

Market Commentary

➔ **The View:** The PSEi had a marginal decline of 0.52 points or 0.01% and closed at 6,520.75 yesterday. The benchmark index ended almost unchanged yesterday as investors look for more positive catalysts as the initial jolts of the US Federal Reserve (Fed)'s pivot from hawkish to dovish are beginning to wane. In the US, the 3 major indices experienced big contractions as they finally took a breather from their respective rallies. Since reaching their closing lows in late October, the Dow and S&P500 have each risen by over 15%, while the Nasdaq Composite has surged by approximately 19% during the same period up to Tuesday. The Dow fell by 1.27% while the Nasdaq Composite slid by 1.50%. The S&P500 had its worst session since September after dropping by 1.47%. Investors are likely to monitor final 3Q2023 gross domestic product (GDP) data along with jobless claims figures today (US time). The much-awaited personal consumption expenditure (PCE) index will be released on Friday (US time). Meanwhile, European markets closed higher yesterday after the UK November inflation data showed a cooldown to 3.9% from 4.6% in October. This may likely put some pressure on the Bank of England (BoE) to reduce interest rates next year even after previously stating that it believes that monetary policy is likely to remain restrictive for a longer period. In the Asia-Pacific, most markets continued to rise yesterday. South Korea's Kospi had biggest gain in the region with 1.78%, followed by Japan's Nikkei with 1.37%. China's Shanghai Composite had an opposite result as it went down by 1.03% after the People's Bank of China kept its 1-year prime loan rate and its 5-year benchmark loan rate unchanged. In the local bourse, sectors had mixed results with sub-1% changes. Mining&Oil (+0.79%) was the top gainer while Financial (-0.69%) declined the most. In the main index, WLCON (+9.18%), SMC (+3.27%), and GTCAP (+2.48%) had the biggest advances among 20 gainers. On the other hand, ACEN (-4.05%), JFC (-2.34%), and BDO (-1.53%) were the worst performers among 10 laggards. The market's turnover value increased by 45% to ₱6.32 billion. Net foreign buying dropped another 58% to ₱166.80 million from ₱394.99 million last Tuesday. The Philippine Peso closed 20-cents stronger against the US dollar at ₱55.75. The sharp drop in US markets yesterday may influence some investors to pocket gains ahead of the key US PCE data tomorrow. The PSEi held strong at the 6,500-level and will be tested again today as the lack of key catalysts weigh down on speculators.

PSEI INTRADAY



INDICES

Index	Prev	Last	% Chg
PSEi	6,521.27	6,520.75	-0.01%
All Shares	3,432.71	3,434.41	0.05%
Financial	1,738.23	1,726.21	-0.69%
Industrial	8,883.39	8,845.07	-0.43%
Holding Firms	6,352.92	6,394.13	0.65%
Property	2,886.32	2,882.22	-0.14%
Services	1,595.20	1,600.09	0.31%
Mining & Oil	9,494.28	9,568.89	0.79%

TOP 10

WLCON	9.18%	ACEN	-4.05%
SMC	3.27%	JFC	-2.34%
GTCAP	2.48%	BDO	-1.53%
PGOLD	2.08%	ICT	-1.14%
MER	1.57%	ALI	-1.02%
JGS	1.33%	URC	-0.85%
MONDE	1.27%	DMC	-0.75%
LTG	1.25%	GLO	-0.69%
NIKL	1.19%	BPI	-0.67%
TEL	1.17%	AGI	-0.20%

BOTTOM 10

WLCON	9.18%	ACEN	-4.05%
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Stock Picks

Stock	Date	Initial Price	Current Price	Return since Recommendation	
				Stock	PSEi
TEL	3/13/20	1,029.00	1,300.00	26.34%	12.54%
CNPF	3/13/20	13.10	31.60	141.22%	12.54%
FGEN	9/23/20	24.80	17.50	-29.44%	10.66%
AP	9/23/20	25.55	37.00	44.81%	10.66%
BDO	11/17/20	92.60	129.00	39.31%	-5.74%
BPI	11/17/20	83.00	103.30	24.46%	-5.74%
MBT	11/17/20	44.35	51.30	15.67%	-5.74%
SECB	11/17/20	103.90	72.50	-30.22%	-5.74%
CNVRG	6/13/22	22.50	7.84	-65.16%	0.83%
ALI	6/13/22	30.05	34.00	13.14%	0.83%
SGP	6/13/22	12.06	6.78	-43.78%	0.83%
Ave. Return				12.40%	2.36%

MARKET DATA

Market Volume	1,154,114,431
Market Turnover (Value)	6,320,809,662
Foreign Buying	2,788,452,871
Foreign Selling	2,621,655,570
Net Foreign Buy / (Sell)	166,797,301

