

Market Commentary

➔ **The View:** The PSEi went down by 23.43 points or 0.35% and closed at 6,623.01 yesterday. The local bourse tracked the declines in Wall Street following the conclusion of the US Federal Reserve (Fed)'s first policy meeting of 2024 yesterday. The Fed left policy rates unchanged as expected, but Fed Chairman Jerome Powell's statements regarding the much-anticipated interest rate cut looks to have disappointed extreme optimists. He stated that a lowering of rates in March is unlikely, but with that, the probability of a rate cut in its May 1 meeting increased according to the FedWatch Tool. In the US, the 3 major indices rebounded after the selloff in the previous day. The Dow went up by 0.97%, while the S&P500 and the Nasdaq Composite surged by 1.25% and 1.30%, respectively. The January jobs report will be released today (US time) another key data investors will ponder on. Meanwhile, European markets closed in the red after some earnings miss from various companies. Eurozone inflation gave mixed signals with the core figure not easing as much as expected. In the Asia-Pacific, markets had mixed results. South Korea's Kospi gained 1.82%, while Australia's ASX200 fell by 1.2% after reaching a record-high yesterday. Japan's Nikkei also tumbled by 0.76% while Hong Kong's Hang Seng gained 0.52%. The Caixin China manufacturing PMI remained steady at 50.8 in January, mirroring the December figure. This surpassed economists' median expectation of 50.6 and marked the third consecutive month of expansion in China's factory activity. The continued growth highlights a discrepancy with official data released last Wednesday which showed a fourth straight month of contraction, emphasizing the need for policy support in the world's second-largest economy. In the local bourse, Financial (+0.29%) was the lone sector to move up. Mining&Oil (-1.46%) dropped the most and the rest had sub-1% contractions. In the main index, CNPF (+3.49%), JGS (+1.83%), and BPI (+1.72%) were the only index gainers. On the other side, NIKL (-2.89%), BLOOM (-2.15%), and MER (-1.38%) were the biggest losers among 20 laggards. The market's turnover value slid by 39% to ₱4.15 billion. Net foreign buying went up by 80% to ₱460.42 million from ₱256.10 million last Wednesday. The Philippine Peso continued to strengthen against the greenback from ₱56.275 to ₱56.115. The PSEi continues to be resilient at the 6,600-level but is currently down for the week by almost 1%. The strong economic growth in 2023 buoyed the market, but selling pressure could increase anew as interest rates may remain higher for a longer period given that the Fed is in no rush to begin cutting rates. Investors will look forward to the PH January inflation data due next week.

PSEI INTRADAY



INDICES

Index	Prev	Last	% Chg
PSEi	6,646.44	6,623.01	-0.35%
All Shares	3,499.49	3,486.03	-0.38%
Financial	1,885.75	1,891.19	0.29%
Industrial	8,919.98	8,885.31	-0.39%
Holding Firms	6,329.07	6,305.23	-0.38%
Property	2,921.49	2,896.36	-0.86%
Services	1,618.29	1,609.46	-0.55%
Mining & Oil	9,247.39	9,111.97	-1.46%

TOP 10

CNPF	3.49%	NIKL	-2.89%
JGS	1.83%	BLOOM	-2.15%
BPI	1.72%	MER	-1.38%
SCC	0.00%	WLCON	-1.37%
JFC	0.00%	TEL	-1.34%
AGI	0.00%	ALI	-1.32%
SMC	0.00%	URC	-1.17%
DMC	0.00%	AEV	-1.13%
ICT	0.00%	GTCAP	-0.83%
ACEN	0.00%	SM	-0.78%

BOTTOM 10

Stock Picks

Stock	Date	Initial Price	Current Price	Return since Recommendation	
				Stock	PSEi
TEL	3/13/20	1,029.00	1,255.00	21.96%	14.31%
CNPF	3/13/20	13.10	34.10	160.31%	14.31%
FGEN	9/23/20	24.80	18.12	-26.94%	12.39%
AP	9/23/20	25.55	37.65	47.36%	12.39%
BDO	11/17/20	92.60	144.00	55.51%	-4.26%
BPI	11/17/20	83.00	112.50	35.54%	-4.26%
MBT	11/17/20	44.35	56.90	28.30%	-4.26%
SECB	11/17/20	103.90	71.90	-30.80%	-4.26%
CNVRG	6/13/22	22.50	9.20	-59.11%	2.41%
ALI	6/13/22	30.05	33.65	11.98%	2.41%
SGP	6/13/22	12.06	7.55	-37.40%	2.41%
Ave. Return				18.79%	3.96%

