

Market Commentary

➔ **The View:** The PSEi went up by 64.10 points or 1.03% and ended at 6,292.39 yesterday. The benchmark index went up on some last-minute buying spree ahead of the US inflation data, and the US Federal Reserve (Fed) and the Bangko Sentral ng Pilipinas (BSP) respective policy meetings. Investors anticipate a pause from both central banks. In the US, the 3 major indices extended their rally to a fourth session. The Dow inched up by 0.48%, while the S&P500 and the Nasdaq Composite rose by 0.46% and 0.70%, respectively. Investors cheered the November consumer price index (CPI) data which showed that inflation eased to 3.1% YoY, from 3.2% last October. The Fed is widely expected to maintain the benchmark overnight borrowing rate within the 5.25% to 5.5% range. However, investors will closely analyze Fed Chairman Jerome Powell's commentary for indications of when rate cuts might be anticipated. Meanwhile, European markets took a break from recent rallies and closed slightly lower. The latest UK wage growth data indicates a softening labor market which could give the Bank of England added incentive to refrain from raising policy rates. However, the BoE is still anticipated to keep interest rates high in the short to medium-term. In the Asia-Pacific, markets closed higher yesterday. Hong Kong's Hang Seng led the gains with 1.1%. The rest had sub-1% additions like Australia's ASX200 with 0.5%, and South Korea's Kospi with 0.4%. In the local bourse, sectors were up across the board. Financial (+1.54%) topped the gains while the rest had sub-1% advances. In the main index, BLOOM (+3.02%), BPI (+3.02%), and URC (+2.77%) were the best performers among 19 gainers. On the flip side, ACEN (-1.79%), WLCON (-1.48%), GTCAP (-1.38%), and SCC (-0.69%) were the only laggards. The market's total turnover value fell by 20% to ₱3.25 billion. Foreigners ended with a net buy of ₱158.02 million, contrary to the ₱32.81 million net sell last Monday. The Philippine Peso strengthened by 8 cents to ₱55.57 from ₱55.65. Market participation could remain tepid as investors await the results of the US Federal Reserve (Fed) meeting, more importantly Fed Chairman Powell's speech after. Investors will look for hints that the rates have definitively peaked and when rate cuts next year may be expected.

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%	8.60%
CNPF	3/13/20	13.10	33.10	152.67%	8.60%
FGEN	9/23/20	24.80	16.82	-32.18%	6.78%
AP	9/23/20	25.55	37.80	47.95%	6.78%
BDO	11/17/20	92.60	125.00	34.99%	-9.04%
BPI	11/17/20	83.00	102.50	23.49%	-9.04%
MBT	11/17/20	44.35	51.45	16.01%	-9.04%
SECB	11/17/20	103.90	69.40	-33.21%	-9.04%
CNVRG	6/13/22	22.50	7.80	-65.33%	-2.70%
ALI	6/13/22	30.05	32.00	6.49%	-2.70%
SGP	6/13/22	12.06	6.20	-48.59%	-2.70%
Ave. Return				11.38%	-1.23%

PSEI INTRADAY



INDICES

Index	Prev	Last	% Chg
PSEi	6,228.29	6,292.39	1.03%
All Shares	3,327.65	3,353.46	0.78%
Financial	1,672.47	1,698.23	1.54%
Industrial	8,738.49	8,795.41	0.65%
Holding Firms	5,956.61	6,007.55	0.86%
Property	2,762.44	2,786.97	0.89%
Services	1,537.70	1,549.91	0.79%
Mining & Oil	9,543.94	9,565.27	0.22%

TOP 10

BLOOM	3.02%	ACEN	-1.79%
BPI	3.02%	WLCON	-1.48%
URC	2.77%	GTCAP	-1.38%
PGOLD	2.26%	SCC	-0.69%
AC	1.85%	MBT	0.00%
CNPF	1.69%	AGI	0.00%
AEV	1.67%	LTG	0.00%
SMPH	1.53%	DMC	0.00%
JGS	1.45%	GLO	0.00%
ICT	1.31%	TEL	0.00%

BOTTOM 10

BLOOM	3.02%	ACEN	-1.79%
BPI	3.02%	WLCON	-1.48%
URC	2.77%	GTCAP	-1.38%
PGOLD	2.26%	SCC	-0.69%
AC	1.85%	MBT	0.00%
CNPF	1.69%	AGI	0.00%
AEV	1.67%	LTG	0.00%
SMPH	1.53%	DMC	0.00%
JGS	1.45%	GLO	0.00%
ICT	1.31%	TEL	0.00%

MARKET DATA

Market Volume	314,762,827
Market Turnover (Value)	3,248,460,259
Foreign Buying	1,834,554,382
Foreign Selling	1,676,530,289
Net Foreign Buy / (Sell)	158,024,093

Mandarin Securities Corp.

