

## Market Commentary

➔ **The View:** The PSEi ended higher by 56.31 points or 0.87% and settled at 6,519.11 yesterday. In light trading, the index surpassed the 6,500 level, reflecting positive investor sentiment for the Philippines' market outlook in 2024. This optimism aligns with the positive trend in most Asian markets, driven by increasing expectations of a dovish interest rate direction in the coming year. The PSEi's rise is also attributed to year-end window dressing practices and the recent decrease in US and local bond yields, potentially lowering borrowing costs and bolstering higher valuations for companies. In the US, the 3 major indices were little changed last night as market activity waned. The Dow and the S&P500 were up by 0.14% and 0.04%, respectively. The Nasdaq Composite, on the other hand, inched lower by 0.03%. The US Federal Reserve's indication of a pause in rate hikes, along with the possibility of rate cuts in the coming year, has led to a significant drop in the 10-year Treasury yield from above 5% in late October to below 3.9% on Thursday. Investor confidence has increased, with optimism about a potential "soft landing" for the US economy, avoiding a big recession. This resulted in a broader market rally in the fourth quarter, marked by record highs in the industrial-heavy Dow and a nearly 14% surge in the small-cap Russell 2000, set for its best month since November 2020. Meanwhile, European markets closed lower yesterday as they took a breather from the recent rallies. In the Asia-Pacific, Hong Kong's Hang Seng led the gains in the region with 2.54%, followed by South Korea's Kospi with 1.60%. In the local bourse, sectors posted gains across the board led by Industrial (+1.12%) while the rest had sub-1% additions. In the main index, AGI (+8.00%), WLCON (+2.91%), and ACEN (+2.88%) had the biggest gains among 29 advancers. JGS (-0.50%) was the lone decliner in the PSEi. The market's turnover value slid by 29% to ₱2.80 billion. Net foreign buy fell to ₱12.79 million from ₱114.06 million in the previous session. The Philippine Peso appreciated by 7 cents to ₱55.48 against the US dollar. With the jump yesterday, investors could be inclined to take profits once again to cap off the final trading day of 2023.

## PSEI INTRADAY



### INDICES

Index	Prev	Last	% Chg
PSEi	6,462.80	6,519.11	0.87%
All Shares	3,415.89	3,440.59	0.72%
Financial	1,727.08	1,736.83	0.56%
Industrial	8,908.01	9,008.21	1.12%
Holding Firms	6,261.85	6,321.60	0.95%
Property	2,868.88	2,879.58	0.37%
Services	1,577.96	1,593.34	0.97%
Mining & Oil	9,727.06	9,801.69	0.77%

### TOP 10

AGI	8.00%	JGS	-0.50%
WLCON	2.91%	BLOOM	0.10%
ACEN	2.88%	CNPF	0.16%
DMC	2.13%	MBT	0.19%
MONDE	2.09%	CNVRG	0.24%
PGOLD	1.85%	ALI	0.29%
AC	1.66%	GLO	0.35%
AEV	1.42%	BDO	0.39%
NIKL	1.36%	EMI	0.48%
SCC	1.36%	GTCAP	0.52%

### BOTTOM 10

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## Stock Picks

Stock	Date	Initial Price	Current Price	Return since Recommendation	
				Stock	PSEi
TEL	3/13/20	1,029.00	1,280.00	24.39%	12.52%
CNPF	3/13/20	13.10	31.05	137.02%	12.52%
FGEN	9/23/20	24.80	17.42	-29.76%	10.63%
AP	9/23/20	25.55	37.50	46.77%	10.63%
BDO	11/17/20	92.60	129.10	39.42%	-5.77%
BPI	11/17/20	83.00	104.50	25.90%	-5.77%
MBT	11/17/20	44.35	51.60	16.35%	-5.77%
SECB	11/17/20	103.90	71.40	-31.28%	-5.77%
CNVRG	6/13/22	22.50	8.51	-62.18%	0.81%
ALI	6/13/22	30.05	34.40	14.48%	0.81%
SGP	6/13/22	12.06	6.40	-46.93%	0.81%
<b>Ave. Return</b>				<b>12.20%</b>	<b>2.33%</b>

### MARKET DATA

Market Volume	385,529,202
Market Turnover ( Value)	2,801,001,099
Foreign Buying	1,260,598,164
Foreign Selling	1,247,811,586
Net Foreign Buy / (Sell)	12,786,578

