

Market Commentary

➔ **The View:** The PSEi slid by 20.42 points or 0.31% and closed at 6,609.22 yesterday. The benchmark index was in the green for most of the session but some big last-minute profit taking pulled it down to negative territory amidst a lack of catalysts. In the US, the 3 major indices finally showed signs of hope with strong rallies yesterday after looking hampered by uncertainties last week. The Dow inched up by 0.58%, while the S&P500 and the Nasdaq Composite rose by 1.41% and 2.20%, respectively. The latter was the main laggard last week as some investors opted to reap profits from mega-cap tech stocks which had a really strong 2023. Rating downgrades faced by Apple also played a role in the sluggishness of the tech-heavy index. Investors will be looking ahead to the US inflation reports due on Thursday and Friday (both in US time). Meanwhile, European markets ended higher yesterday as well after a wobbly start to this year. Oil and gas stocks took some hits in the aftermath of Saudi Arabia's announcement of price reductions to its Asia customers. In the Asia-Pacific, markets mostly ended lower. Hong Kong's Hang Seng led the losses in the region with over 2%. Australia's ASX200 and South Korea's KOSPI also dipped by 0.50% and 0.40%, respectively. In the local bourse, sectors mostly closed in the red. Property (+0.18%) and Industrial (+0.17%) were the only ones to move up. The rest had sub-1% contractions led by Holding Firms (-0.53%) and Financial (-0.45%). In the main index, CNVRG (+2.97%), ACEN (+2.01%), and MONDE (+2.00%) had the biggest gains among 10 advancers. On the other end, LTG (-2.73%), URC (-1.62%), and AC (-1.41%) were the worst performers among 16 laggards. The market's turnover value decreased by 19% to ₱4.28 billion. Net foreign buy went down further by 62% to ₱160.66 million from ₱420.61 million last Friday. The Philippine Peso depreciated further by 12 cents to ₱55.69 against the US dollar. The local bourse is holding strong at the 6,600-level and has been performed better compared to other Asian markets so far. More profit taking could ensue after a strong start this year. Investors' optimism for the incoming US inflation reports could push the PSEi up beyond the 6,600-level but the likelihood is likely smaller when there is still a lack of strong positive catalysts.

PSEI INTRADAY



INDICES

Index	Prev	Last	% Chg
PSEi	6,629.64	6,609.22	-0.31%
All Shares	3,502.52	3,499.51	-0.09%
Financial	1,774.71	1,766.66	-0.45%
Industrial	9,242.31	9,258.45	0.17%
Holding Firms	6,420.27	6,386.39	-0.53%
Property	2,874.38	2,879.44	0.18%
Services	1,648.82	1,641.73	-0.43%
Mining & Oil	9,777.41	9,736.97	-0.41%

TOP 10

CNVRG	2.97%	LTG	-2.73%
ACEN	2.01%	URC	-1.62%
MONDE	2.00%	AC	-1.41%
CNPF	1.59%	DMC	-1.28%
SCC	1.44%	ICT	-1.19%
SMPH	1.21%	MER	-1.00%
AGI	1.05%	ALI	-0.87%
GTCAP	0.66%	SM	-0.67%
JGS	0.47%	BDO	-0.60%
AEV	0.20%	NIKL	-0.58%

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%	14.07%
CNPF	3/13/20	13.10	32.00	144.27%	14.07%
FGEN	9/23/20	24.80	17.94	-27.66%	12.16%
AP	9/23/20	25.55	38.20	49.51%	12.16%
BDO	11/17/20	92.60	132.30	42.87%	-4.46%
BPI	11/17/20	83.00	104.00	25.30%	-4.46%
MBT	11/17/20	44.35	54.20	22.21%	-4.46%
SECB	11/17/20	103.90	73.00	-29.74%	-4.46%
CNVRG	6/13/22	22.50	9.70	-56.89%	2.20%
ALI	6/13/22	30.05	34.00	13.14%	2.20%
SGP	6/13/22	12.06	7.94	-34.16%	2.20%
Ave. Return				15.75%	3.75%

MARKET DATA

Market Volume	412,881,825
Market Turnover (Value)	4,279,639,219
Foreign Buying	2,128,883,647
Foreign Selling	1,968,219,269
Net Foreign Buy / (Sell)	160,664,379

