

Market Commentary

➔ **The View:** The PSEi inched up by 21.45 points or 0.34% and finished last Friday at 6,245.18. The benchmark index broke a 2-day downtrend and started December on a positive note. The market's optimism was fueled by increased expectations that the US Federal Reserve (Fed) might refrain from further interest rate hikes, given the slowdown in the rise of the US' personal consumption expenditures (PCE) price index in October. In the US, the 3 major indices finished the week strong. The Dow went up by 0.82% while the Nasdaq Composite ended 0.55% higher. The S&P500 posted a new year-to-date best after it rose by 0.59% which brought its 2023 gain to around 9.4%. Fed Chairman Jerome Powell tempered market expectations for imminent interest rate cuts, stating it's "premature to conclude with confidence" that monetary policy is "sufficiently restrictive." Despite Powell's caution, the yield on the 10-year Treasury yield dropped over 13 basis points to 4.213%. Meanwhile, European markets also posted a big rally to kick off December. The cooler flash reading of the eurozone's inflation in November compared to October boosted the markets. Despite European Central Bank (ECB) officials consistently rejecting investor expectations for rate cuts in 2024 and deeming it premature to discuss timing, the new inflation figures have raised the possibility of the ECB revising its inflation forecasts and have heightened expectations for an initial rate cut as early as April 2024. In the Asia-Pacific, markets ended in the red as investors digested various factory activity data across the region. Hong Kong's Hang Seng and South Korea's Kospi had the biggest declines of 1.25% and 1.17%, respectively. China's Shanghai Composite bucked the trend and rose by 0.06%, likely influenced by China's November Caixin manufacturing purchasing managers' index (PMI) which showed an unexpected expansion, contrary to the official manufacturing PMI which showed a second month of contraction. In the local bourse, sectors mostly advanced led by Property (+0.84%) and Industrial (+0.67%). Financial (-0.41%) and Mining&Oil (-0.35%) were the losers. In the main index, CNVRG (+3.41%), JFC (+3.18%), and SMPH (+2.17%) had the biggest gains among 16 winners. On the other hand, MONDE (-2.26%), TEL (-2.25%), and AGI (-1.94%) were the worst performers among 14 laggards. The market's total turnover value dropped to ₱4.41 billion. Foreigners recorded a big net buy of ₱1.38 billion. The Philippine Peso appreciated to ₱55.40 from ₱55.485. Investors could hold off in today's session while waiting for the November inflation report due tomorrow. The favorable factory activity report last Friday could buoy the local bourse while waiting for other stronger catalysts.

PSEI INTRADAY



INDICES

Index	Prev	Last	% Chg
PSEi	6,223.73	6,245.18	0.34%
All Shares	3,327.83	3,332.22	0.13%
Financial	1,742.53	1,735.41	-0.41%
Industrial	8,688.02	8,746.27	0.67%
Holding Firms	5,910.80	5,918.20	0.13%
Property	2,723.03	2,745.85	0.84%
Services	1,515.44	1,520.21	0.31%
Mining & Oil	9,667.60	9,633.51	-0.35%

TOP 10

CNVRG	3.41%	MONDE	-2.26%
JFC	3.18%	TEL	-2.25%
SMPH	2.17%	AGI	-1.94%
MER	1.94%	BDO	-1.87%
ICT	1.85%	BLOOM	-1.55%
CNPF	1.32%	GTAP	-1.38%
JGS	1.30%	SCC	-1.38%
BPI	1.16%	AC	-1.36%
PGOLD	0.92%	NIKL	-0.99%
DMC	0.87%	WLCON	-0.71%

BOTTOM 10

Stock Picks

Stock	Date	Initial Price	Current Price	Return since Recommendation	
				Stock	PSEi
TEL	3/13/20	1,029.00	1,259.00	22.35%	7.79%
CNPF	3/13/20	13.10	30.80	135.11%	7.79%
FGEN	9/23/20	24.80	17.00	-31.45%	5.98%
AP	9/23/20	25.55	36.60	43.25%	5.98%
BDO	11/17/20	92.60	131.00	41.47%	-9.73%
BPI	11/17/20	83.00	104.50	25.90%	-9.73%
MBT	11/17/20	44.35	50.20	13.19%	-9.73%
SECB	11/17/20	103.90	68.05	-34.50%	-9.73%
CNVRG	6/13/22	22.50	8.49	-62.27%	-3.43%
ALI	6/13/22	30.05	31.00	3.16%	-3.43%
SGP	6/13/22	12.06	6.18	-48.76%	-3.43%
Ave. Return				9.77%	-1.97%