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## Economic Developments

- ➔ **'Hot money' inflow hits 4-month high of \$672.86 million in November.** The Philippines saw a notable surge in speculative funds in November, resulting in a net inflow of \$672.86 million, the highest in four months, according to data from the Bangko Sentral ng Pilipinas (BSP). This turnaround from October's net outflow of \$328.19 million was primarily attributed to the significant drop in global crude oil prices, contributing to a decrease in global and local inflation. The easing inflationary pressures provided support for the decision of both the US Federal Reserve and the BSP to halt interest rate hikes, anticipating the possibility of rate cuts in 2024. Despite the positive November figures, the Philippines recorded a net outflow of \$42.13 million from January to November, highlighting ongoing challenges in the broader foreign portfolio investment landscape. The BSP data revealed that for November, the net inflow of speculative funds, often referred to as hot money, increased by 49.3% to \$1.57 billion, with a substantial portion (71.4%) directed towards peso government securities. The top contributors to the total inflow were the United Kingdom, Singapore, the US, Luxembourg, and Hong Kong. While the Philippines has exhibited resilience, maintaining strong foreign portfolio investment figures in November, uncertainties persist, and market dynamics, especially regarding the Fed's potential rate cuts, continue to influence the outlook for the country's hot money inflows. *(Philstar)*
- ➔ **Budget deficit narrows to ₱93 billion in November.** The Philippines government reported a reduced budget deficit of P93.3 billion in November, marking a 25% decline from the same month the previous year. This improvement was driven by a 3% increase in total revenue collections, reaching P340.4 billion, mainly due to a significant expansion of non-tax revenues. Government spending for the month decreased by nearly 5% to P433.6 billion. For the 11-month period, the budget deficit eased by 10% to P1.11 trillion, with cumulative revenue collections rising by 9% to P3.56 trillion. While a narrower deficit indicates spending beyond revenue earnings, the pace has slowed down considerably. In November, 84% of revenues came from tax collections at P286 billion, a decrease of 8.9%. Non-tax collections, however, more than tripled to P54.4 billion. The Bureau of Internal Revenue (BIR) experienced a slip in haul by 11% to P210.2 billion in November, primarily due to a shift in the value-added tax remittance deadline. The Bureau of Customs (BOC) also saw a 2.69% decline in collections to P73.7 billion. Government spending in November declined by 4.69% to P433.6 billion, attributed to various factors including lower national tax allotment shares for local government units, decreased direct payments by development partners, and different timing of significant disbursements in certain departments. *(Philstar)*

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## Corporate Developments

- ➔ **ACEN Corporation (ACEN).** ACEN is injecting approximately ₱12.87 billion across six subsidiaries to support power projects in various locations across the Philippines. The additional investments involve acquiring more redeemable preferred and common shares in entities such as Giga Ace 6 Inc., Giga Ace 8 Inc., Santa Cruz Solar Energy Inc., Sinocalan Solar Power Corp., SolarAce2 Energy Corp., and Gigasol1 Inc. These funds will be allocated for diverse projects, including the development of a proposed 335-megawatt onshore wind-power project in the provinces of Laguna and Quezon by Giga Ace 6. Additional investments are also earmarked for Giga Ace 8, supporting the proposed 300.011MWp/237MW AC Palauig Solar 2 Project. ACEN's transactions with Santa Cruz Solar Energy, Sinocalan Solar Power, SolarAce 2, and Gigasol1 involve subscriptions for additional shares to fund solar power facility developments in various provinces. Currently, ACEN boasts about 4,500 MW of attributable capacity from owned facilities in the Philippines, Australia, Vietnam, Indonesia, and India, with a renewable share of 98%, making it one of the highest in the region. *(ACEN Disclosure)*
- ➔ **MREIT, Inc. (MREIT).** MREIT has extended the closing date for the acquisition of seven assets from its sponsor, Megaworld Corp. (MEG), to May 31, 2024. The properties, located in McKinley, Taguig City, Iloilo, and Davao, include Two West Campus, Ten West Campus, Science Hub-Tower 3, Science Hub-Tower 4, One Fintech Place, Two Fintech Place, and Davao Finance Center. Mreit initially targeted the third quarter of 2023 as the closing date. The assets generated a rental income of ₱1.2 billion in 2022, boasting a high average occupancy rate of 94%. The acquisition will increase Mreit's portfolio to around 475,500 sq. m., a 46% growth compared to the current 325,000 sq. m., bringing the company closer to its target of managing 500,000 sq. m. of assets by the end of 2024. *(BusinessMirror)*

## Other Developments

- ➔ **Oil prices settle down 3% as Red Sea shipping disruptions ease.** Oil prices declined by 3% on Thursday as more shipping companies expressed readiness to transit the Red Sea route, alleviating concerns about potential disruptions to the oil supply amid heightened tensions in the Middle East. The active Brent crude futures for March delivery settled down \$2.39, or 3%, at \$77.15, while US West Texas Intermediate crude futures fell by \$2.34, or 3.2%, to \$71.77 a barrel. The decision of shipping companies like Denmark's Maersk and France's CMA CGM to resume using the Red Sea route contributed to the perception that the route was reopening, potentially bringing supply to the market more quickly. The move by major shipping firms to return to the Red Sea follows a disruption earlier in the month when shipping companies halted the use of Red Sea routes, and the Suez Canal after Yemen's Houthi militant group began targeting vessels. The reopening of the route eased concerns about potential oil supply disruptions. Additionally, the U.S. Energy Information Administration reported a larger-than-expected draw in US crude oil inventories last week, providing some support to oil prices. Investors are also anticipating interest rate cuts in Europe and the US in 2024, which could contribute to increased oil demand. *(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
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
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
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
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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