

## Market Commentary

➔ **The View:** The PSEi went up by 103.64 points or 1.59% and closed at 6,602.52 yesterday. The benchmark index ended at the 6,600-level for the first time since July 28, 2023. Investors are optimistic that inflation continued to cool in December. The latest PH consumer price index (CPI) report will be released later. In the US, the 3 major indices continued to be on a downtrend this week. The Dow had a marginal gain of 0.03%, but the S&P500 and the Nasdaq Composite closed lower again by 0.34% and 0.56%, respectively. The 3 are on track to break their week-on-week winning streaks with Nasdaq Composite having the biggest slump right now at -3.3% for the week. The cooling of large-cap tech stocks like Apple have put pressure on the tech-heavy index. Apple has been downgraded to “underweight” Barclays last Tuesday (US time) while another shop put it on “neutral” from “overweight” yesterday. The December jobs report set to be released today (US time) will be crucial for the market’s overall direction as it could provide an insight as to whether and when the US Federal Reserve (Fed) could implement rate cuts. Meanwhile, European markets closed higher yesterday after being in the red for the past two days. Investors are digesting inflation data from countries in the region. The eurozone’s composite purchasing manager’s index (PMI) stood at 47.6 in December, unchanged from November, and showed a continued contraction since June. In the Asia-Pacific, markets mostly fell led by China’s CSI 300 with a 0.92% drop, followed by South Korea’s 0.78%. Japan’s Nikkei went down by 0.53% on its first session this year after an earthquake hit and the accident involving Japan Airlines. In the local bourse, Mining&Oil (-0.79%) was the lone sector to decline. Property (+2.77%) and Financial (+1.78%) had the biggest gains. In the main index, CNVRG (+6.93%), SMPH (+4.50%), and BDO (+3.49%) were the top performers among 22 gainers. On the other end, ACEN (-2.53%), NIKL (-1.33%), and SCC (-1.32%) had the biggest losses while the other 4 laggards had sub-1% contractions. The market’s total turnover value jumped by 67% to ₱5.18 billion. Foreigners returned to being net buyers anew with a net buy of ₱768.30 million, contrary to the ₱260.50 million net sell in the previous session. The Philippine Peso slightly strengthened to ₱55.50 from ₱55.57 against the US dollar. The local bourse has been strong so far this year, breaking into the 6,600-level for the first time in 5 months. However, investors should exercise caution as economic and geopolitical uncertainties remain, especially overseas. Quick profit taking could arise as investors look to secure gains while the Fed’s monetary loosening plan takes shape.

## Stock Picks

Stock	Date	Initial Price	Current Price	Return since Recommendation	
				Stock	PSEi
TEL	3/13/20	1,029.00	1,284.00	24.78%	13.96%
CNPF	3/13/20	13.10	31.00	136.64%	13.96%
FGEN	9/23/20	24.80	17.92	-27.74%	12.05%
AP	9/23/20	25.55	37.70	47.55%	12.05%
BDO	11/17/20	92.60	130.60	41.04%	-4.56%
BPI	11/17/20	83.00	104.00	25.30%	-4.56%
MBT	11/17/20	44.35	53.90	21.53%	-4.56%
SECB	11/17/20	103.90	71.60	-31.09%	-4.56%
CNVRG	6/13/22	22.50	9.10	-59.56%	2.10%
ALI	6/13/22	30.05	34.80	15.81%	2.10%
SGP	6/13/22	12.06	6.52	-45.94%	2.10%
<b>Ave. Return</b>				<b>13.48%</b>	<b>3.64%</b>

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28/F LKG TOWER, 6801 AYALA AVENUE, MAKATI CITY : OFFICE: +63 (02) 884-1271 : FAX +63 (02)884-1384

## PSEI INTRADAY



### INDICES

Index	Prev	Last	% Chg
PSEi	6,498.88	6,602.52	1.59%
All Shares	3,450.24	3,485.76	1.03%
Financial	1,723.71	1,754.47	1.78%
Industrial	9,104.49	9,137.63	0.36%
Holding Firms	6,289.02	6,360.48	1.14%
Property	2,828.95	2,907.31	2.77%
Services	1,625.77	1,651.63	1.59%
Mining & Oil	9,855.29	9,777.89	-0.79%

### TOP 10

CNVRG	6.93%	ACEN	-2.53%
SMPH	4.50%	NIKL	-1.33%
BDO	3.49%	SCC	-1.32%
JGS	3.25%	LTG	-0.88%
AC	2.69%	PGOLD	-0.18%
ICT	2.24%	SMC	-0.18%
AEV	1.84%	GLO	-0.12%
WLCON	1.77%	CNPF	0.00%
URC	1.75%	SM	0.11%
ALI	1.61%	MONDE	0.23%

### BOTTOM 10

### MARKET DATA

Market Volume	461,640,053
Market Turnover ( Value)	5,184,488,313
Foreign Buying	2,834,833,814
Foreign Selling	2,066,531,779
Net Foreign Buy / (Sell)	768,302,034

Mandarin Securities Corp.

