

Market Commentary

➔ **The View:** The PSEi fell by 36.65 points or 0.58%, closing at 6,255.74 yesterday. The benchmark index inched down again on some last minute profit taking after the surge last Tuesday. Market participation remained tepid as investors await the conclusion of the US Federal Reserve (Fed)'s final policy meeting for 2023. They could also be waiting for the results of the Bangko Sentral ng Pilipinas (BSP)' own meeting. In the US, the 3 major indices surged after the Fed indicated plans for multiple rate cuts next year. This move pleased investors who had been anticipating a more accommodative monetary stance in acknowledgment of cooling inflation and slowing US economy. The Dow rose by 1.40% and ended on a record-high 37,090.24. The S&P500 and the Nasdaq Composite went up by 1.37% and 1.38%, respective. The trio reached a new 52-week high yesterday. As anticipated, the central bank maintained the benchmark overnight borrowing rate within the expected range of 5.25% to 5.5%. Of greater significance, however, was the bank's projection of three rate cuts in 2024, surpassing its earlier indications. Meanwhile, European markets closed with mixed results prior to the Fed's announcements. Sentiment was also dampened by the UK economy's 0.3% contraction in October which was worse than projected. In the Asia-Pacific, most markets experienced contractions. China's Shanghai Composite led the declines in the region with 1.15%, followed by South Korea's Kospi and Hong Kong's Hang Seng with 0.97% and 0.89% drops, respectively. Australia's ASX200 and Japan's Nikkei had small gains. The Bank of Japan's business confidence survey improved further in 4Q2023. In the local bourse, Services (+0.17%) was the lone sector to go up. Property (-1.18%) led the declines while the rest had sub-1% contractions. In the main index, BLOOM (+2.02%), BDO (+1.36%), and ACEN (+1.14%) had the biggest gains among 8 advancers. On the other hand, MBT (-2.33%), JGS (-1.82%), and BPI (-1.66%) were the worst performers among 18 laggards. The market's turnover value rose by 9% to ₱3.55 billion. Foreigners switched to a net sell of ₱280.55 million opposite the ₱158.02 million net buy in the previous session. The Philippine Peso significantly weakened to ₱56.055 from ₱55.57 as majority likely expected the Fed's post-meeting to be remain hawkish. The BSP is projected to keep in step with the Fed to avoid widening the existing policy differential to protect the local currency. With the Fed finally citing definite signals of rate cuts next year, the local bourse may rally, mirroring the performance of the US markets. This much-awaited development in interest rates is highly likely to be the strongest positive catalyst that the investors have been waiting for.

PSEI INTRADAY



INDICES

Index	Prev	Last	% Chg
PSEi	6,292.39	6,255.74	-0.58%
All Shares	3,353.46	3,339.14	-0.43%
Financial	1,698.23	1,691.81	-0.38%
Industrial	8,795.41	8,782.54	-0.15%
Holding Firms	6,007.55	5,957.68	-0.83%
Property	2,786.97	2,754.22	-1.18%
Services	1,549.91	1,552.56	0.17%
Mining & Oil	9,565.27	9,512.45	-0.55%

TOP 10

BLOOM	2.02%	MBT	-2.33%
BDO	1.36%	JGS	-1.82%
ACEN	1.14%	BPI	-1.66%
URC	1.04%	ALI	-1.56%
ICT	1.03%	AC	-1.36%
GTAP	0.56%	JFC	-1.34%
SCC	0.52%	SMC	-1.30%
DMC	0.32%	SMPH	-1.20%
AEV	0.00%	TEL	-1.11%
LTG	0.00%	MER	-1.06%

BOTTOM 10

Stock Picks

Stock	Date	Initial Price	Current Price	Return since Recommendation	
				Stock	PSEi
TEL	3/13/20	1,029.00	1,251.00	21.57%	7.97%
CNPF	3/13/20	13.10	33.10	152.67%	7.97%
FGEN	9/23/20	24.80	16.84	-32.10%	6.16%
AP	9/23/20	25.55	37.70	47.55%	6.16%
BDO	11/17/20	92.60	126.70	36.83%	-9.57%
BPI	11/17/20	83.00	100.80	21.45%	-9.57%
MBT	11/17/20	44.35	50.25	13.30%	-9.57%
SECB	11/17/20	103.90	69.55	-33.06%	-9.57%
CNVRG	6/13/22	22.50	7.77	-65.47%	-3.27%
ALI	6/13/22	30.05	31.50	4.83%	-3.27%
SGP	6/13/22	12.06	6.20	-48.59%	-3.27%
Ave. Return				10.82%	-1.80%

