

Market Commentary

➔ **The View:** The PSEi inched up by 31.77 points or 0.35% and ended at 6,501.00 last Friday. The benchmark index reclaimed its position at the 6,500-level just before the Christmas holidays after bullish sentiments finally prevailed after a 2-day decline for the PSEi. The notable recovery of ACEN's stock price was a big part of the turnaround. In the US, the 3 major indices ended in the green to start the final trading week of 2023. The Dow went up by 0.43%, while the S&P500 and the Nasdaq Composite rose by 0.42% and 0.54%, respectively. The main US small-cap index, Russell 2000, climbed another 1.24%, further signaling a broader rally. These 4 indices are coming off another winning week with the Dow and the S&P500 near all-time highs. The lower-than-expected US November personal consumption expenditure (PCE) index also keyed in expectations that inflation is going to continue closing in to the 2% target. Meanwhile, European markets ended higher last Friday as the spell of the anticipated Santa Claus rally took over. In the Asia-Pacific, Japan and South Korea kicked off this week on a positive note. The Nikkei and the Kospi went up by 0.13% and 0.12%, respectively. China's CSI, on the other hand, fell by 0.68% mainly due to the drop in property and tech stocks. Hong Kong and Australia's markets were closed for the Boxing Day holiday. In the local bourse, Financial (-0.29%) was the lone sector to decline last Friday. Industrial (+1.68%) had the biggest gain while the rest had sub-1% additions. In the main index, ACEN (+11.86%) stood out among 18 gainers after finally posting a notable uptick in its closing price after a series of big contractions. JFC (+3.31%) and CNVRG (+3.25%) rounded up the top 3 performers. On the other end, TEL (-1.63%) had the worst session, while the rest of the 7 laggards had sub-1% contractions. The market's turnover value fell by 63% to ₱3.21 billion. Foreigners posted a lower net sell of ₱87.05 million last Friday. The Philippine Peso strengthened further to ₱55.40 against the US dollar from ₱55.57 last Thursday. With the strong performances in major markets, positive sentiment could spill over to emerging markets like the Philippines in this final week of the year. The overall outlook continues to be optimistic as interest rates are planned to be lowered starting next year after a long period of waiting. However, the tight stance of the Bangko Sentral ng Pilipinas (BSP) which stated that rates are likely to remain higher for longer could temper expectations.

Stock Picks

Stock	Date	Initial Price	Current Price	Return since Recommendation	
				Stock	PSEi
TEL	3/13/20	1,029.00	1,270.00	23.42%	12.20%
CNPF	3/13/20	13.10	31.00	136.64%	12.20%
FGEN	9/23/20	24.80	17.26	-30.40%	10.32%
AP	9/23/20	25.55	37.15	45.40%	10.32%
BDO	11/17/20	92.60	130.00	40.39%	-6.03%
BPI	11/17/20	83.00	104.10	25.42%	-6.03%
MBT	11/17/20	44.35	50.80	14.54%	-6.03%
SECB	11/17/20	103.90	71.65	-31.04%	-6.03%
CNVRG	6/13/22	22.50	8.26	-63.29%	0.53%
ALI	6/13/22	30.05	34.10	13.48%	0.53%
SGP	6/13/22	12.06	6.60	-45.27%	0.53%
Ave. Return				11.75%	2.05%

PSEI INTRADAY



INDICES

Index	Prev	Last	% Chg
PSEi	6,469.23	6,501.00	0.49%
All Shares	3,398.81	3,427.30	0.84%
Financial	1,738.26	1,733.21	-0.29%
Industrial	8,769.10	8,916.57	1.68%
Holding Firms	6,341.40	6,367.59	0.41%
Property	2,834.78	2,850.15	0.54%
Services	1,578.72	1,585.48	0.43%
Mining & Oil	9,518.11	9,542.74	0.26%