Hanz Elmer Torres

hanz.torres@mandarinsecurities.com



Economic Developments

➔ **NPL ratio inches up to 5-month high of 3.44% in October.** In October, the nonperforming loan (NPL) ratio in the Philippine banking industry reached its highest level in five months, rising to 3.44%, influenced by increasing soured loans resulting from elevated borrowing costs. Preliminary data from the Bangko Sentral ng Pilipinas (BSP) indicates that the gross NPL ratio inched up from 3.4% in September to 3.44% in October, representing the highest bad loan ratio since May. The total bad loans increased by 9.2% to ₱449.435 billion (\$8.7 billion) year-on-year, indicating the impact of rising interest rates, which have escalated the costs for borrowers and squeezed profit margins, leading to difficulties in debt repayment. The Bangko Sentral ng Pilipinas (BSP) implemented a series of rate hikes, with the benchmark rate reaching a 16-year high of 6.5% in October. These measures aimed to combat inflation but have contributed to the higher costs of borrowing, hindering the ability of some borrowers to meet their obligations, and leading to an increase in bad loans in the banking sector. (*BusinessWorld*)

➔ **Trade gap widens to \$4.17 billion in October.** In October, the Philippines faced an expanded trade deficit as export reductions surpassed import declines, according to the Philippine Statistics Authority (PSA). Preliminary data disclosed a goods trade deficit of \$4.17 billion in October, reflecting a 26% increase from the \$3.31 billion deficit in the same month last year. The larger trade gap was linked to a 17.5% slump in export sales, totaling \$6.36 billion in October, compared to \$7.71 billion in the same period of 2022. Factors such as insufficient domestic production, escalating inflation, high interest rates, and global supply chain constraints contributed to the export decline, with electronic products being the leading export category but experiencing a 28.9% decrease in value year-on-year. The Philippines' October trade balance reflected a bigger deficit, influenced by a 17.5% decline in exports, resulting in a trade gap of \$4.17 billion, up 26% from the previous year. Insufficient domestic production, coupled with rising inflation, high interest rates, and global supply chain constraints, contributed to the export downturn. Electronic products, the primary export category, witnessed a 28.9% decrease in value compared to the same period in 2022. (*Philstar*)

Corporate Developments

➔ **Aboitiz Power Corporation (AP).** SN Aboitiz Power Group (SNAP) aims to commence operations of its 24-megawatt battery energy storage system (BESS) project by the end of the year, pending the certificate of compliance. The Department of Energy approved the commercial operations of the reserve market in September, which is expected to begin on December 26, 2023. The reserve market will facilitate the trading of ancillary services or power reserves to support the transmission system. SNAP, a joint venture between AP and Norwegian company Scatec, has invested about ₱1.2 billion in the BESS project located at SNAP's Magat hydroelectric power plant. The company is also planning to build additional BESS projects between Magat and Benguet, targeting a final investment decision in 2024 for projects totaling almost 100 MW. (*BusinessWorld*)

Mandarin Securities Corp.

Hanz Elmer Torres

hanz.torres@mandarinsecurities.com



Corporate Developments

- ➔ **SP New Energy Corporation (SPNEC)**. SPNEC has acquired the remaining stake in Terra Solar Philippines, Inc., its joint venture with Prime Infrastructure, Inc., for ₱6 billion. The acquisition provides SPNEC with full ownership of Terra Solar, a company established in 2020 as a 50-50 partnership between Prime Infra and Solar Philippines Power Project Holdings, Inc. (the parent company of SPNEC). Terra Solar is engaged in developing a substantial solar power plant with a capacity of 3,500 megawatts (MW) and an energy storage system with a capacity of 4,000 megawatt-hours. SPNEC, which has secured over 3,000 hectares for its solar projects, is set to benefit from the acquisition as it positions itself as the beneficial owner of 100% of Terra Solar, advancing its plans for the significant renewable energy project. (SPNEC Disclosure, BusinessWorld)