MARKET DATA

Market Volume	245,114,008
Market Turnover (Value)	3,546,685,248
Foreign Buying	1,815,376,059
Foreign Selling	2,095,928,587
Net Foreign Buy / (Sell)	(280,552,528)

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Economic Developments

- ➔ **PH 9-month metal output value rises by 7.28% on high nickel prices.** In the nine months ending September, metal production in the Philippines rose by 7.28% year-on-year to ₱189.08 billion, according to the Mines and Geosciences Bureau (MGB). Nickel ore and other nickel byproducts contributed 47.6% of the total, generating ₱89.99 billion. Nickel direct shipping ore volume increased by 24.08% YoY to 28.9 million dry metric tons (DMT), valued at ₱53.54 billion. Caraga, the nickel capital of the Philippines, accounted for 62%, followed by Mimaropa with about 15%, Regions VIII and III accounted for about 14% and 9%, respectively. Gold made up 41.07% of the metal output by value during the period, amounting to ₱77.65 billion. Copper followed at ₱18.79 billion, and a combination of silver, chromite, and iron contributed ₱2.64 billion. The price of gold increased by 5.78% or \$105.6 from a year earlier to \$1,932.07 per troy ounce. Gold production reached 22,935 kilograms for the nine-month period, with Cagayan Valley accounting for 21%, Bicol with 20%, and Davao region with 2,062 kilograms. The average price of copper during the period fell to \$3.9 per pound from \$4.12 a year earlier. Copper production rose by 2% to 195,533 DMT, with increased production accompanied by a decline in value to ₱18.79 billion. Carmen Copper Corp. accounted for 56% of the total, with an 11% increase in volume to 110,252 DMT. Both Philex Mining Corp. and OGPI (OceanaGold Philippines, Inc.) sustained production shortfalls of 11% and 3%, respectively, the report said. Silver prices rose 7.32% to \$23.55 per troy ounce. Output fell 14% to 35,784 kg. Due to the shift to renewable technology, the demand for critical minerals like gold, nickel, cobalt, copper, and iron is expected to remain strong. Rizal Commercial Banking Corp. Chief Economist Michael L. Ricafort mentioned that the supply chain for renewable energy and electric vehicles will continue to drive growth in the metallic minerals industry. Regina Capital Development Corp. Head of Sales Luis A. Limlingan also mentioned that the recovery of the Chinese economy will drive demand for critical minerals. The MGB expects 12 projects to start within the next six months, which could further boost exports given the high demand in global markets. (*BusinessWorld*)
- ➔ **Visitor arrival target set at 7.7 million for 2024.** The Department of Tourism aims to attract 7.7 million international visitors and generate at least ₱440 billion in tourist receipts in 2024. Tourism Secretary Maria Esperanza Christina G. Frasco stated that the country has already recovered 95% of its visitor receipts from international arrivals. The 2024 target of at least ₱440 billion in tourist receipts would match the actual total for the year to date as of December 12, 2023. Despite the progress, the goal is still below the pre-pandemic number of over 8.2 million international arrivals. The Philippines has recorded 5.07 million international visitor arrivals as of December 12, with South Korea being the top source market, accounting for 1.34 million visitors, followed by the US, Japan, China, and Australia. (*BusinessWorld*)

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Corporate Developments

- ➔ **Ayala Corporation (AC)**. AC has signed sustainability-linked credit facilities totaling ₱5.0 billion with MUFG Bank, Ltd. (MUFG) and Sun Life Philippines. The deal, considered a landmark transaction by a Philippine conglomerate, aims to support AC's general corporate requirements and investments in sustainability-related projects. The credit facilities are aligned with MUFG and Sun Life Philippines' sustainability goals and are part of AC's commitment to sustainability within its value creation framework. The transaction, described as pioneering, supports AC's net-zero ambition and signifies a commitment to environmentally and socially sustainable economic activity and growth. *(AC Disclosure)*
- ➔ **ACEN Corporation (ACEN)**. ACEN, through its subsidiary, ACEN Renewables International Pte. Ltd (ACRI), has secured a AU\$75 million green term loan from the Hongkong and Shanghai Banking Corp. Ltd. (HSBC). This loan supports ACEN's strategic initiatives to strengthen its renewable energy projects in Australia, marking a significant step in the company's funding journey. Australia is a crucial market for ACEN, representing its largest market outside of the Philippines, and plays a key role in its ambitious goal to expand renewable energy capacity to 20GW by 2030. ACEN Australia, the platform overseeing the company's renewable energy assets in the country, is expected to contribute significantly to ACEN's renewable expansion with over 1 GW capacity currently under construction and operation, along with an additional 8GW capacity in development across various renewable energy projects, including solar, wind, battery, and pumped hydro. *(ACEN Disclosure)*