TOP 10

ACEN	11.86%	TEL	-1.63%
JFC	3.31%	GTAP	-0.85%
CNVRG	3.25%	JGS	-0.73%
PGOLD	3.15%	BPI	-0.48%
MONDE	2.83%	BDO	-0.31%
AEV	2.35%	SCC	-0.18%
AGI	1.46%	MBT	-0.10%
WLCON	0.94%	BLOOM	0.00%
LTG	0.90%	URC	0.00%
ICT	0.84%	CNPF	0.00%

BOTTOM 10

MARKET DATA

Market Volume	536,254,345
Market Turnover (Value)	3,211,232,666
Foreign Buying	1,572,199,301
Foreign Selling	1,659,246,557
Net Foreign Buy / (Sell)	(87,047,255)

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Economic Developments

- ➔ **Investment pledges rise to record ₱1.16 trillion.** The Board of Investments (BOI) in the Philippines has reported a historic high in approved investments, reaching ₱1.16 trillion as of December 18, surpassing the previous record of ₱1.14 trillion in 2019. This figure is a remarkable 59% increase from the ₱729.1 billion recorded in the previous year and marks the fourth time that the BOI has exceeded the trillion-peso mark in investment approvals. While the year-to-date approvals haven't reached the ₱1.5 trillion target for 2023, the BOI anticipates that around ₱350 billion worth of projects could still be approved before the year concludes. These investments cover 303 projects, with expectations to generate 47,195 jobs, showcasing strong investor confidence in the administration of President Marcos and the effectiveness of the aggressive investment promotion activities under the 'Make It Happen in the Philippines' campaign. Foreign investments played a significant role, accounting for most approvals at ₱763.22 billion, a remarkable 452% increase from ₱138.18 billion in the previous year. Germany emerged as the leading source of foreign investments, contributing ₱393.28 billion, followed by the Netherlands with ₱333.61 billion. In contrast, domestic investment approvals reached ₱398.76 billion. Western Visayas emerged as the top recipient of investments at ₱316.89 billion, with Calabarzon in second place at ₱211.89 billion. The BOI highlighted notable projects, including seven offshore wind power projects and strong growth in the information and communication sector, manufacturing sector, infrastructure (toll roads) sector, and real estate sector, with mass housing receiving ₱15.63 billion in investments. *(Philstar)*
- ➔ **Tariff cuts on rice and pork extended by one year.** President Marcos has extended lower tariffs on rice, corn, and pork until the end of 2024 to ensure affordability amid possible El Niño-related impacts and the risk of African swine fever outbreaks. The move aims to address potential droughts and dry spells affecting rice and corn production and trade restrictions in some countries that could impact prices. The extension, outlined in Executive Order 50, seeks to maintain affordable prices for these commodities, ensuring food security, managing inflationary pressures, and diversifying the country's market sources. The tariff cuts, initially implemented under EO 10, will remain in effect until December 31, 2024, maintaining modified import duties for rice (35%), pork (15-25%), and corn (5-15%). Additionally, tariff rates for coal, under EO 10, will be subject to annual review after this year. *(Philstar)*
- ➔ **PEZA sets sights on over ₱250 billion in investment approvals next year.** The Philippine Economic Zone Authority (PEZA) aims for investment approvals exceeding ₱250 billion in 2024, targeting a 15% increase or ₱202 billion from the previous year's ₱175.71 billion. PEZA Director-General Tereso O. Panga emphasized the goal of surpassing the peak levels achieved during the tenure of former Director-General Lilia B. De Lima. In 2023, PEZA greenlit 233 projects, reflecting a 20.9% increase from the prior year, with significant investments from Raedang International Builders and Developer Corp. (₱27.18 billion), Green Energy Torrefaction Technology, Inc. (₱19.7 billion), and Philippine Manufacturing Co. of Murata, Inc. (₱12.42 billion). Japan remains the top source of ecozone investments, constituting 27.34%, followed by the Philippines (23.19%), the US (14.82%), Netherlands (11.68%), and the UK (6.84%). PEZA projects increased exports to reach \$4 billion and anticipates creating 80,000 to 100,000 new jobs in 2024. *(BusinessWorld)*