Hanz Elmer Torres

hanz.torres@mandarinsecurities.com



## Economic Developments

- ➔ **Renewables are seen to offset the rise in electricity prices.** In 2024, the Philippines is poised to face challenges in electricity supply and prices, particularly during warm weather, due to aging coal-fired plants that are prone to breakdowns. Jose M. Layug, Jr., President of Developers of Renewable Energy Advancement, anticipates potential supply issues, emphasizing the need for new capacities to avoid yellow alerts, indicating insufficient reserves. The Department of Energy (DoE) is optimistic about a favorable electricity supply status in 2024, relying on new solar power plants and the completion of major transmission connections. The country aims to boost the share of renewable energy (RE) in its power generation mix to 35% by 2030 and 50% by 2040, with a focus on solar and wind energy to drive growth. Despite challenges, the government's commitment to renewables and ongoing reforms reflects a dedication to energy transition. Renewable energy technologies, especially solar and wind energy, are expected to play a crucial role in offsetting potential electricity price increases and mitigating dependence on oil and coal. Layug expresses satisfaction with the government's encouragement of renewables, emphasizing the affordability and optimal cost of RE, with the hope that policies will continue to support a forward-looking energy sector in the Philippines. The DoE has awarded numerous RE contracts, particularly in wind and solar energy, signaling the country's readiness for energy transition and the implementation of necessary reforms. (*BusinessWorld*)
- ➔ **Rice imports hit 3.48 million MT as of late December.** The Philippines imported 3.48 million metric tons (MT) of rice in 2023 as of late December, with December imports reaching 387.21 thousand MT, a 29.19% increase year-on-year. The Department of Agriculture (DA) anticipates total imports for the year to reach 3.65 million MT, slightly below the 3.8 million MT projected by the US Department of Agriculture. The government aims to build reserves ahead of the expected intensification of El Niño between January and May, which may lead to droughts and dry spells in about 63 provinces. Vietnam remains the top supplier, accounting for 84.27% of total rice imports, followed by Thailand and Myanmar. The DA noted that 75 thousand MT of rice from India were set to arrive by early January as part of a 295,000 MT allocation granted in October, and it has instructed traders to use their sanitary and phytosanitary import clearances (SPSICs) for an additional 1 million MT of rice. (*BusinessWorld*)

## Corporate Developments

- ➔ **Manila Electric Company (MER).** MER has initiated the search for bidders to supply 660 megawatts (MW) of capacity as the company anticipates an increase in power demand during the summer months. The capacities up for bidding include 260 MW for peaking requirements and 400 MW for baseload requirements in the current year. The Department of Energy has granted a certificate of conformity for the interim power supply deals, and the competitive selection process aims to secure additional available capacities through bidding. Bidders have until January 15 to submit expressions of interest, with a pre-bid conference scheduled for January 22, and the deadline for bid submissions set for February 26 and 27 for the 260 MW and 400 MW capacities, respectively. (*BusinessWorld*)

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hanz.torres@mandarinsecurities.com