Other Developments

- ➔ **Fed holds rates steady, indicates three cuts coming in 2024**. The US Federal Reserve (Fed) has maintained its key interest rate within the range of 5.25% to 5.5% for the third consecutive time and has signaled the possibility of multiple cuts in 2024 and beyond. The Federal Open Market Committee (FOMC) voted unanimously to keep the benchmark overnight borrowing rate steady. While the FOMC decided on at least three rate cuts in 2024, markets had anticipated four, making the committee's stance slightly less dovish than market expectations. The Dow Jones Industrial Average surged over 400 points after the announcement. The FOMC's "dot plot" indicates the potential for a total of seven cuts by the end of 2026, reaching a range of 2% to 2.25% for the fed funds rate. This shift suggests a possible end to the previous tightening cycle that included 11 hikes, pushing the fed funds rate to its highest level in over 22 years. Fed Chairman Jerome Powell stated that inflation has eased from its highs over the past year, and the committee added this qualifier in its post-meeting statement. While describing prices as "elevated," Fed officials anticipate core inflation to fall to 3.2% in 2023 and 2.4% in 2024, reaching the 2% target in 2026. The committee noted that the economy has slowed, but GDP is on track to expand around 2.5% for the year. The Fed's decision comes amid a brighter picture for inflation, which spiked to a 40-year high in mid-2022. Powell indicated a potential thawing of frozen high-interest rates in the coming months. Despite a political toll on President Joe Biden due to stubbornly high prices, the Fed would likely act if inflation data continued to cooperate. *(CNBC)*

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Other Developments

- ➔ **Indonesia relaxes tax rules on EV imports to attract investment.** Indonesia plans to offer tax incentives on the imports of completely built-up electric vehicles (EVs) until 2025 to attract investment in the EV sector. The new presidential regulation, signed on Dec. 8, provides incentives such as removal of import duties and luxury-goods sales tax on fully assembled EVs imported by companies with EV plants or those planning to invest in the sector. Previously, these incentives were limited to imports of knocked-down vehicles, assembled in the country where they were sold. The new decree also delays the deadline for companies to produce at least 40% of EV content in Indonesia from 2023 to 2026 and pushes the increase in the local content threshold to 60% from 2024 to 2027. Indonesia aims to produce 600,000 EVs by 2030, and the incentives are intended to encourage market development and create a robust EV industry in the country. *(Reuters)*
- ➔ **India overtakes Hong Kong to become the world's seventh largest stock market.** India's stock market value has surpassed that of Hong Kong, making it the seventh-largest in the world. The total market capitalization of the National Stock Exchange of India reached \$3.989 trillion at the end of November, outpacing Hong Kong's \$3.984 trillion. India's Nifty 50 index has risen by 16% this year, and its stock market has seen increased liquidity and domestic participation. The country's economic optimism, coupled with expectations of a decisive win for the ruling Bharatiya Janata Party in the upcoming general elections, has contributed to India's robust stock market performance. Meanwhile, Hong Kong's Hang Seng index is set for its fourth consecutive year of declines, impacted by Moody's recent downgrade and geopolitical tensions. *(CNBC)*
- ➔ **COP28 climate summit ends with deal to transition away from fossil fuels.** Government ministers from nearly 200 countries have reached an agreement at the COP28 summit in Dubai that calls for a transition away from fossil fuels. The revised proposal, known as the UAE Consensus, emphasizes "transitioning away from fossil fuels in energy systems, in a just, orderly and equitable manner, accelerating action in this critical decade, so as to achieve net zero by 2050 in keeping with the science." The deal also urges the acceleration of efforts to phase down unabated coal power, triple global renewable energy capacity, and double the global average annual rate of energy efficiency improvements by 2030. While the agreement has been praised for its ambitious goals, some critics express disappointment that it did not include a more explicit phase-out commitment for hydrocarbons. The COP28 summit faced controversy and intense negotiations, with the initial draft proposal receiving widespread criticism for not explicitly addressing the end of fossil fuel use. The final agreement represents a compromise, acknowledging the need for a transition away from fossil fuels without mandating an absolute phase-out. The burning of coal, oil, and gas remains a major contributor to climate change, and the agreement sets ambitious targets for renewable energy and energy efficiency. Despite the mixed reactions, the deal is seen as a significant step in addressing climate change, emphasizing global cooperation and action to achieve net-zero emissions by 2050. *(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
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
DDMPR	DDMP REIT, Inc.	Php0.0256820	Cash	Common	01/19/24	01/22/24	02/14/24

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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) 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

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