Other Developments

- ➔ **US inflation slowed to a 3.1% annual rate in November**. In November, the US Consumer Price Index (CPI) registered a 0.1% increase, while the year-on-year rate was 3.1%, according to the Labor Department. Despite a slight monthly uptick from October's flat reading, the annual rate experienced a slight decrease after reaching 3.2% the previous month. When excluding volatile food and energy prices, the core CPI saw a 0.3% increase on a monthly basis and a 4% rise from a year ago. Although these figures are notably above the US Federal Reserve (Fed)'s 2% target, they suggest ongoing progress. Policymakers tend to focus more on core inflation as an indicator of longer-term trends. The report comes as the Fed begins its two-day policy meeting, during which it is widely expected to maintain interest rates for the third consecutive time. Despite 11 rate hikes since March 2022, the central bank is anticipated to signal the conclusion of its policy tightening, with potential future cuts at an undetermined pace. The futures market indicates minimal chances of further rate hikes, with the first cut potentially occurring in May, and forecasts suggest an aggressive easing stance in 2024, with rates potentially reduced by up to 1.25 percentage points by the year's end. (CNBC)
- ➔ **US pension funds heavily invested in China complicate Washington's crackdown, new analysis finds**. A report by Future Union, a non-partisan trade organization, reveals that most US public pensions, as well as some universities and non-profit organizations, have committed funds to China and Hong Kong, including in sensitive technologies. The 74 largest contributors have allocated more than \$70 billion to companies in China and Hong Kong via over 1,100 investments in various funds. This comes as the US-China relations have deteriorated over recent years amid concerns over national security, trade, and defense. In August, President Joe Biden instituted a ban on certain investments in China, particularly in sensitive technologies, which is expected to be implemented from next year. The findings highlight continued funding from some of America's biggest institutional investors despite US proposals to clamp down on investments in China. The report emphasizes that these investments, while not in violation of the upcoming ban, underscore the "historical misuse of capital" by key capital allocators, as tensions between the two nations persist. Among the pension funds cited, the New York State Common Retirement Fund (NYSCRF) and the California Public Employees Retirement System (CalPERS) are identified as major investors in China and Hong Kong, with significant allocations in the past three years, raising concerns about the adherence to geopolitical considerations in investment decisions. (CNBC)

Mandarin Securities Corp.

Hanz Elmer Torres

hanz.torres@mandarinsecurities.com

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

Mandarin Securities Corp.

Hanz Elmer Torres

hanz.torres@mandarinsecurities.com

Disclaimer:

Information and opinions presented represent the judgment of the author and securities offered and sold by Mandarin Securities Corp. are subject to price movements and possible loss of amount invested. The information is based upon sources we believe to be reliable and has been obtained from public sources. Opinions and estimates are subject to change without notice. Mandarin Securities, and/or its employees may act or take a view in a different and inconsistent way contained in this report. This report is for informational purposes only, and is not an offer or solicitation to buy or sell any financial instrument or product or financial security.



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

Mandarin Securities Corp.

Hanz Elmer Torres

hanz.torres@mandarinsecurities.com

Disclaimer:

Information and opinions presented represent the judgment of the author and securities offered and sold by Mandarin Securities Corp. are subject to price movements and possible loss of amount invested. The information is based upon sources we believe to be reliable and has been obtained from public sources. Opinions and estimates are subject to change without notice. Mandarin Securities, and/or its employees may act or take a view in a different and inconsistent way contained in this report. This report is for informational purposes only, and is not an offer or solicitation to buy or sell any financial instrument or product or financial security.



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) BHD 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
AUB	Asia United Bank Corporation	50%	Stock	Common	12/15/23	12/18/23	12/22/23

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

Mandarin Securities Corp.

Hanz Elmer Torres

hanz.torres@mandarinsecurities.com

Disclaimer:

Information and opinions presented represent the judgment of the author and securities offered and sold by Mandarin Securities Corp. are subject to price movements and possible loss of amount invested. The information is based upon sources we believe to be reliable and has been obtained from public sources. Opinions and estimates are subject to change without notice. Mandarin Securities, and/or its employees may act or take a view in a different and inconsistent way contained in this report. This report is for informational purposes only, and is not an offer or solicitation to buy or sell any financial instrument or product or financial security.

28/F LKG TOWER, 6801 AYALA AVENUE, MAKATI CITY : OFFICE: +63 (02) 884-1271 : FAX +63 (02)884-1384