## Corporate Developments

- ➔ **Cirtek Holdings Philippines Corporation (TECH)**. TECH announced the approval of its business unit, Cirtek Advanced Technologies and Solutions, Inc. (CATSI) - Philippine Branch, as a Domestic Market Enterprise (DME) engaged in the manufacture and assembly of Electric Motorcycles (2-Wheel and 3-Wheel) and Lithium-Ion Battery Packs. The approval from the Philippine Economic Zone Authority (PEZA) Board positions CATSI to establish the first-ever Electric Motorcycle Assembly and Lithium Battery Assembly facility in the Laguna Technopark, Binan City, Laguna. CATSI, a trailblazer in the electronics industry, aims to provide affordable and reliable mobility solutions to the working class, contributing to a cleaner and greener environment. The company plans to commence production in 2024 and, with the support of a strategic partnership with a leading Electric Motorcycle and Lithium battery manufacturer in China, aims to target at least 1 million units for domestic sales within 3 to 4 years. CATSI's commitment to delivering affordable electric motorcycles aligns with the growing demand for eco-friendly transportation options. Inspired by the success stories of neighboring countries like Indonesia, Malaysia, Taiwan, Vietnam, and India, CATSI aims to contribute to a sustainable and forward-thinking future in the Philippines. The partnership with a Chinese industry leader ensures the highest quality and cutting-edge technology, positioning CATSI as a key player in driving advancements within the electric mobility sector. The approval from PEZA marks a significant achievement for CATSI and is anticipated to be a groundbreaking moment for the electric mobility industry in the Philippines, addressing the growing need for accessible and environmentally friendly transportation solutions. *(TECH Disclosure)*
- ➔ **A Brown Company, Inc. (BRN)**. BRN's unit, Irradiation Solutions, Inc., is expected to complete the construction of the Philippines' first electron beam (e-beam) cold storage facility in Tanay, Rizal, by March. The ₱700-million facility, currently in the equipment installation and commission phase, will have the capacity to decontaminate and sterilize 20,000 tons of food products and medical devices annually. E-beam technology, known for its cost-effectiveness and safety, offers a chemical residue-free method for treating goods, making it environmentally friendly. Irradiation Solutions aims to be a cornerstone for the Philippine economy, enhancing local businesses' operations and ensuring product compliance with international export requirements. *(BusinessWorld)*

## Other Developments

- ➔ **Private payrolls added 164,000 in December, beating expectations, ADP says.** In December, hiring in the private sector in the United States exceeded expectations, with 164,000 jobs added, as reported by ADP. This figure marked a significant increase from the downwardly revised 101,000 jobs in November and surpassed the Dow Jones consensus estimate of 130,000. The rebound in the leisure and hospitality sector led the way, adding 59,000 positions, particularly in hotels, restaurants, bars, and similar establishments. Construction contributed 24,000 jobs, and the other services category, including support businesses like dry cleaning, added 22,000. However, manufacturing saw a decline of 13,000 jobs, and information services and natural resources and mining both experienced a decline of 2,000 jobs. The overall labor market remains tight, with initial jobless claims dropping, indicating continued strength and reluctance among companies to lay off workers. *(CNBC)*

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## Other Developments

- ➔ **US weekly jobless claims fall more than expected.** The latest data from the Labor Department shows that the number of Americans filing new claims for unemployment benefits dropped more than anticipated, decreasing by 18,000 to reach a seasonally adjusted 202,000 for the week ending December 30. Economists had predicted 216,000 claims for the same period. This data suggests that labor market conditions remain relatively tight. Additionally, job cuts announced by US-based employers declined by 24% in December to 34,817, while planned layoffs for the entire year surged 98% to 721,677, marking the highest annual count since 2020 and the highest tally, excluding the pandemic, since 2009. The job market in the United States is showing signs of resilience, with the unemployment rate holding below 4% despite the economy experiencing 525 basis points worth of interest rate hikes by the Federal Reserve since March 2022. The decrease in new claims and job cuts, along with the steady unemployment rate, indicate that companies are still retaining workers even as the economy navigates the challenges posed by the COVID-19 pandemic. Financial markets are currently speculating that the Federal Reserve might initiate rate cuts as early as March, especially as the central bank signaled the end of historic monetary policy tightening and hinted at lower borrowing costs in 2024. *(Reuters)*
- ➔ **Friday's jobs report will be a big signal for a market looking for good news.** Investors are awaiting the US December jobs report with a focus on finding a "Goldilocks" number—neither too robust to trigger more interest rate hikes nor too slow to raise concerns about the economy. The Dow Jones estimate anticipates a nonfarm payrolls gain of 170,000, but the acceptable range is considered to be 100,000-250,000. The outcome will likely impact market expectations regarding the Federal Reserve's monetary policy, with a strong jobs number potentially reducing the likelihood of policy easing and pushing back the timing of rate cuts expected in March. While markets have been anticipating a more accommodative stance from the Fed, signaling the end of rate hikes, aggressive rate cuts could suggest economic weakness. Investors will closely analyze wage growth and the unemployment rate, looking for signs of overall labor market health. The December report is expected to provide insights into the sustainability of the labor market's gradual cooling and the broader economic conditions in the US. *(CNBC)*

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hanz.torres@mandarinsecurities.com



## 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
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
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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hanz.torres@mandarinsecurities.com

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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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