

Market Commentary

➔ **The View:** The PSEi shed 51.52 points or 0.79% and settled at 6,469.23 yesterday. The benchmark index succumbed to profit taking as market sentiment took a hit following the big drop in the US market last Wednesday. The recovery of crude oil prices from recent lows also contributed to the stock market correction. In the US, the 3 major indices returned to their winning ways after the tumble last Wednesday. The Dow went up by 0.87%, while the S&P500 and the Nasdaq Composite rallied by 1.03% and 1.26%, respectively. The weaker final estimate 4.9% of the US' 3Q2023 gross domestic product (GDP) growth than 5.2% previously estimated could be viewed as a welcome sign that the economy indeed is slowing down. The US market rally has been broadening in the past 2 months with the small-cap Russell 2000 gaining 1.71% yesterday and is also currently on a streak of 5 positive weeks and on pace for a 6th. Meanwhile, European markets closed lower again as investors likely continued to take profits. It will take cues from the recent data from the US which came out yesterday. In the Asia-Pacific, most markets also tracked the letdown in Wall Street in the previous day. Japan's Nikkei had the steepest decline with 1.59%. The safety scandals of leading automaker Toyota helped pull the Japanese index down. South Korea's Kospi and Australia's ASX200 also fell by 0.55% and 0.45%, respectively. China's Shanghai Composite and Hong Kong's Hang Seng bucked the trend with a 0.57% and 0.04% upside. In the local bourse, sectors ended in the red except Financial (+0.70%). Property (-1.65%) and Services (-1.34%) had the biggest losses while the rest had sub-1% contractions. In the main index, MONDE (+2.39%), CNVRG (+2.04%), and BPI (+1.26%) were the top gainers among 7 advancers. On the other end, ACEN (-7.94%), AGI (-4.66%), and WLCON (-3.18%) were the worst performers among 20 laggards. The market's turnover value stood at ₱8.61 billion from ₱6.32 billion. The increase was mainly due to the block transactions concerning AXLM amounting to around ₱4.8 billion. Foreigners ended with a net sell of ₱1.81 billion after 4 consecutive sessions of net buys. The Philippine Peso strengthened by another 18 cents against the US dollar and ended at ₱55.57. The local currency has regained some ground against the greenback after Bangko Sentral ng Pilipinas (BSP) Governor Eli Remolona Jr. stated that the BSP is likely to keep interest rates elevated until headline inflation is reined in at 3%. Wall Street's recovery overnight could provide some tailwinds for the local bourse. Despite the pullbacks, the market has been doing relatively well in minimizing losses. The 6,500-resistance level will be tested again with immediate support at the 6,300-level.

PSEI INTRADAY



INDICES

Index	Prev	Last	% Chg
PSEi	6,520.75	6,469.23	-0.79%
All Shares	3,434.41	3,398.81	-1.04%
Financial	1,726.21	1,738.26	0.70%
Industrial	8,845.07	8,769.10	-0.86%
Holding Firms	6,394.13	6,341.40	-0.82%
Property	2,882.22	2,834.78	-1.65%
Services	1,600.09	1,578.72	-1.34%
Mining & Oil	9,568.89	9,518.11	-0.53%

TOP 10

MONDE	2.39%	ACEN	-7.94%
CNVRG	2.04%	AGI	-4.66%
BPI	1.26%	WLCON	-3.18%
BDO	1.09%	SMPH	-2.94%
GTCPA	1.04%	JGS	-2.38%
DMC	0.97%	SMC	-2.37%
SCC	0.18%	ICT	-2.14%
JFC	0.00%	CNPF	-1.90%
PGOLD	0.00%	URC	-1.71%
EMI	0.00%	AC	-1.66%

BOTTOM 10

Stock Picks

Stock	Date	Initial Price	Current Price	Return since Recommendation	
				Stock	PSEi
TEL	3/13/20	1,029.00	1,291.00	25.46%	11.66%
CNPF	3/13/20	13.10	31.00	136.64%	11.66%
FGEN	9/23/20	24.80	17.50	-29.44%	9.78%
AP	9/23/20	25.55	37.40	46.38%	9.78%
BDO	11/17/20	92.60	130.40	40.82%	-6.49%
BPI	11/17/20	83.00	104.60	26.02%	-6.49%
MBT	11/17/20	44.35	50.85	14.66%	-6.49%
SECB	11/17/20	103.90	71.50	-31.18%	-6.49%
CNVRG	6/13/22	22.50	8.00	-64.44%	0.03%
ALI	6/13/22	30.05	33.85	12.65%	0.03%
SGP	6/13/22	12.06	6.48	-46.27%	0.03%
Ave. Return				11.94%	1.55%