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Economic Developments

- ➔ **PH posts BoP deficit of \$216M in November.** The Philippines' balance of payments (BoP) deficit narrowed to \$216 million in November, a significant improvement from the \$756 million gap reported a year ago, according to preliminary data from the Bangko Sentral ng Pilipinas (BSP). The November BoP deficit reflects outflows primarily due to the National Government's payments of its foreign currency debt obligations. On a month-on-month basis, the BoP position shifted from a \$1.5 billion surplus in October to the November deficit, marking the smallest deficit since August. The BoP measures the country's transactions with the rest of the world, and a deficit indicates that more funds left the economy than entered, while a surplus indicates the opposite. The lower US dollar to Philippine peso exchange rate in November, at ₱55.81 compared to ₱57.65 in the same period last year, may have contributed significantly to the narrowed deficit. Additionally, recent trade data, with declining merchandise imports due to lower global oil prices and challenged exports in the weak external trade environment, played a role in the narrower BoP deficit. In the first 11 months of the year, the Philippines' BoP position stood at a surplus of \$3.03 billion, a turnaround from the \$7.875 billion deficit in the same period in 2022. *(BusinessWorld)*
- ➔ **Government to borrow ₱585 billion from local market in 1Q2024.** The Philippine government plans to borrow ₱585 billion from the local debt market in the first quarter of 2024. The Bureau of the Treasury aims to raise ₱175 billion through the auction of 91, 182, and 364-day treasury bills and an additional ₱390 billion through the sale of Treasury bonds with maturities ranging from three to 20 years. The government's increased borrowing program, up more than 10% to ₱2.46 trillion for the upcoming year, reflects its strategy to finance the wide budget deficit by borrowing from both domestic and foreign creditors. As of end-October, the national government's total outstanding debt reached a record high of ₱14.48 trillion, with 68.4% sourced domestically and 31.6% from foreign borrowings. *(Philstar)*

Corporate Developments

- ➔ **Manila Electric Company (MER).** MER has amended the terms for the bidding of the 1,800-megawatt (MW) capacity procurement, aligning with the recommendation of the Energy Regulatory Commission (ERC) Chairperson Monalisa C. Dimalanta. The amendment sets a maximum offer of 1,200 MW and a minimum of 150 MW for the bidding process, with the aim of having at least two winning bidders. The competitive selection process (CSP) is designed to bring about price challenges, ensuring lower electricity costs. MRC sought ERC guidance to proceed with the bid opening on December 27, following the termination of contracts with Excellent Energy Resources, Inc. (EERI) and Masinloc Power Partners Co. Ltd. (MPPCL) earlier this year. *(BusinessWorld)*

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Corporate Developments

- ➔ **Robinsons Land Corporation (RLC)**. Frederick D. Go is set to step down as the President and CEO of RLC effective January 8, 2024, following his appointment as the Special Assistant to the President for Investment and Economic Affairs. RLC's board of directors has accepted Go's resignation and approved the appointment of Lance Y. Gokongwei, the current Chairman of RLC, as the new President and CEO. The management changes are not expected to disrupt RLC's operations, with analysts expressing confidence in the leadership transition, highlighting the continuity in the senior management team and the trust investors have in Lance Y. Gokongwei as the incoming CEO. In addition to his role at RLC, Go is also resigning as Chairman and board member of RL Commercial REIT, Inc. (RCR) and Altus Property Ventures, Inc. The replacements for these positions have not been announced yet. Despite the surprise to the market, analysts believe that Go's skills will be valuable in his government role, and RLC remains in capable hands with Lance Y. Gokongwei at the helm, suggesting that the company's stock is expected to perform well over time. (*BusinessWorld*)
- ➔ **Manila Water Company, Inc. (MWC)**. MWC has secured a 10-year term loan facility worth ₱7 billion from Land Bank of the Philippines to support its capital expenditure (capex) projects. The loan will be used to partially finance the company's capex spending, including projects related to service accessibility, water security, environmental sustainability, and service continuity. MWC has been actively working on its capex projects and recently announced the implementation of the second tranche of rate rebasing adjustments, approved by the Metropolitan Waterworks and Sewerage System (MWSS). The company serves the east zone network of Metro Manila and is seeking approval for the extension of its revised concession agreement with MWSS from 2037 to 2047. In February, MWC also signed a term loan facility worth ₱3 billion with Land Bank of the Philippines, intended to be used to fund its general corporate requirements and capex. The company's commitment to capex investments aligns with its application for the extension of the concession agreement with MWSS until 2047. As part of the extension application, the company has pledged ₱1.15 trillion for investments, primarily to ensure the continuous provision of water and wastewater services to its customers in the east zone network of Metro Manila. (*BusinessWorld*)
- ➔ **Alternergy Holdings Corporation (ALTER)**. ALTER is relinquishing its wind energy service contract (WESC) for an offshore wind development in Occidental Mindoro, citing the project's infeasibility. The subsidiary, Calavite Passage Wind Power Corp. (CPWPC), decided to surrender the WESC for the Calavite Passage offshore wind project due to various technical issues. ALTER's president, Gerry Magbanua, stated that the surrender of the WESC aligns with their obligations, and they will return it to the Department of Energy (DOE). ALTER had previously secured three additional offshore WESCs for wind projects in the Tablas Strait, which are still under exploration. The Tablas Strait projects cover about 120,000 hectares and are part of the company's expansion plans. (*Philstar*)

