

## Market Commentary

➔ **The View:** The PSEi went up by 84.24 points or 1.27% and closed at 6,707.25 last Friday. The benchmark index concluded the week on a strong note by surpassing the crucial 6,700-level and reached a 9-month high. The rally was driven by a renewed optimistic view on rates. Also, despite the 2023 gross domestic product growth rate falling slightly short of the 6%-7% target at 5.6%, it remained one of the highest in the region. In the US, the 3 major averages ended the week strong on the back of a stronger-than-expected January jobs report and big strides of Meta and Microsoft due to earnings beats. The Dow inched up by 0.35%, while the S&P500 and the Nasdaq Composite rose by 1.07% and 1.74%, respectively. Investors will be digesting more corporate results this week. Meanwhile, European markets ended mixed last Friday. The Stoxx600 gave up earlier gains and ended almost flat with a 0.01% uptick. The markets eased after the US Labor Department's January jobs report exceeded expectations casting further doubt on the timing of the anticipated US Federal Reserve (Fed) interest rate cuts. In the Asia-Pacific, markets also had mixed results to end last week. South Korea's Kospi led the gains in the region with 2.87% after its January headline inflation came in at 2.8%, slightly lower than expected. Australia's ASX200 followed suit with a 1.47% increase after its 4Q 2023 gross domestic product (GDP) growth of 4.1% beat estimates. China's CSI 300 and Hong Kong's Hang Seng bucked the trend with drops of 1.18% and 0.24%, respectively. In the local bourse, Property (-0.57%) was the lone sector to decline, while the rest posted big gains led by Financial (+2.50%) and Industrial (+1.77%). In the main index, MONDE (+7.29%), BLOOM (+3.66%), and BPI (+3.20%) had the biggest upticks among 20 gainers. On the other end, SMPH (-1.32%) was the biggest loser while the other 7 laggards had sub-1% contractions. The market's turnover value increased by 44% to ₱5.98 billion. Foreigners ended with a lower net of buy of ₱35.78 million compared to ₱460.42 million last Thursday. The Philippine Peso moved back to the ₱55-level after strengthening to ₱55.92 against the US dollar. The PSEi will face a new challenge to hold its position at the 6,700-level. The country's January inflation data will be the key driver this week along with more earnings results.

## Stock Picks

Stock	Date	Initial Price	Current Price	Return since Recommendation	
				Stock	PSEi
TEL	3/13/20	1,029.00	1,286.00	24.98%	15.76%
CNPF	3/13/20	13.10	34.10	160.31%	15.76%
FGEN	9/23/20	24.80	18.12	-26.94%	13.82%
AP	9/23/20	25.55	37.35	46.18%	13.82%
BDO	11/17/20	92.60	148.50	60.37%	-3.05%
BPI	11/17/20	83.00	116.10	39.88%	-3.05%
MBT	11/17/20	44.35	57.05	28.64%	-3.05%
SECB	11/17/20	103.90	72.35	-30.37%	-3.05%
CNVRG	6/13/22	22.50	9.48	-57.87%	3.71%
ALI	6/13/22	30.05	33.50	11.48%	3.71%
SGP	6/13/22	12.06	7.56	-37.31%	3.71%
<b>Ave. Return</b>				<b>19.94%</b>	<b>5.28%</b>

## PSEI INTRADAY



### INDICES

Index	Prev	Last	% Chg
PSEi	6,623.01	6,707.25	1.27%
All Shares	3,486.03	3,516.82	0.88%
Financial	1,891.19	1,938.54	2.50%
Industrial	8,885.31	9,042.78	1.77%
Holding Firms	6,305.23	6,364.77	0.94%
Property	2,896.36	2,879.82	-0.57%
Services	1,609.46	1,634.90	1.58%
Mining & Oil	9,111.97	9,227.50	1.27%

### TOP 10

MONDE	7.29%	SMPH	-1.32%
BLOOM	3.66%	AEV	-0.94%
BPI	3.20%	PGOLD	-0.90%
BDO	3.13%	AC	-0.88%
CNVRG	3.04%	ALI	-0.45%
TEL	2.47%	GTCAP	-0.38%
ACEN	2.35%	GLO	-0.29%
SM	2.35%	WLCON	-0.23%
JFC	2.28%	CNPF	0.00%
ICT	2.06%	SMC	0.00%

### BOTTOM 10

### MARKET DATA

Market Volume	448,427,743
Market Turnover ( Value)	5,976,244,627
Foreign Buying	2,728,101,678
Foreign Selling	2,692,318,764
Net Foreign Buy / (Sell)	35,782,913

