

Market Commentary

➔ **The View:** The PSEi inched down by 6.48 points or 0.10% and settled at 6,228.29 yesterday. The benchmark index fell to an intraday low of 6,167.21 early in the session but slowly recovered in the afternoon capped by a 20+ point increase in the run-off period. Effects of the hawkish comments from the Bangko Sentral ng Pilipinas (BSP) and the strong US jobs report fueled expectations for another pause by both the BSP and the US Federal Reserve (Fed). While keeping rates unchanged is expected, the prospect of maintaining interest rates high for a longer period dampened market sentiment. In the US, the 3 major indices ended higher. The Dow went up by 0.43%, while the S&P500 and the Nasdaq Composite rose by 0.39% and 0.20%, respectively. Investors are looking ahead to the November consumer price index (CPI) report due before the US market opens today. Estimates fall on both the headline and core figures having small changes from the previous month. Meanwhile, European markets also closed higher to start the week as investors await US developments like the Fed's final policy meeting this year. In the Asia-Pacific, most markets ended higher. Japan's Nikkei led the gains in the region as investors harbor hope that the Bank of Japan will not increase policy rates in its next meeting. China's CSI300 also went up by 0.59% after its November inflation data revealed a quicker-than-anticipated decrease in consumer prices. Hong Kong's Hang Seng bucked the trend and dropped by 1%. In the local bourse, most sectors went down. Holding Firms (+0.75%) and Property (+0.66%) advanced. Financial (-1.95%) and Mining&Oil (-1.00%) had the biggest drops while the rest had sub-1% contractions. In the main index, SMC (+3.24%), ALI (+1.75%), and JFC (+1.27%) were the top performers among 12 gainers. On the other end, CNVRG (-3.37%), ACEN (-3.04%), and BDO (-2.76%) had the biggest losses among 15 laggards. The market's total turnover value rose by 11% to ₱4.06 billion. Net foreign selling dropped to ₱32.81 million from ₱410.52 million last Thursday. The Philippine Peso depreciated by 35 cents to ₱55.65 against the US dollar after the strong US employment report increased bets that the Fed will maintain its hawkish stance. The local bourse could move sideways again as investors await the US November inflation data to be released later tonight. The Fed will also begin its 2-day monetary policy meeting. The BSP is scheduled to convene on Thursday. Results and comments from these 2 meetings are likely to drive market sentiment towards the end of 2023.

Stock Picks

Stock	Date	Initial Price	Current Price	Return since Recommendation	
				Stock	PSEi
TEL	3/13/20	1,029.00	1,265.00	22.93%	7.50%
CNPF	3/13/20	13.10	32.55	148.47%	7.50%
FGEN	9/23/20	24.80	16.82	-32.18%	5.69%
AP	9/23/20	25.55	37.80	47.95%	5.69%
BDO	11/17/20	92.60	123.40	33.26%	-9.97%
BPI	11/17/20	83.00	99.50	19.88%	-9.97%
MBT	11/17/20	44.35	51.45	16.01%	-9.97%
SECB	11/17/20	103.90	69.10	-33.49%	-9.97%
CNVRG	6/13/22	22.50	7.73	-65.64%	-3.69%
ALI	6/13/22	30.05	31.95	6.32%	-3.69%
SGP	6/13/22	12.06	6.14	-49.09%	-3.69%
Ave. Return				10.40%	-2.23%

PSEI INTRADAY



INDICES

Index	Prev	Last	% Chg
PSEi	6,234.77	6,228.29	-0.10%
All Shares	3,329.58	3,327.65	-0.06%
Financial	1,705.73	1,672.47	-1.95%
Industrial	8,762.70	8,738.49	-0.28%
Holding Firms	5,912.04	5,956.61	0.75%
Property	2,744.38	2,762.44	0.66%
Services	1,541.36	1,537.70	-0.24%
Mining & Oil	9,640.50	9,543.94	-1.00%