MARKET DATA

Market Volume	280,660,734
Market Turnover (Value)	4,148,181,868
Foreign Buying	2,462,179,157
Foreign Selling	2,001,763,824
Net Foreign Buy / (Sell)	460,415,333

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Economic Developments

- ➔ **PH factory activity slows in January.** In January, manufacturing activity in the Philippines grew at a slower pace, recording a decline in the manufacturing Purchasing Managers' Index (PMI) from 51.5 in December to 50.9. This marks the second consecutive month of slowing growth, according to S&P Global. The PMI is a key indicator of manufacturing performance, covering aspects like new orders, output, employment, suppliers' delivery times, and stocks of purchases. The weakening demand was reflected in the softening growth of new orders and output, with orders experiencing the weakest pace in five months. While production levels eased, manufacturers' purchases of inputs rose for the second consecutive month, signaling anticipation of continued growth. However, challenges such as global headwinds and sluggish demand from external markets, especially China, may impact the manufacturing sector in the Philippines. Despite these challenges, nearly half of the survey respondents expect growth in output in the next 12 months. (*Philstar*)
- ➔ **PEZA approves ₱2.21 billion worth of investments in January.** The Philippine Economic Zone Authority (PEZA) approved 12 projects with investments amounting to ₱2.21 billion in January. The projects include seven export enterprises, four information technology (IT) enterprises, and one facilities business. These investments are expected to generate approximately \$69.62 million in exports and create 1,337 direct jobs. The projects will be located in various economic zones, including the Cavite Economic Zone, Cavite Technopark–Special Economic Zone (SEZ), Laguna Technopark, Lima Technology Center–SEZ, Carmelray Industrial Park II–SEZ, Laguna Technopark Annex–SEZ, First Philippine Industrial Park, Giga Tower Bridgetowne IT Park in Quezon City, Southwoods Mall in Laguna City, Panorama Tower in Bonifacio Global City, and Jazz IT Center in Makati City. PEZA aims to achieve ₱202 billion in investment approvals for the year 2024, representing a 15% increase from the ₱175.71 billion approved in 2023. The agency attended the Consumer Electronics Show (CES) in Las Vegas to attract more investment, particularly from the US. (*BusinessWorld*)
- ➔ **PH vehicle production grew 19.7% in 2023.** The Philippines experienced a notable increase in vehicle production in 2023, with a total of 110,350 new units, marking a nearly 20% rise from the previous year. This growth made the Philippines one of the only two countries in the Association of Southeast Asian Nations (ASEAN) to register an increase in annual output. Malaysia was the other country with expanded annual production numbers, while other major ASEAN producers, including Thailand and Indonesia, witnessed declines of 2.2% and 5.1%, respectively. Despite being the fifth-largest in terms of production volume in ASEAN, the Philippines recorded the highest growth, particularly in motorcycle and scooter production, which rose by 23.1% to 1,235,418 units. This positive performance stands out in the context of an overall 1.9% decline in new vehicle production across the six ASEAN countries in 2023. (*Inquirer*)

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Corporate Developments

- ➔ **Robinsons Retail Holdings, Inc. (RRHI).** RRHI reported a 7.4% increase in net sales to ₱192.1 billion in 2023, driven by a 3.9% growth in same-store sales (SSSG) despite inflationary pressures. Supermarkets and drugstores were identified as the primary growth drivers for the company. Gross profit reached ₱45.6 billion, rising by 7.9% year-on-year, outpacing revenue growth. Assortment shifts and sustained penetration of private label brands were key contributors. Operating income saw a 2.3% year-on-year increase to ₱8.9 billion, while core net earnings, excluding specific financial elements, experienced flattish growth at 0.6% year-on-year to ₱5.6 billion. However, net income attributable to equity holders of the parent company declined by 29.5% year-on-year in 2023 to ₱4.1 billion, attributed mainly to forex losses, the reversal of equitized earnings, and losses from start-up investments. The company's strategic initiatives, such as expanding market coverage and improving store efficiency, played a crucial role in maintaining growth amid a challenging operating environment in 2023. The company is optimistic about capturing the expected recovery in consumer confidence in 2024 as inflation pressures begin to subside. As of December 2023, Robinsons Retail operated a total of 2,393 stores, including supermarkets, drugstores, department stores, DIY stores, convenience stores, and specialty stores, along with over 2,100 franchised stores of TGP. *(RRHI Disclosure)*
- ➔ **Basic Energy Corporation (BSC).** BSC is advancing a 50MW Solar Power Project with a Battery Energy Storage System (BESS) in Pangasinan. The project will be executed in two phases, starting with a 10MW solar power plant plus BESS in Phase 1, followed by Phase 2, which will add around 40MW capacity. To facilitate this development, BSC has entered a Memorandum of Understanding (MOU) with Pangasinan 1 Electric Cooperative (PANELCO I) on January 30, 2024. The MOU outlines a collaborative effort to conduct Distribution Impact Study (DIS) and Distribution Asset Study (DAS) on PANELCO I's distribution facilities. These studies are crucial for optimizing distribution networks, enhancing infrastructure reliability, and ensuring the smooth integration of renewable energy resources, particularly BSC's solar power project within PANELCO I's service area. The DIS and DAS serve a dual purpose: evaluating the compatibility of PANELCO I's transmission system and substations to accommodate the solar power plant's production and gaining insights into the current state of the transmission system for identifying necessary improvements. By undertaking these studies in partnership with PANELCO I, BSC aims to ensure the seamless integration of its solar power project into the existing infrastructure, promoting efficiency and reliability. *(BSC Disclosure)*