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## Economic Developments

- ➔ **Rice tariff collections hit ₱30 billion in 2023.** Tariff collections from 3.6 million metric tons of rice imports likely reached a record ₱30 billion in 2023, as reported by the Bureau of Customs (BOC). This figure is 30% higher than the previous year's ₱22.8 billion, primarily driven by a weaker peso and higher global grain prices. The collected amount is also ₱20 billion higher than the mandated annual appropriation of ₱10 billion, which funds programs for farm mechanization, seed development, propagation and promotion, credit assistance, and extension services. The excess tariff revenues, according to the Rice Tariffication Law, are allocated to finance the Department of Agriculture's (DA) direct financial assistance program for rice farmers. DA spokesperson Arnel de Mesa stated that the department would engage with industry stakeholders to discuss the utilization of the excess revenue from the Rice Tariffication Law, waiting for the BOC's certification in the coming months. Suggestions include using the excess tariffs to establish common service facilities, such as post-harvest equipment, to enhance the competitiveness of rice farmers. The Philippine Chamber of Agriculture and Food Inc. president, Danilo Fausto, proposed directing the excess tariffs toward shifting non-competitive rice farmers to plant profitable commodities like high-value crops, aligning with the original intent of the Rice Trade Liberalization Law. Fausto emphasized providing support for planting materials, production technologies, post-harvest facilities, and logistical equipment. (*Philstar*)
- ➔ **Timing woes pull down government's infrastructure spending by 29.4%.** As of end-November 2023, infrastructure spending in the Philippines dropped by 29.4% to ₱56.7 billion from ₱80.2 billion in the previous year, according to data from the Department of Budget and Management (DBM). The decline is attributed to the different timing of significant disbursements in the Department of Public Works and Highways (DPWH). Actual payments for approved billings and disbursement vouchers for civil works, supplies, equipment, and right-of-way claims were expected to be addressed in December 2023. Furthermore, payments by development partners for foreign-assisted projects, particularly the Malolos-Clark Railway Project and the North-South Commuter Railway Project, were lower in November 2023. Overall state spending as of end-November 2023 fell by 4.7% to ₱433.6 billion from ₱455.0 billion in the same period in 2022, with lower infrastructure and maintenance expenditures and transfers to local government units (LGUs). Despite the decline in infrastructure spending, the DBM noted a recovery in spending performance during the second half of 2023, particularly the acceleration of infrastructure expenditures. The department expects line agencies to hasten the implementation of their programs and projects in December 2023 with the lapsing of cash allocations and agency closing of books, complemented by the implementation of catch-up plans. While the actual full-year 2023 fiscal performance data will be released between February and March 2024, the DBM anticipates that the recovery in spending performance, alongside the cooling of inflation, will contribute to a strong 2023 GDP growth and create a more enabling macroeconomic environment for 2024. (*BusinessMirror*)

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## Corporate Developments

- ➔ **Bank of the Philippine Islands (BPI).** BPI reported its highest full-year net income of ₱51.7 billion, marking a 30.5% increase from the previous year. The growth was driven by record revenues and lower provisions, offsetting the rise in operating expenses. Excluding the impact of a one-off gain from a 2022 property sale, net income would be up 44.1%. Total revenues surged 16.7% to ₱138.3 billion year-on-year, with net interest income rising by 22.7% to ₱104.4 billion. Non-interest income grew 1.5% to ₱34.0 billion, supported by record trading income gains of ₱5.2 billion. Operating expenses increased by 19.2% to ₱69.1 billion, resulting in a Cost-to-Income ratio of 50.0%. BPI's total loans reached ₱1.9 trillion, reflecting a 10.5% increase, and total deposits stood at ₱2.3 trillion, up 9.5% year-on-year. The bank's total assets reached ₱2.9 trillion, indicating a 10.9% growth year-on-year, and total equity stood at ₱357.2 billion. The merger of BPI and Robinsons Bank Corporation officially took effect on January 1, 2024, with BPI as the surviving entity. This merger is expected to expand reach and enhance the overall banking experience for customers by unlocking synergies within the BPI Group and Gokongwei ecosystems. *(BPI Disclosure)*
- ➔ **Alternergy Holdings Corporation (ALTER).** ALTER has finalized agreements with Envision Energy International Trading Limited for its wind power projects in Rizal and Quezon, Philippines. Subsidiaries Alabat Wind Power Corp. (AWPC) and Alternergy Tanay Wind Corp. (ATWC) approved and authorized agreements for the design, engineering, manufacturing, and delivery of wind turbine generators (WTGs), including a 10-year service and maintenance arrangement. These wind power projects, with a total capacity of up to 164 megawatts (MW), recently secured wins in the Green Energy Auction 2 (GEA-2) Program of the Department of Energy (DOE). The Tanay Wind Power Project signed a long-term lease agreement with the Rizal Provincial Government in October, while the Alabat Wind Power Project received support from the Quezon Provincial Development Council in the same month. ALTER aims to develop up to 474 MW of additional renewable energy projects, including wind, solar, and run-of-river hydro projects. In December 2023, the company received ₱1.45 billion from the Government Service Insurance System (GSIS) for the construction of the Tanay and Alabat Wind Power Projects. *(BusinessMirror)*