MARKET DATA

Market Volume	1,994,282,736
Market Turnover (Value)	8,613,938,744
Foreign Buying	1,475,214,796
Foreign Selling	3,287,955,714
Net Foreign Buy / (Sell)	(1,812,740,918)

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Economic Developments

- ➔ **First PH offshore wind project cleared for green lane treatment.** The Board of Investments (BoI) in the Philippines has granted its first offshore wind project, the 450-megawatt Frontera Bay Wind Power Project, green lane services, allowing expedited processing of permits and licenses. Ivisan Windkraft Corp., the project's proponent, received a certificate of endorsement from BoI. The project is estimated to cost ₱81.68 billion (\$1.6 billion) and is aligned with the country's goal of achieving 15.3 gigawatts of clean energy by 2030. BoI emphasized that offshore wind turbines could become a new tourist attraction, particularly with the proposed bridge linking Cavite and Bataan. The Frontera Bay Wind Power Project is expected to generate 2,700 local jobs during its pre-development, development, and operational phases and will provide training and development to neighboring communities. Theo Sunico, vice-president of Ivisan Windkraft, highlighted the aim of developing the offshore wind industry ecosystem in the Philippines, aligning with the goal of bringing overseas Filipino workers home and investing in the capabilities of Filipinos. The Philippines has substantial offshore wind potential, with 178 gigawatts of resources along its coast. (*BusinessWorld*)
- ➔ **Jet fuel surcharge to decline in January.** The Civil Aeronautics Board (CAB) in the Philippines is reducing the jet fuel surcharge for domestic and international flights in January due to the anticipated continuation of falling jet fuel prices. Rino E. Abad, director of the Oil Industry Management Bureau at the Department of Energy (DoE), mentioned the expected oversupply of oil globally until the end of 2024, leading to the maintenance of lower oil prices, including jet fuel. The CAB has downgraded the fuel surcharge to Level 6 for January, resulting in a lowered domestic passenger surcharge between ₱185 and ₱665, and an international surcharge between ₱610.37 and ₱4,538.40. Airlines can collect fuel surcharges based on movements in jet fuel prices, using a benchmark known as MOPS (Mean of Platts Singapore). This adjustment is part of a broader trend of falling jet fuel prices, and the Energy department expects this trend to continue in the first quarter of the coming year. The oversupply of oil globally, expected until the end of 2024, is a key factor in maintaining lower oil prices, and jet fuel prices are likely to follow suit. Despite the oversupply conditions, there is a warning of a potential output cut by the Organization of the Petroleum Exporting Countries and their allies (OPEC+), which could tighten supply conditions and potentially drive oil prices up. (*BusinessWorld*)

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Economic Developments

- ➔ **Palay production estimate downgraded by 0.5% for 4Q2023.** The Philippine Statistics Authority (PSA) estimates that palay (unmilled rice) production for the fourth quarter will be around 7.32 million metric tons (MT), reflecting a 0.5% reduction from the initial projection on October 1. This potential output represents a 1.3% decline year-on-year compared to the actual production in the same quarter of 2022. The projected harvest area for the fourth quarter is expected to decrease by 1.5% year-on-year to 1.75 million hectares. The PSA notes that the yield per hectare of palay may improve to 4.17 metric tons, a 2.7% increase, based on the standing crop for the period from October to December 2023. In addition to palay, the PSA estimates that corn production will decline by 2% to 1.94 million MT in the fourth quarter. The planted area for corn is projected to decrease by 1.9% to 615.98 thousand hectares, while yields are expected to remain flat at 3.15 MT per hectare. As of November 1, about 47.4% or 615.98 thousand hectares of the standing corn crop has been harvested, producing approximately 1.01 million MT of corn. The PSA reports that of the remaining 323.79 thousand hectares of standing corn, about 1.4% is in the vegetative stage, 43.5% in the reproductive stage, and 55.1% in the maturing stage. (*BusinessWorld*)

