

Market Commentary

➔ **The View:** The PSEi went down by 41.41 points or 0.66% and closed at 6,223.73 yesterday. The benchmark index fell for the second consecutive session as investors continued to take profits. The market also considered the latest MSCI rebalancing. Negative sentiment stemming from China's lower than expected purchasing managers' index (PMI) data also weighed down the local bourse. The PSEi still ended November with a 4.18% gain. In the US, the Dow recorded a fresh year-to-date high after it went up by 1.47% yesterday. The S&P500 also rose by 0.38%, but the Nasdaq Composite slid by 0.23% due to profit taking from tech stocks. Better than expected earnings from a recent batch of corporate results led by Salesforce helped lift the markets. The latest personal consumption expenditure (PCE) price index, the US Federal Reserve (Fed)'s preferred inflation gauge, also matched estimates. In November, the Dow concluded with an impressive 8.9% gain, putting an end to its three-month losing streak. Similarly, the S&P500 saw an 8.9% increase, and the Nasdaq recorded a substantial 10.7% advance. Both indices marked their most robust monthly performance since July 2022. Meanwhile, European markets went up, capping off its best month since the start of the year as eurozone inflation continued to ease. The Stoxx 600 gained 5.87% in November after three straight losing months. In the Asia-Pacific, markets ended with gains. Australia's ASX200 led the gains with 0.74%. South Korea's Kospi was up by 0.61% after the Bank of Korea decided to keep its policy rates steady for the seventh consecutive time. It shrugged off the 3.5% drop in industrial outputs against the consensus estimate of a 0.5% increase. Japan's Nikkei and Hong Kong's Hang Seng also went up by 0.50% and 0.29%, respectively. In the local bourse, Property (+1.08%) and Financial (+0.01%) rose. Holding Firms (-1.59%) pulled back the most while the rest had sub-1% contractions. In the main index, WLCON (+7.58%), MONDE (+4.61%), and ALI (+3.48%) had the biggest gains among 10 advancers. On the flip side, MER (-3.74%), SM (-3.42%), and ICT (-3.14%) were the top losers among 18 laggards. The market's total turnover value went up by 37% to ₱7.90 billion. Foreigners switched to being net sellers with an amount of ₱320.30 million, contrary to the ₱202.33 million net buy in the previous session. The Philippine Peso slid by 9.5 cents against the US dollar and ended at ₱55.485 from ₱55.39. With the Fed's favorite inflation gauge falling within expectations, another Fed pause this month is expected. Positive market sentiment in the US could spill over to the local bourse and could give the PSEi another crack at the 6,300-level.

PSEI INTRADAY



INDICES

Index	Prev	Last	% Chg
PSEi	6,265.14	6,223.73	-0.66%
All Shares	3,339.68	3,327.83	-0.35%
Financial	1,742.31	1,742.53	0.01%
Industrial	8,763.75	8,688.02	-0.86%
Holding Firms	6,006.29	5,910.80	-1.59%
Property	2,694.05	2,723.03	1.08%
Services	1,525.12	1,515.44	-0.63%
Mining & Oil	9,741.16	9,667.60	-0.76%

TOP 10

WLCON	7.58%	MER	-3.74%
MONDE	4.61%	SM	-3.42%
ALI	3.48%	ICT	-3.14%
ACEN	3.00%	JFC	-3.08%
TEL	2.63%	AGI	-2.58%
JGS	2.12%	AEV	-2.50%
BPI	0.58%	URC	-2.16%
EMI	0.48%	PGOLD	-1.98%
AC	0.30%	MBT	-1.77%
BDO	0.07%	NIKL	-0.98%

BOTTOM 10

Stock Picks

Stock	Date	Initial Price	Current Price	Return since Recommendation	
				Stock	PSEi
TEL	3/13/20	1,029.00	1,288.00	25.17%	7.42%
CNPF	3/13/20	13.10	30.40	132.06%	7.42%
FGEN	9/23/20	24.80	16.60	-33.06%	5.62%
AP	9/23/20	25.55	37.50	46.77%	5.62%
BDO	11/17/20	92.60	133.50	44.17%	-10.04%
BPI	11/17/20	83.00	103.30	24.46%	-10.04%
MBT	11/17/20	44.35	49.95	12.63%	-10.04%
SECB	11/17/20	103.90	70.50	-32.15%	-10.04%
CNVRG	6/13/22	22.50	8.21	-63.51%	-3.76%
ALI	6/13/22	30.05	31.20	3.83%	-3.76%
SGP	6/13/22	12.06	6.20	-48.59%	-3.76%
Ave. Return				10.16%	-2.31%

MARKET DATA

Market Volume	396,250,986
Market Turnover (Value)	7,897,264,952
Foreign Buying	5,383,697,060
Foreign Selling	5,703,993,695
Net Foreign Buy / (Sell)	(320,296,634)