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## Other Developments

- ➔ **US payrolls increased by 216,000 in December, much better than expected.** The US labor market concluded 2023 on a robust note, outperforming expectations as the Labor Department's December jobs report revealed the addition of 216,000 positions, surpassing estimates. The unemployment rate remained stable at 3.7%, demonstrating the market's resilience. The payroll growth for December significantly exceeded the downwardly revised figures for November, indicating a stronger pace of hiring than initially reported. However, the broader unemployment measure, which includes discouraged workers and those in part-time roles for economic reasons, ticked up to 7.1%. Despite the positive job growth, the labor force participation rate declined to 62.5%, reaching its lowest level since February, suggesting challenges in maintaining workforce engagement. The report also highlighted persistent inflationary pressures in the labor market. Average hourly earnings increased by 0.4% for the month and 4.1% year-on-year, exceeding estimates and indicating ongoing wage inflation. The data is likely to influence the US Federal Reserve (Fed)'s monetary policy, with markets adjusting expectations for a March rate cut to approximately 56%. This reflects the economic resilience of the United States, which has weathered multiple interest rate hikes in 2022. While Fed officials had projected the possibility of three quarter-percentage point interest rate cuts in 2023, market sentiment leans towards a more aggressive stance, with traders pricing in up to six cuts. The labor market report challenges the prevailing market narrative of a substantially easier Fed in the near term. The US economy continues to defy expectations for a slowdown, maintaining solid economic growth despite the Fed's inflation-fighting campaign that resulted in 11 interest rate hikes since March 2022, marking the most aggressive monetary policy tightening in four decades. This suggests that the decision on when to enact policy rate cuts remains uncertain and may be deferred to the second half of the year. (CNBC)
- ➔ **Apple's sales plunged in China in recent quarter.** Apple is facing significant challenges in the Chinese market, with its sales in the greater China region dropping almost 13% to \$20.8 billion in the December quarter. Cautious consumer sentiment, coupled with intensified competition from companies like Huawei, has impacted Apple's growth in what was once considered a major driver market. The resurgence of Huawei, particularly with the launch of the 5G-enabled Mate 60, is luring back customers who had shifted to Apple during the period when Huawei faced sanctions limiting its access to advanced technology. Apart from Huawei, other domestic brands such as Xiaomi and Oppo are gradually entering the high-end market, offering competitive pricing and features like premium smartphones. These factors, combined with economic challenges in China and Apple's perceived resistance to innovation in areas like foldable smartphones and artificial intelligence features, may contribute to a challenging market environment for Apple in 2024. The company's brand reputation, particularly among younger audiences, is also under scrutiny, as competitors introduce new and innovative products, raising questions about Apple's ability to maintain its appeal in China. (CNBC)

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## Other Developments

➔ **Meta shares surged 20% on soaring profit, better-than-expected guidance and first-ever dividend.** Meta, the parent company of Facebook, experienced a more than 20% surge in its shares following the announcement of its fourth-quarter financial results, which revealed a tripling in profit and marked the company's first-ever dividend. The fourth-quarter revenue for Meta reached \$40.1 billion, a 25% increase compared to the previous year. The net income of the company also more than tripled, soaring to \$14 billion from \$4.65 billion in the same period the year before. The positive financial results are attributed to the rebound in the online advertising market. Meta's mature business strategies were underscored by the announcement of a quarterly dividend of 50 cents per share and a \$50 billion share buyback. This development added over \$200 billion to Meta's market capitalization, surpassing a \$1.2 trillion total valuation. Investors welcomed the dividend announcement as a sign of Meta's maturity and responsible financial management. The move is seen as a recognition of Meta's turnaround from the challenges it faced in 2022. Meta CEO Mark Zuckerberg's emphasis on making 2023 a "year of efficiency" appears to have paid off, with Meta reporting a doubling of its operating margin to 41%. Despite significant investments in the metaverse, Meta's cost-cutting measures, which included eliminating over 20,000 jobs, contributed to a decrease in expenses by 8% year-over-year to \$23.73 billion. Additionally, Meta's stake in artificial intelligence, particularly its large language model LLaMA, positions the company favorably in the AI landscape, potentially enhancing the relevance of advertisements for users and serving advertisers more efficiently. (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
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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