Corporate Developments

- ➔ **Ayala Corporation (AC).** Ayala Healthcare Holdings, Inc. (AC Health) has acquired a significant minority stake in St. Joseph Drug (Joleco Resources, Inc.), a pharmaceutical company based in North Luzon. St. Joseph Drug, established in 1958, has grown into a leading regional pharmaceutical chain with over 112 stores across Northern Luzon. AC Health's pharmaceutical arm, AHCHI Pharma Ventures Inc. (APV), signed definitive agreements for the acquisition, aiming to enhance accessibility and affordability of healthcare for Filipinos nationwide. Paolo Borromeo, President and CEO of AC Health, stated that the addition of St. Joseph Drug to their portfolio, alongside Generika Drugstore, will expand their capacity to distribute quality and affordable medicine. The strategic acquisition strengthens AC Health's pharmaceutical footprint and its ability to serve more Filipinos across the country. (*AC Disclosure*)
- ➔ **First Gen Corporation (FGEN).** FGEN has awarded a contract to TotalEnergies Gas & Power Asia Private Limited (TEGPA) after concluding its international tender for a liquefied natural gas (LNG) cargo. TEGPA will supply one LNG cargo of approximately 154,500m³ with delivery scheduled for early February 2024 on a Delivered Ex Ship (DES) basis to FGEN's subsidiary, First Gen Singapore Pte. Ltd (FGEN Singapore). The LNG will be delivered by an LNG carrier to the BW Batangas Floating Storage Regasification Unit (FSRU) at the First Gen Clean Energy Complex in Batangas City and will be used by FGEN's existing gas-fired power plants in the complex. FGEN's LNG Terminal Project aims to introduce LNG to the Philippines, contributing to energy security for the Luzon Grid and the country. (*FGEN Disclosure*)

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Other Developments

- ➔ **The US economy expanded 4.9% in the third quarter, slightly weaker than previously estimated.** The United States' economic growth in the third quarter, although slightly lower than previously reported, remained robust at an annualized rate of 4.9%, according to the Commerce Department. The initial estimate was 5.2%. The third-quarter growth marked the strongest in nearly two years, driven by consumer spending on live concerts, films, and goods. The US economy has slowed from the rapid pace seen earlier in the year, but solid hiring and spending continue. The final estimate considered weaker consumer spending, inventory investment, and exports, while revising government outlays and business investment higher. Some investors anticipate rate cuts by the Federal Reserve in the coming months, although Fed officials have recently tempered such expectations. (CNN)
- ➔ **ESG funds suffer weaker demand despite help from tech-sector performance.** Sustainable funds experienced a significant slowdown in global demand in 2023, partly due to political controversy and concerns about "greenwashing." Despite the slowdown, many sustainable funds outperformed the broader market, particularly during the recovery of technology-related stocks. The surge in environmental, social, and governance (ESG) investing seen in 2020 and 2021 waned in 2022 as conventional energy prices rose, and political backlash against ESG, led by Republican politicians in the United States, intensified. Despite the challenges, funds classified as "responsible investing" globally attracted \$68 billion in net new deposits in 2023 through Nov. 30, down from \$158 billion in 2022 and \$558 billion in 2021. The funds' performance often exceeded the broader market, driven by their exposure to technology stocks, including Apple and Alphabet. The Dow Jones Sustainability World Index had a total return of 21.7% in 2023, outperforming the S&P Global Broad Market Index, which had a total return of 17%. Responsible fund assets reached \$2.56 trillion as of Nov. 30, up from \$2.35 trillion at the end of 2022. Although U.S. sustainable funds saw outflows of \$10 billion through November, Europe, which accounts for about 80% of sustainable assets globally, experienced modest inflows. Despite the challenges, there are signs that the market backdrop is becoming more favorable for sustainable strategies, with falling inflation, declining interest rates, and some growth stocks presenting "unjustifiably cheap valuations." (Reuters)
- ➔ **China revokes Taiwan tariff concessions, piles on pressure ahead of Taiwanese elections.** China has suspended tax concessions on 12 chemical compound imports from Taiwan, alleging a violation of the Cross-Strait Economic Cooperation Framework Agreement. Beijing accused Taiwan of imposing discriminatory bans and restrictions on mainland products, violating the trade agreement. This move comes just weeks ahead of Taiwan's key elections. Taiwan's government has often accused China of interference in elections, either through military intimidation or by influencing Taiwan's business elite. The timing of China's probe suggests political motivations, especially as Taiwan's companies, including major semiconductor manufacturers, are diversifying their footprint in the mainland, reducing economic reliance on China. (CNBC)

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Other Developments

- ➔ **UK and Switzerland to sign post-Brexit financial services deal.** The UK and Switzerland are set to sign a post-Brexit financial services deal aimed at strengthening ties between two major banking centers. The mutual recognition agreement is expected to enhance cross-border market access for various financial services offered by banks, insurers, and asset managers in both countries. The UK Treasury views this agreement as a positive outcome for post-Brexit Britain, leveraging new freedoms granted after its departure from the EU. While the details of the deal are yet to be formally announced, it is anticipated to improve on the equivalence framework that the UK had with Switzerland while being part of the EU. The agreement is seen as a move to strengthen the already thriving financial services relationship between the two nations. *(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
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
MWPS	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
STI	STI Education Systems Holdings, Inc.	Php0.030	Cash	Common	01/09/24	01/10/24	01/31/24
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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