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Other Developments

- ➔ **Divided Bank of England leaves policy unchanged, says interest rates are 'under review'.** The Bank of England (BoE) has decided to keep interest rates steady at 5.25%, ending the first meeting since August 2008 where members of the Monetary Policy Committee (MPC) voted in opposite directions. The vote, at 6-3, saw two members favoring a further 25 basis point hike, while one voted for a quarter-point cut. The central bank emphasized its readiness to adjust monetary policy based on economic data to sustainably return inflation to the 2% target, but it did not explicitly signal imminent rate cuts. Governor Andrew Bailey highlighted that excess demand is transforming into excess supply, suggesting rate cuts might be considered sooner rather than later, but analysts expect a cautious approach amid geopolitical risks. While UK headline inflation unexpectedly rose to an annual 4% in December, the MPC dropped its prior warning of "further tightening," indicating a shift in focus. The BoE's latest projections suggest that headline inflation may not return to the 2% target until late 2026. Analysts are divided on the timing of potential rate cuts, with some expecting them as early as June, while others argue that a serious conversation about loosening policy might still be distant. The decision reflects the complex economic environment and policymakers' balancing act between addressing inflationary pressures and supporting economic growth. (CNBC)
- ➔ **Eurozone inflation eases as expected, but core figures disappoint.** Eurozone headline inflation in January eased slightly to an annual rate of 2.8%, according to preliminary data from Eurostat. This figure aligned with economists' predictions and marked a marginal decline from December's 2.9%, which had been influenced by the phasing out of energy price support measures. The core inflation rate, excluding volatile components like energy and food, edged down to 3.3% in January from December's 3.4%, falling slightly short of the Reuters forecast of 3.2%. The European Central Bank (ECB) is carefully assessing economic data to determine the optimal timing for potential interest rate cuts, and while market expectations point to cuts beginning in April, some policymakers advocate for a more gradual approach. ECB President Christine Lagarde has acknowledged the ongoing disinflation process despite a slight uptick in December. (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
TFC	PTFC Redevelopment Corporation	Php2.00	Cash	Common	01/08/24	01/09/24	02/02/24
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
PSB	Philippine Savings Bank	Php0.75	Cash	Common	02/01/24	02/02/24	02/19/24
MWP2B	Megawide Construction Corporation	Php1.4375	Cash	Preferred	02/06/24	02/07/24	02/27/24
RFM	RFM Corporation	Php0.074194	Cash	Common	02/06/24	02/07/24	03/05/24
ACPAR	Ayala Corporation	Php39.741875	Cash	Preferred	02/13/24	02/14/24	02/29/24
APB2R	Ayala Corporation	Php6.02675	Cash	Preferred	02/13/24	02/14/24	02/29/24
ALCPD	Arthaland Corporation	Php7.50	Cash	Preferred	02/14/24	02/15/24	03/03/24
FB	San Miguel Food and Beverage, Inc.	Php0.45	Cash	Common	02/15/24	02/16/24	03/01/24
BRNP Series A	A Brown Company, Inc.	Php1.75	Cash	Preferred	02/15/24	02/16/24	03/01/24
TCB2A	Cirtek Holdings Philippines Corporation	US\$0.0228125	Cash	Preferred	02/21/24	02/22/24	03/08/24
TCB2C	Cirtek Holdings Philippines Corporation	Php0.8233	Cash	Preferred	02/27/24	02/28/24	03/14/24
TCB2D	Cirtek Holdings Philippines Corporation	Php0.968825	Cash	Preferred	02/27/24	02/28/24	03/14/24
TCB2B	Cirtek Holdings Philippines Corporation	US\$0.025	Cash	Preferred	02/29/24	03/01/24	03/18/24
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
ALCPC	Arthaland Corporation	Php1.7319	Cash	Preferred	02/29/24	03/01/24	03/27/24
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
SMC2F	San Miguel Corporation	Php1.27635	Cash	Preferred	03/20/24	03/21/24	04/04/24
SMC2I	San Miguel Corporation	Php1.18790625	Cash	Preferred	03/20/24	03/21/24	04/04/24
SMC2J	San Miguel Corporation	Php0.890625	Cash	Preferred	03/20/24	03/21/24	04/04/24
SMC2K	San Miguel Corporation	Php0.84375	Cash	Preferred	03/20/24	03/21/24	04/04/24
SMC2M	San Miguel Corporation	Php1.5703125	Cash	Preferred	03/20/24	03/21/24	04/04/24
SMC2N	San Miguel Corporation	Php1.5649875	Cash	Preferred	03/20/24	03/21/24	04/04/24
SMC2O	San Miguel Corporation	Php1.611300	Cash	Preferred	03/20/24	03/21/24	04/04/24
GTPPB	GT Capital Holdings, Inc.	Php12.73725	Cash	Preferred	04/04/24	04/05/24	04/29/24
BRNP Series A	A Brown Company, Inc.	Php1.75	Cash	Preferred	05/02/24	05/03/24	05/29/24
TCB2A	Cirtek Holdings Philippines Corporation	US\$0.0228125	Cash	Preferred	05/23/24	05/24/24	06/10/24
TCB2C	Cirtek Holdings Philippines Corporation	Php0.8233	Cash	Preferred	05/29/24	05/30/24	06/14/24
TCB2D	Cirtek Holdings Philippines Corporation	Php0.968825	Cash	Preferred	05/29/24	05/30/24	06/14/24
TCB2B	Cirtek Holdings Philippines Corporation	US\$0.025	Cash	Preferred	05/31/24	06/03/24	06/18/24
GTPPB	GT Capital Holdings, Inc.	Php12.73725	Cash	Preferred	07/04/24	07/05/24	07/29/24
BRNP Series A	A Brown Company, Inc.	Php1.75	Cash	Preferred	07/31/24	08/01/24	08/29/24