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Other Developments

- ➔ **Waning influence of OPEC+ in spotlight as prices flag.** The Organization of the Petroleum Exporting Countries (OPEC) and its allies, collectively known as OPEC+, are facing challenges in boosting oil prices despite ongoing efforts to cut production. The group, which implemented supply cuts of more than five million barrels per day since the end of 2022, has struggled to reverse the slide in oil prices. Despite recent geopolitical tensions affecting oil shipping routes, prices remain below \$80 a barrel. The lack of unity among OPEC+ members and reports of discord have contributed to skepticism about the effectiveness of their production cuts. Rising US crude production, the transition away from fossil fuels, and internal disagreements further complicate the group's efforts. The OPEC+ alliance, established in 2016, faces challenges as decision-making becomes more difficult due to its enlarged membership. While founded in 1960, OPEC partnered with 10 other producers to form OPEC+ to gain more influence in the market. However, the group's enlargement has created challenges in reaching consensus. Despite implementing historic oil embargoes in the past, OPEC+ now contends with the changing dynamics of the global oil market. The rise in production from non-OPEC countries, particularly the United States, poses a significant challenge to OPEC's market share. Additionally, the global shift toward renewable energy and calls for a transition away from fossil fuels impact OPEC's traditional business model. The group is navigating these challenges while trying to sustain government revenues derived from oil, essential for financing economic diversification programs, including ambitious projects. (*Agence France-Presse*)
- ➔ **Toshiba delisted after 74 years, faces future with new owners.** Toshiba, one of Japan's iconic brands, has been delisted from the Tokyo Stock Exchange after 74 years of trading. This move comes after a tumultuous decade marked by scandals and financial troubles. A consortium led by private equity firm Japan Industrial Partners (JIP), which includes Orix, Chubu Electric Power, and Rohm, acquired Toshiba in a \$14 billion takeover. Toshiba's troubles were exacerbated by clashes with overseas activist investors. While the future direction of Toshiba under its new owners remains uncertain, Chief Executive Taro Shimada is expected to focus on high-margin digital services. The Japanese government will closely monitor the situation, considering Toshiba's significance to national security and the employment of around 106,000 people. The company's move to go private may offer an opportunity to divest lower-margin businesses and develop stronger commercial strategies for its advanced technologies. (*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
ALCPC	Arthaland Corporation	Php1.7319	Cash	Preferred	11/28/23	11/29/23	12/27/23
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
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
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	12/27/23	01/10/24
CREIT	Citicore Energy REIT Corp.	Php0.049	Cash	Common	12/22/23	12/27/23	01/22/24
MW5	Megawide Construction Corporation	Php1.97605	Cash	Preferred	12/27/23	12/28/23	01/17/24
PGOLD	Puregold Price Club, Inc.	Php0.97	Cash	Common	12/27/23	12/28/23	01/18/24
KEEPR	The Keepers Holdings, Inc.	Php0.077	Cash	Common	12/27/23	12/28/23	01/18/24
COSCO	Cosco Capital, Inc.	Php0.197	Cash	Common	12/29/23	01/02/24	01/23/24
JFCPA	Jollibee Foods Corporation	Php8.20525	Cash	Preferred	01/02/24	01/03/24	01/15/24
JFCPB	Jollibee Foods Corporation	Php10.60125	Cash	Preferred	01/02/24	01/03/24	01/15/24
SMC	San Miguel Corporation	Php0.35	Cash	Common	01/04/24	01/05/24	01/26/24
GTPPB	GT Capital Holdings, Inc.	Php12.73725	Cash	Preferred	01/04/24	01/05/24	01/29/24
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
GTPPB	GT Capital Holdings, Inc.	Php12.73725	Cash	Preferred	04/04/24	04/05/24	04/29/24
GTPPB	GT Capital Holdings, Inc.	Php12.73725	Cash	Preferred	07/04/24	07/05/24	07/29/24
GTPPB	GT Capital Holdings, Inc.	Php12.73725	Cash	Preferred	10/04/24	10/07/24	10/28/24

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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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