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Economic Developments

- ➔ **PH GIR dipped by 0.3% to \$102.45 billion in December.** The Philippines' gross international reserves (GIR) slipped by 0.3% to \$102.45 billion as of end-December from \$102.72 billion in November. The decrease was primarily attributed to the National Government's payments of its foreign currency debt obligations. Despite the month-on-month decline, the end-December level of dollar reserves marked a 6.6% increase from \$96.15 billion at the end of 2022. This figure also exceeded the Bangko Sentral ng Pilipinas' (BSP) end-2023 projection of \$100 billion. The GIR is considered sufficient to cover 7.7 months' worth of imports of goods and payments of services and primary income, providing a significant buffer for the country's economy against market volatility and supporting its debt repayment capabilities. Foreign exchange deposits and gold holdings of the BSP decreased as of end-December, despite a 1.8% month-on-month increase in global gold prices. Foreign currency deposits plummeted by 62.5% to \$716.3 million from \$1.91 billion the previous month and by 24% from \$942.8 billion at the end of 2022. Gold reserves were valued at \$10.56 billion as of end-2023, representing a 2.4% decline from \$10.82 billion the previous month but a 13.8% increase from \$9.28 billion at the end of 2022. On a positive note, foreign investments increased, contributing to the rise in the BSP's reserves in the form of foreign investments, which reached \$86.63 billion as of December, up 1.4% from \$85.42 billion in November and 6.2% higher than \$81.37 billion a year ago. The Philippines' net international reserves also inched up by 0.5% to \$102.4 billion as of end-December from \$101.9 billion a year ago. (*BusinessWorld*)
- ➔ **BOI-approved investments hit ₱1.2 trillion in 2023.** In 2023, the Philippines' Board of Investments (BOI) achieved a historic milestone with approved projects totaling ₱1.26 trillion, marking a substantial 73% surge from the previous year's ₱729.1 billion. Foreign investments took the lead, comprising 61% of the total, and amounted to an impressive ₱766.97 billion—a remarkable 455% increase compared to ₱138.18 billion in 2022. Germany emerged as the primary contributor of foreign investments with a substantial figure of ₱393.28 billion, followed closely by the Netherlands, Singapore, the United States, and the British Virgin Islands. These investments are a testament to the increasing attractiveness of the Philippines to foreign investors. Trade Secretary Alfredo Pascual expressed optimism for 2024, anticipating that the total investment approvals will surpass the remarkable achievements of 2023. Despite the official commitment for investment approvals in 2024 being set at ₱1.1 trillion, the BOI's record-breaking performance in 2023, driven by the energy and power sector with ₱987.12 billion in approved investments, showcases the country's growing appeal to global investors. The BOI foresees continued interest from European nations, particularly Germany, and expects additional investments from South Korea following the signing of a free trade agreement. The United States, Japan, and China are also anticipated to contribute to the robust investment landscape in the Philippines. (*Philstar*)

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Corporate Developments

- ➔ **DMCI Holdings, Inc. (DMC)**. DMC's DMCI Power Corporation (DPC), a leading off-grid electricity generator in the Philippines, reported a 7% increase in sales volume in 2023, rising from 426 gigawatt hours (GWh) to 454 GWh. The company attributes this growth to solid demand and targeted investments in underserved and unserved areas as part of its commitment to missionary electrification. In 2023, Palawan became DPC's largest market, contributing 44% to the total sales volume, surpassing Masbate, which accounted for 34%, and Oriental Mindoro with 22%. The growth in Palawan's energy sales (12% increase from 179 GWh to 200 GWh) was attributed to higher capacity and demand, boosted by the commencement of commercial operations of DPC's ₱1.5 billion thermal power plant in August. Despite the positive overall trend, sales to Oriental Mindoro decreased by 2% from 99 GWh to 97 GWh, primarily due to the increased availability of renewable energy power plants. DMCI Power Corporation, with a total installed capacity of around 160 MW at the end of 2023 (a 17% increase from the previous year), is the largest off-grid energy generator in the Philippines. *(DMC Disclosure)*
- ➔ **House of Investments, Inc. (HI)**. HI is set to diversify its portfolio by entering the financial services and property sectors, replacing construction as a core investment. The move involves creating a new financial services unit under HI, consolidating Malayan Insurance, Sun Life Grepa Financial, Inc., and its existing 40% stake in RCBC Trust Corp. The conglomerate aims to hold 77.32% of MICO Equities, Inc., which owns Malayan Insurance, 51% of Sun Life Grepa Financial, and 49% of Grepa Realty Holdings, Inc. (GRHI), the latter owning the Grepalife Building in Makati. This strategic shift aligns with HI's ambition to play a more substantial role in the Philippine financial industry and reinforces its position as a versatile player in various business sectors. *(BusinessWorld)*

Other Developments

- ➔ **Shadow bank Zhongzhi files for bankruptcy as China's debt and property crisis deepens**. Chinese shadow banking conglomerate Zhongzhi Enterprise Group has filed for bankruptcy liquidation, citing an inability to repay debt amid China's real estate crisis. Zhongzhi had warned of its distressed financial situation as early as August and declared insolvency in November, triggering an investigation by Beijing police. The collapse of Zhongzhi, which primarily owes wealthy individuals rather than financial institutions, could impact general market confidence and renew concerns over the trust industry and the broader real estate sector. The Chinese government, in recent years, has sought to limit the rapid growth of non-bank debt issued by shadow banks, with the property sector caught in a crackdown on shadow banking used by real estate companies. Analysts anticipate more trust loan defaults in the sector. *(CNBC)*
- ➔ **Eurozone investor morale gains in January - survey**. Investor morale in the euro zone improved for the third consecutive month in January, reaching its highest level since May, according to Sentix's index. The index for the euro zone rose to -15.8 points in January from -16.8 in December, although slightly below analysts' expectations. The expectations index for the euro zone rose to -8.8 points from -9.8 in December, marking the fourth consecutive month of increases and reaching its highest value since February. However, Sentix cautioned that the improvement might not indicate a turnaround for the euro zone, pointing to Germany's economic challenges, with the country still in recession. *(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
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
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
MWP4	Megawide Construction Corporation	Php1.325	Cash	Preferred	01/19/24	01/22/24	01/29/24
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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