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Economic Developments

- ➔ **S&P affirms Philippines' 'BBB+' rating.** S&P Global Ratings has affirmed the Philippines' investment-grade rating at BBB+ with a stable outlook, citing the country's above-average economic growth potential. Despite an anticipated economic slowdown, the Philippines is expected to grow by 5.4% in 2023, slower than the 7.6% in 2022 and the 6-7% target for the current year. Elevated inflation, potential global economic slowdown, and challenges in restoring fiscal and debt settings to pre-pandemic levels are noted as risks. S&P forecasts the country's fiscal deficit to narrow to 3.8% of GDP in 2023 from 4.4% the previous year, but the restoration of pre-pandemic fiscal and debt settings could be challenging due to factors like elevated inflation and supply-chain disruptions. The credit rater also scored the Philippines' banking industry favorably at 5, reflecting stable macroeconomic conditions, but it anticipates a moderate increase in nonperforming loans amid higher interest rates and inflation. The Philippines currently falls short of an "A" rating from major debt watchers, holding a "Baa2" from Moody's Investors Service, "BBB+" from S&P, and "BBB" from Fitch Ratings, all with a stable outlook. (*BusinessWorld*)
- ➔ **Government sets ₱100-billion local borrowing program for December.** The Philippines government plans to borrow ₱100 billion from domestic creditors in December, a smaller amount compared to the ₱225 billion programmed for the previous month. The Bureau of the Treasury will conduct two Treasury bill auctions, offering ₱10 billion in short-term IOUs in each auction, with the 91-day and 182-day bills set at ₱3 billion each per auction and the 364-day T-bill set at ₱4 billion. Additionally, the government will sell ₱40 billion each of 10-year and 15-year Treasury bonds during the month. Analysts suggest that the government front-loaded borrowings in November, anticipating financial market closures during the holidays in December. The funds raised will help bridge a projected budget deficit of ₱1.5 trillion for the year. (*Inquirer*)
- ➔ **PH pitching deals to Taiwan manufacturing, chip companies.** The Philippine Trade and Investment Center (PTIC) is actively working to facilitate more partnerships between Taiwanese businesses and potential Philippine counterparts in various sectors, including manufacturing, electronics, semiconductors, and agriculture. The goal is to contribute to the resurgence of manufacturing in the Philippines, leveraging Taiwan's technological advancements and expertise in specific industries. The efforts aim to foster collaboration and increase investment inflows, with the Philippines securing \$71 million worth of investment deals from Taiwan in the first nine months of the year, a significant increase from the previous year. The collaboration is seen as mutually beneficial, helping Taiwan address labor shortages and positioning it as a source of sustainable export-driven trade and investments, particularly focused on environmental, social, and governance factors and green manufacturing. (*BusinessWorld*)

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Corporate Developments

- ➔ **AREIT, Inc. (AREIT).** AREIT is set to undergo its most substantial acquisition in 2024, with a value of ₱23 billion in prime commercial properties from Ayala Land, Inc. (ALI). The assets include key properties in Makati, such as Ayala Triangle Gardens Tower 2, Greenbelt 3 and 5, Holiday Inn and Suites Makati, and Seda Ayala Center Cebu. As part of the transaction, ALI and its subsidiaries will subscribe to 642,149,974 AREIT primary common shares, subject to shareholder approval, and the acquisition of Seda Lio in Palawan for ₱1.19 billion. This strategic move aims to diversify AREIT's portfolio, capitalize on growth opportunities across real estate sectors, and elevate its position in the market. The acquisition plan aligns with AREIT's objective of significant expansion, with the total value reaching ₱117 billion in Assets under Management (AUM). The assets acquired from ALI, combined with industrial land from Buendia Christiana Holdings Corporation, will contribute to AREIT's growth and provide shareholders with the potential for long-term capital appreciation. The move strategically positions AREIT to tap into various real estate sectors and achieve a more diversified and resilient portfolio. *(AREIT Disclosure)*
- ➔ **Bank of Commerce (BNCOM).** BNCOM, an affiliate of San Miguel Corporation (SMC) group, is set to undergo a digital transformation in partnership with Infosys Finacle. This collaboration aims to enhance BNCOM's digital offerings and overall banking experience for its customers. By leveraging Infosys Finacle's advanced banking solutions, BNCOM intends to replace legacy systems with more efficient technology, enabling quicker rollouts of innovative banking products and services. The implementation of open Application Programming Interfaces (APIs) will enhance security and user-friendliness, offering customers instant access to account information across various platforms through Finacle's Customer Data Hub. Additionally, the digital transformation will include features such as Liquidity Management and Alerts to provide a more personalized and convenient banking experience for both retail and corporate customers. BNCOM's President and CEO, Michelangelo R. Aguilar, expressed enthusiasm for the partnership, emphasizing the importance of modernizing the core banking system to deliver a truly digital banking experience aligned with industry best practices and regulatory requirements. *(BNCOM Disclosure)*