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

- ➔ **BSP says November inflation will likely fall between 4%-4.8%.** The Bangko Sentral ng Pilipinas (BSP) predicts that the Philippines' headline inflation for November may have settled within the range of 4% to 4.8%, a decline from the 4.9% recorded in October. Factors such as lower vegetable prices, reduced oil costs, and a stronger peso contribute to this projection. If realized, it would be within the BSP's 2-4% target range, marking the end of 19 consecutive months of above-target inflation. The central bank is closely monitoring developments that affect inflation and growth as it maintains a data-dependent approach to monetary policy formulation. The BSP aims to keep inflation under control, with Governor Eli M. Remolona, Jr. indicating a potential easing in the second half of 2024. (*BusinessWorld*)
- ➔ **'Hot money' swings to net outflow of \$328.19 million in October.** Hot money, or short-term foreign investments, continued to leave the Philippines for the second consecutive month in October, with a net outflow of \$328.19 million. This trend is attributed to investors seeking higher returns in countries such as the United States. While the October figure represents a reversal from the net inflows of \$83.44 million seen a year earlier, it is 52.9% lower than the net outflow of \$698.01 million in September. The gross outflows dropped by 19.1% to \$1.28 billion in October from the previous month, while gross inflows stood at \$954.38 million, 7.5% higher than in September and 48% higher than a year earlier. The United States received 61.9% of the total outward remittances. (*BusinessWorld*)
- ➔ **Factory activity hit a 10-month high in November.** The Philippines' manufacturing purchasing managers' index (PMI) rose to 52.7 in November from 52.4 in October, marking the fastest pace in 10 months. A PMI reading above 50 indicates an expansion compared to the previous month. The growth in new orders and output reached eight and 10-month highs, respectively, driven by strong demand in domestic and foreign markets. Despite concerns about global headwinds and sluggish demand from overseas markets, manufacturers in the country remain optimistic, with 46% expecting an increase in output over the next 12 months. The overall improvement in the manufacturing sector is seen as a positive sign for the Philippine economy. (*Philstar*)
- ➔ **PH raises \$1 billion from Sukuk bonds.** The Philippines' Bureau of the Treasury has successfully raised \$1 billion from the sale of 5.5-year Sukuk bonds. The amount was twice the benchmark size and matched the target set in July. The Sukuk bonds were met with high demand, reaching nearly five times the offer, with a profit rate set at 5.045%. Finance Secretary Benjamin Diokno noted that the success of the inaugural Sukuk issuance affirms the country's significant standing in the international capital markets. The net proceeds will complete the government's external funding target for general purposes, including budgetary support. (*BusinessWorld*)

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Corporate Developments

- ➔ **ACEN Corporation (ACEN).** ACEN has successfully secured a ₱20-billion term loan facility from an undisclosed bank, marking a significant step in financing its renewable energy (RE) projects. The term loan, signed on November 29, 2023, has a tenure of 10 years, and is earmarked for general corporate purposes, with a focus on investments in the field of renewable energy. ACEN, with a strong commitment to achieving 20 gigawatts (GW) of attributable renewables capacity by 2030, is also dedicated to transitioning its entire generation portfolio to 100% renewable energy by 2025. Currently, ACEN boasts about 4,000 MW of attributable capacity from its owned facilities across multiple countries, emphasizing a robust pipeline and a commitment to driving the energy transition in the region. (*BusinessMirror*)
- ➔ **Manila Electric Company (MER).** MER has initiated the search for bidders to provide 1,200 megawatts (MW) of baseload capacity as part of its efforts to ensure a stable and cost-effective electricity supply for its customers. The power distributor has invited power generation companies to participate in a competitive selection process (CSP), complying with the government's policy mandating distribution utilities to select the least-cost electricity supply through a competitive bid. The 1,200-MW baseload supply is intended to replace terminated power supply agreements (PSAs) with South Premiere Power Corp., San Miguel Energy Corp. (now Sual Power, Inc.), and Solar Philippines Batangas Baseload Corp. The CSP aims to meet MER's future capacity requirements, including the 1,000 MW covered by PSAs with unresolved change in circumstance cases. (*BusinessWorld*)