TOP 10

SMC	3.24%	CNVRG	-3.37%
ALI	1.75%	ACEN	-3.04%
JFC	1.27%	BDO	-2.76%
AC	1.25%	PGOLD	-2.57%
AGI	1.23%	BPI	-2.36%
SM	1.09%	GTCAP	-2.24%
TEL	1.04%	NIKL	-1.37%
SCC	0.35%	WLCON	-0.98%
JGS	0.26%	URC	-0.80%
SMPH	0.15%	EMI	-0.72%

BOTTOM 10

MARKET DATA

Market Volume	392,385,456
Market Turnover (Value)	4,059,071,834
Foreign Buying	2,143,166,576
Foreign Selling	2,175,979,902
Net Foreign Buy / (Sell)	(32,813,326)

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Economic Developments

- ➔ **FDI inflows drop to a 3-year low of \$422 million in September.** In September, the Philippines experienced a sharp decline in net foreign direct investment (FDI) inflows, dropping by 42.2% to \$422 million compared to \$731 million in the same month the previous year. This is also a 46.5% decrease from the \$790 million recorded in August. The September figure represents the lowest monthly net FDI inflow in over three years since April 2020 during the height of the COVID-19 pandemic lockdowns. The slump is attributed to global economic uncertainties, potential recessions, trade disputes, domestic policy shifts, and currency fluctuations that have dampened investor confidence. For the first nine months of 2023, FDI net inflows declined by 15.9% to \$5.88 billion compared to \$6.99 billion in the same period last year. Investments in debt instruments declined by 17.2% to \$4.06 billion, investments in equity and investment fund shares dropped by 12.9% to \$1.8 billion, and net foreign investments in equity capital went down by 18.5% to \$945 million. Reinvestment of earnings also decreased by 6.1% to \$869 million. *(BusinessWorld)*
- ➔ **GSIS income soars to ₱80 billion in 10 months.** The Government Service Insurance System (GSIS) reported a net income of ₱80 billion for the first 10 months of the year, more than double the ₱37 billion recorded in the same period the previous year. The strong performance was driven by a four-fold increase in revenues from financial assets, amounting to ₱29 billion. Overall, the 10-month income represents about 67% of GSIS's ₱120 billion income target for the entire year. The pension fund has been actively investing in key domestic sectors, including real estate, infrastructure, food, energy, and mining, with total assets reaching ₱1.6 trillion as of end-October, a 4.4% increase. Foreign investments also grew by 5% to ₱185 billion, primarily in bonds and equities, as GSIS aims to diversify and optimize its portfolio returns. *(Philstar)*
- ➔ **Government fuel marking program raises ₱802 billion.** The Philippine government has successfully raised ₱802 billion through its fuel marking program, a collaborative effort between the Bureau of Customs (BOC) and the Bureau of Internal Revenue (BIR) designed to combat the smuggling of petroleum products. This initiative, carried out under the Tax Reform for Acceleration and Inclusion Law, involves the injection of chemical identifiers into tax-paid oil products, with a cumulative total of 70.48 billion liters marked, equivalent to ₱801.55 billion. Notably, ₱771.74 billion (96%) was collected by the BOC, and the remaining ₱29.81 billion was generated by the BIR, showcasing the program's efficacy in enhancing tax compliance, curbing illegal activities, and contributing substantial revenues to support various government initiatives. The fuel marking program, a key component of the government's broader strategy to combat smuggling and enforce proper taxation, ensures that petroleum products comply with tax regulations. The process involves employing chemical identifiers to assess whether a fuel bundle adheres to the relevant taxes. If the fuel contains less than 95% of the marker, the owner is required to pay the appropriate duties and penalties. The success of this program underscores its significance in bolstering revenue collection, strengthening anti-smuggling measures, and supporting the financial resources necessary for the government's programs and projects. *(Philstar)*

