Php17.84575	Cash	Preferred	02/29/24	03/01/24	03/25/24
PRF4A	Petron Corporation	Php16.76975	Cash	Preferred	03/12/24	03/13/24	04/08/24
PRF4B	Petron Corporation	Php16.99300	Cash	Preferred	03/12/24	03/13/24	04/08/24
PRF4C	Petron Corporation	Php17.71525	Cash	Preferred	03/12/24	03/13/24	04/08/24

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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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