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Economic Developments

➔ **Poverty incidence down to 22.4% in 1H2023.** The Philippines experienced a decline in poverty incidence during the first half of 2023, with the rate dropping to 22.4%, down from 23.7% in the same period in 2021, according to the National Statistics Office. This reduction in poverty translates to an estimated 25.24 million Filipinos, compared to 26.14 million in 2021. The decline is attributed to efforts in opening the economy and easing COVID-19 restrictions. National Economic and Development Authority (NEDA) Secretary Arsenio Balisacan highlighted the positive impact of fully reopening the economy, enabling recovery from the combined effects of the pandemic and related policy responses. Poverty incidence among families also declined to 16.4% in the first semester, equivalent to 4.51 million poor families, down from 18% in the same period in 2021. (*Philstar*)

Corporate Developments

➔ **San Miguel Corporation (SMC).** SMC's power unit, SMC Global Power Holdings Corp., is set to complete 32 Battery Energy Storage System (BESS) projects with a total capacity of 1,000 megawatt hours (MWh) by next month. These BESS facilities, spread across various locations in the Philippines, aim to stabilize the power grid by storing excess energy and injecting it back when needed. SMC President Ramon S. Ang highlighted the role of these batteries in preventing brownouts and stabilizing the grid. The BESS is expected to address power quality issues and support the integration of renewable energy sources into the grid. SMC Global Power partnered with ABB Philippines, Fluence, and Wartsila for the engineering, procurement, and construction of the BESS projects. (*BusinessMirror*)

➔ **Manila Electric Company (MER).** MER aims to secure a minimum of 650 megawatts (MW) of power supply for the summer months of 2024. The utility company has informed the Department of Energy (DOE) about its plans for a 400MW Interim Power Supply Agreement (IPSA) and a 250MW peaking supply requirement. MER is awaiting DOE approval for the terms of reference (TOR) before proceeding with the competitive selection process (CSP) for its power supply needs. The target CSP for the 400MW IPSA is set for late January 2024, with a commercial operation date by February 26. The company is also conducting a CSP for 1,200MW baseload power, and the resulting power supply agreements will require approval from the Energy Regulatory Commission (ERC). MER is prepared to source power from the Wholesale Electricity Spot Market (WESM) if there are delays in the approval process. The CSPs are seen as transparent processes, and resulting PSAs will undergo ERC review and approval. (*BusinessMirror*)

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Other Developments

- ➔ **Fed's favorite inflation gauge shows prices rose at 3.2% annual rate in November, less than expected.** In November, the core personal consumption expenditures (PCE) price index, a key inflation gauge used by the US Federal Reserve (Fed), rose by 0.1%, bringing the year-over-year increase to 3.2%, according to the Commerce Department. Economists had anticipated a 0.1% monthly increase and a 3.3% annual rise. The six-month basis for core PCE increased by 1.9%, indicating that the Fed is close to achieving its inflation goal. Consumer expenditures rose by 0.3%, while income increased by 0.4%, aligning with expectations. The headline PCE, including food and energy costs, fell 0.1% on the month and increased by 2.6% from a year ago. This data suggests continued progress toward the Fed's 2% inflation target. The Federal Open Market Committee has signaled that it expects to implement rate cuts totaling 0.75 percentage points in 2024, with the first reduction anticipated in March 2024. *(CNBC)*
- ➔ **Tencent loses over \$43 billion in market value after China proposes new online gaming rules.** Tencent suffered a loss of approximately \$43.5 billion in market value on Friday as China unexpectedly introduced new regulations aimed at curbing excessive gaming and spending. Draft guidelines from China's National Press and Publication Administration impacted the Hong Kong-listed shares of Tencent, NetEase, and Bilibili, major players in the world's largest online gaming market. The regulations target high-value or expensive transactions in virtual entities, ban daily login rewards, and impose recharging limits with warnings for irrational consumption behavior. Tencent's shares fell about 12.4%, while NetEase and Bilibili experienced declines of 24.6% and 9.7%, respectively. The new rules cast doubt on existing business models built around incentives and rewards, raising concerns about the viability of such approaches in the industry. *(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
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
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
MWP5	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
JFPCA	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
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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