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Corporate Developments

- ➔ **D.M. Wenceslao & Associates, Inc. (DMW)**. DMW has subscribed to ₱232.17 million worth of shares in Bay Resources and Development Corp. (BRDC), securing a majority stake in the company. DMW's board of directors approved the subscription to 164,106 new common shares in BRDC at ₱1,414.74 per share, increasing DMW's ownership in BRDC from 50% to 51%. The move is expected to infuse capital into BRDC for general corporate purposes and developments, and DMW anticipates benefiting from BRDC's growth plans and initiatives. BRDC was established through a joint venture agreement between DMW and the Armed Forces of the Philippines Retirement and Separation Benefits System in 1992, with each party initially owning a 50% interest. *(DMW Disclosure, BusinessWorld)*
- ➔ **Manila Electric Company (MER)**. MSpectrum, Inc., the solar energy subsidiary of MER, aims to achieve a power generation capacity of 60 megawatts (MW) by the end of the year. MSpectrum's president and CEO, Ma. Cecilia M. Domingo, stated that they plan to add another 30 MW in the following year, reaching a total of 90 MW. Currently, approximately 80-85% of MSpectrum's portfolio operates within MER's franchise area. The company is open to opportunities for installing rooftop solar panels, targeting commercial and industrial clients in the Visayas and Mindanao regions. MSpectrum's expansion efforts align with its goal to provide tailor-fit energy solutions for industrial, commercial, and residential customers. *(BusinessWorld)*

Other Developments

- ➔ **IMF warns of China/US blocs deepening trade fragmentation, with 'fault lines' emerging**. The International Monetary Fund (IMF) has warned of potential long-term losses and global economic fragmentation resulting from shifting investment trends and a divided world centered on the United States and China. Gita Gopinath, the first deputy managing director at the IMF, noted that China is "no longer" the largest trading partner of the US, and the US-China trade war has impacted Chinese imports. Gopinath also highlighted that China is losing ground to emerging markets such as India, Mexico, and the United Arab Emirates in terms of outward US foreign direct investment. She cautioned against the deepening of geoeconomic fragmentation, warning that it could lead to a new cold war, affecting the gains from open trade. The IMF urged strong advocacy for a multilateral rules-based trading system to prevent such outcomes. Gopinath also emphasized the higher degree of economic interdependence among countries in the current global marketplace, making the costs of fragmentation more significant. *(South China Morning Post)*
- ➔ **Goldman Sachs now sees Fed cutting rates as soon as July 2024 as inflation cools**. Goldman Sachs has adjusted its forecast for US Federal Reserve (Fed) interest rate cuts, now expecting reductions to begin in the third quarter of 2024 instead of the previously anticipated fourth quarter. The change is based on the firm's economists' projection that inflation will fall faster next year than initially predicted. They anticipate inflation, as measured by the core Personal Consumption Expenditures index, to reach 2.5% by the second quarter of 2023. Goldman characterizes these expected interest rate reductions as "normalization cuts" as the central bank aims to bring rates down from 22-year highs. The firm's economists expect the dot plot to show most Fed officials projecting a 50-basis point cut next year. *(Yahoo! Finance)*

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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
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
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
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
BDO	BDO Unibank, Inc.	Php0.75	Cash	Common	12/21/23	12/22/23	12/29/23
AC	Ayala Corporation	Php3.806	Cash	Common	12/22/23	12/26/23	01/10/24
CREIT	Citicore Energy REIT Corp.	Php0.049	Cash	Common	12/22/23	12/26/23	01/22/24
MWPS	Megawide Construction Corporation	Php1.97605	Cash	Preferred	12/26/23	12/27/23	01/17/24
PGOLD	Puregold Price Club, Inc.	Php0.97	Cash	Common	12/26/23	12/27/23	01/18/24
KEEPR	The Keepers Holdings, Inc.	Php0.077	Cash	Common	12/26/23	12/27/23	01/18/24
SMC	San Miguel Corporation	Php0.35	Cash	Common	01/04/24	01/05/24	01/26/24
TFC	PTFC Redevelopment Corporation	Php2.00	Cash	Common	01/08/24	01/09/24	02/02/24
MARC	Marcventures Holdings, Inc.	Php0.10	Cash	Common	01/11/24	01/12/24	01/26/24

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CASH DIVIDEND SCHEDULE

*Arranged by ex-date

Ticker	Company	Amount/ Rate	Dividend Type	Share	Ex-date	Record Date	Payment Date
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	12/21/23	12/22/23	01/04/24
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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