Other Developments

- ➔ **Fed Chairman Powell calls talk of cutting rates 'premature' and says more hikes could happen.** US Federal Reserve (Fed) Chairman Jerome Powell has rebuffed market expectations for aggressive interest rate cuts, asserting that it is premature to declare victory over inflation. Powell emphasized the Federal Open Market Committee (FOMC)'s commitment to maintaining a "restrictive" policy until there is confidence that inflation is firmly returning to the 2% target. While acknowledging that policy is already "well into restrictive territory," Powell highlighted the heightened uncertainty in the economic outlook and stressed the Fed's preparedness to tighten further if necessary. The markets viewed Powell's comments as leaning somewhat toward the dovish side, with expectations that the Fed is finished with rate hikes and could transition to an easing posture in 2024. Powell's remarks come amid a backdrop of positive economic indicators and a strong Wall Street rally, where the Dow Jones Industrial Average has surged more than 8% in the past month. The Fed has implemented a series of rate hikes to combat high inflation, and Powell indicated that the central bank is proceeding cautiously to avoid the risks of both under- and over-tightening. Market pricing suggests that investors believe the Fed is done hiking rates, with potential cuts starting in March 2024, reflecting a shift in sentiment as the central bank aims to navigate economic uncertainties and assess the impact of its tightening measures. (*CNBC*)

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Other Developments

➔ Oil prices were down 2% last Friday on US rig count, underwhelming OPEC+ cuts.

Oil prices declined by 2%, extending losses from the previous day, as the market expressed skepticism about the latest round of production cuts by OPEC+ and observed an increase in US rigs week over week. The front-month ICE Brent contract saw Brent crude futures for February fall by \$2.02, or 2.5%, settling at \$78.84 a barrel. Simultaneously, U.S. West Texas Intermediate (WTI) crude futures dropped \$1.95, or 2.57%, closing at \$74.01 a barrel. OPEC+ members agreed to remove approximately 2.2 million barrels per day from the global market in the first quarter of the upcoming year. This move included the extension of Saudi Arabia and Russia's current 1.3 million barrels per day of voluntary cuts. However, the market greeted this news with skepticism and confusion due to concerns about compliance, given the voluntary nature of the reductions, and investors' earlier expectations of more substantial cuts. Meanwhile, the number of US oil rigs rose by 5 week over week, but the total count declined by 122 to 505 year over year, according to data from Baker Hughes. OPEC+, which collectively contributes over 40% of the world's oil, is emphasizing output reduction in response to falling prices from about \$98 in late September, driven by worries about weaker economic growth in 2024. Market participants, however, reacted with uncertainty, questioning the compliance with the voluntary cuts, and expressing disappointment as investors had anticipated more significant reductions. The situation has left the oil market in a state of confusion, with some suggesting it may take weeks or months to figure out, contingent on the reliability of self-reporting data. *(Reuters)*

➔ US to limit Chinese firms, battery parts from winning EV tax credits.

The Biden administration has released guidelines that will restrict Chinese content in batteries for electric vehicle (EV) tax credits, effective from next year. The move is part of an effort to decrease the reliance on China in the EV supply chain. Under the new rules, trace critical minerals used in EV batteries will be temporarily exempt from stringent regulations that bar materials from countries deemed a "Foreign Entity of Concern" (FEOC). The exemption for trace materials is expected to last for two years, offering a reprieve for automakers. The Alliance for Automotive Innovation, representing major automakers, applauded the exemption, stating that without it, nearly all vehicles could have become ineligible for tax credits. The rules, which are set to take effect in 2024 for completed batteries and 2025 for critical minerals used in their production, are designed to encourage the US electric vehicle battery chain to become less dependent on China. The exemptions cover trace materials that each account for less than 2% of the value of battery critical minerals. The Biden administration's move is seen as significant for automakers as they navigate decisions on battery production investments amid the transition to electric vehicles. *(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
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
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
AGI	Alliance Global Group, Inc.	Php0.15	Cash	Common	12/15/23	12/18/23	01/12/24
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
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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