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CASH DIVIDEND SCHEDULE

*Arranged by ex-date

Ticker	Company	Amount/ Rate	Dividend Type	Share	Ex-date	Record Date	Payment Date
TCB2A	Cirtek Holdings Philippines Corporation	US\$0.0228125	Cash	Preferred	08/22/24	08/23/24	09/09/24
TCB2C	Cirtek Holdings Philippines Corporation	Php0.8233	Cash	Preferred	08/29/24	08/30/24	09/16/24
TCB2D	Cirtek Holdings Philippines Corporation	Php0.968825	Cash	Preferred	08/29/24	08/30/24	09/16/24
TCB2B	Cirtek Holdings Philippines Corporation	US\$0.025	Cash	Preferred	09/02/24	09/03/24	09/18/24
GTPPB	GT Capital Holdings, Inc.	Php12.73725	Cash	Preferred	10/04/24	10/07/24	10/28/24
BRNP Series A	A Brown Company, Inc.	Php1.75	Cash	Preferred	11/04/24	11/05/24	11/29/24
TCB2A	Cirtek Holdings Philippines Corporation	US\$0.0228125	Cash	Preferred	11/21/24	11/22/24	12/09/24
TCB2C	Cirtek Holdings Philippines Corporation	Php0.8233	Cash	Preferred	11/28/24	11/29/24	12/16/24
TCB2D	Cirtek Holdings Philippines Corporation	Php0.968825	Cash	Preferred	11/28/24	11/29/24	12/16/24
TCB2B	Cirtek Holdings Philippines Corporation	US\$0.025	Cash	Preferred	12/02/24	12/03/24	12/18/24

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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
CEI	Crown Equities, Inc.	10%	Stock	Common	TBA	TBA	TBA
SBS	SBS Philippines Corporation	22%	Stock	Common	TBA	TBA	TBA

Note: AC
Sripless 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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