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Other Developments

- ➔ **Fed's favorite gauge shows inflation rose 0.2% in October and 3.5% from a year ago, as expected.** In October, the US personal consumption expenditures price index, excluding food and energy, rose by 0.2%, in line with expectations, while the year-over-year increase stood at 3.5%. Headline inflation remained flat for the month, with a 3% rise over the year. The data aligns with the US Federal Reserve (Fed)'s preference for the core PCE reading, which focuses on what people spend, adjusting for consumer behavior when prices fluctuate. These figures may offer the Fed more incentives to keep interest rates steady and possibly consider cuts in 2024, as markets have already priced in the end of the current rate-hiking cycle. The Fed funds rate is targeted in a range between 5.25%-5.5%, its highest in over 22 years, with markets anticipating the equivalent of five quarter-percentage-point rate cuts in 2024. Despite several Fed officials suggesting that the economic data doesn't align with what they're hearing on the ground, the PCE reading, along with signs of a loosening labor market, could reinforce the market's belief that the Fed is done raising interest rates this cycle. With 11 hikes since March 2022, the Fed skipped its last two meetings, indicating a willingness to observe the impact of the previous increases on the economy. While other economic signals suggest the economy is in good shape, the Fed's cautious approach is influenced by varying reports, such as consumers potentially slowing down, as mentioned by Richmond Fed President Thomas Barkin at the CNBC CFO Council Summit. (CNBC)
- ➔ **Eurozone inflation sinks to 2.4%, below expectations.** Eurozone annual inflation eased to 2.4% in November from 2.9% in October, according to preliminary figures, falling below economists' expectations of 2.7%. Core inflation, which excludes energy, food, alcohol, and tobacco, also dropped more than expected, declining to 3.6% from October's 4.2%. Energy prices experienced a substantial year-on-year decline at -11.5% in November, while food, alcohol, and tobacco contributed to pushing the figures higher, registering at 6.9%. This moderation in inflation comes after the peak levels of 10.6% in October 2022. While some traders may consider bringing forward expectations for the first European Central Bank rate cut, the central bank remains cautious, citing concerns about potential pressures from wage increases and energy markets. Despite the drop in inflation, Eurostat reported that unemployment in the euro area remained at a record low of 6.5% in October, despite a contraction in the eurozone economy in the third quarter. Analysts suggest that signs of an imminent victory on inflation are emerging, with the market beginning to anticipate rate cuts in 2024, possibly before the summer. (CNBC)

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Other Developments

- ➔ **China factory activity shrinks for a second month in November.** China's factory activity contracted for a second consecutive month in November, with the official manufacturing purchasing managers' index (PMI) dropping to 49.4 from 49.5 in October, below the forecast of 49.7. Meanwhile, the official non-manufacturing PMI slipped to 50.2 in November from 50.6 in October, marking the lowest reading since December 2022. These figures suggest that China's economy may need additional policy support to recover. While some sub-indexes for manufacturing showed expansion, including high tech and equipment manufacturing, more than 60% of manufacturing companies reported insufficient market demand. The weakness in service industries, particularly real estate, leasing, and business services, contributed to the contraction in non-manufacturing activity. Despite stronger-than-expected third-quarter economic growth, China's economic data remains patchy and uneven, reflecting the challenges of managing a deleveraging process in the real estate sector. (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
HTI	Haus Talk, Inc.	Php0.0110755093600	Cash	Common	11/07/23	11/08/23	12/08/23
ALCPD	Arthaland Corporation	Php7.50	Cash	Preferred	11/10/23	11/13/23	12/04/23
LFM	Liberty Flour Mills, Inc.	Php0.20	Cash	Common	11/14/23	11/15/23	12/06/23
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
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
JFC	Jollibee Foods Corporation	Php1.23	Cash	Common	11/23/23	11/24/23	12/11/23
TCB2A	Cirtek Holdings Philippines Corporation	US\$0.0228125	Cash	Preferred	11/23/23	11/24/23	12/11/23
FPH	First Philippine Holdings Corporation	Php1.10	Cash	Common	11/27/23	11/28/23	12/18/23
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
BPI	Bank of the Philippine Islands	Php1.68	Cash	Common	11/29/23	11/30/23	12/22/23
AREIT	AREIT, Inc.	Php0.55	Cash	Common	11/30/23	12/01/23	12/15/23
TCB2B	Cirtek Holdings Philippines Corporation	US\$0.025	Cash	Preferred	11/30/23	12/01/23	12/18/23
MJC	Manila Jockey Club, Inc.	Php0.05	Cash	Common	11/30/23	12/01/23	12/20/23
EEIPA	EEl Corporation	Php1.441025	Special Cash	Preferred	11/30/23	12/01/23	12/23/23
EEIPB	EEl Corporation	Php1.73485	Special Cash	Preferred	11/30/23	12/01/23	12/23/23

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CASH DIVIDEND SCHEDULE

*Arranged by ex-date

Ticker	Company	Amount/ Rate	Dividend Type	Share	Ex-date	Record Date	Payment Date
LTG	LT Group, Inc.	Php0.30	Special Cash	Common	12/04/23	12/05/23	12/15/23
FGEN	First Gen Corporation	Php0.50	Cash	Common	12/04/23	12/05/23	12/22/23
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
PERC	PetroEnergy Resources Corporation	Php0.05	Cash	Common	12/13/23	12/14/23	12/28/23
MONDE	Monde Nissin Corporation	Php0.12	Cash	Common	12/13/23	12/14/23	01/11/24
AUB	Asia United Bank Corporation	Php0.33	Special Cash	Common	12/14/23	12/15/23	12/22/23
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
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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