

## Market Commentary

➔ **The View:** The PSEi surged by 74.48 points or 1.11% and ended at 6,830.04 yesterday. The benchmark index continued its upward trajectory after the December employment data showed that the unemployment rate fell to 3.1% in December 2023, its lowest since 2005. This added to the burgeoning string of positive local economic data, namely the stronger-than-expected gross domestic product (GDP) growth in 4Q 2023, and the latest cooldown of inflation last month. In the US, the 3 major indices ended higher on the back of more stronger-than-expected earnings results. The Dow went up by 0.40%, while the S&P500 and the Nasdaq Composite rose by 0.82% and 0.95%, respectively. The latter posted a fresh record-high following more price increases from big technology stocks, Meta, Nvidia, and Microsoft. The S&P500 looks to break into the 5,000-level before the week ends. Meanwhile, European markets closed in negative territory due to some disappointing 4Q 2023 results from some companies. The Stoxx600 fell by 0.23% while the FTSE 100 went down by 0.68%. In the Asia-Pacific, most markets ended in the green as investors digested their local companies' respective corporate results. China's Shanghai Composite and South Korea's Kospi led the gains in the region with 1.44% and 1.30%, respectively. Hong Kong's Hang Seng and Japan's Nikkei were the losers with sub-1% declines. In the local bourse, Mining&Oil (-0.60%) was the only sector in the red. Services (+2.13%) and Property (+1.64%) had the best session. In the main index, AC (+6.40%), ICT (+3.93%), and BLOOM (+3.72%) were the top gainers among 20 advancers. On the other hand, DMC (-2.37%), JGS (-2.35%), and LTG (-2.14%) had the biggest contractions among 9 laggards. The market's turnover value rose to ₱6.33 billion, while net foreign buy jumped to ₱1.21 billion. The Philippine Peso appreciated back to the ₱55-level and closed at ₱55.95 from ₱56.20 against the US dollar. The PSEi rally continued and broke another resistance level at 6,800 on another set of positive economic data. However, the sharp rise in recent days likely increased opportunities for profit taking unless investors' sentiment continues to be resilient despite the ongoing narrative that the US Federal Reserve (Fed)'s planned rate cuts may be delayed further given the US economy's continued display of strength as seen in its latest jobs data. A corrective pullback could be in store for the local bourse once the market takes a breather.

## PSEI INTRADAY



### INDICES

Index	Prev	Last	% Chg
PSEi	6,755.26	6,830.04	1.11%
All Shares	3,539.05	3,566.76	0.78%
Financial	1,928.25	1,933.85	0.29%
Industrial	9,134.08	9,190.92	0.62%
Holding Firms	6,379.59	6,443.81	1.01%
Property	2,916.06	2,963.85	1.64%
Services	1,676.18	1,711.95	2.13%
Mining & Oil	9,143.72	9,088.89	-0.60%

### TOP 10

AC	6.40%	DMC	-2.37%
ICT	3.93%	JGS	-2.35%
BLOOM	3.72%	LTG	-2.14%
SMPH	2.35%	CNPF	-1.63%
MER	1.92%	BPI	-1.40%
MBT	1.58%	NIKL	-1.26%
BDO	1.35%	GLO	-1.26%
SCC	1.09%	SMC	-0.19%
ALI	1.02%	URC	-0.09%
WLCON	0.90%	AEV	0.00%

### BOTTOM 10

## Stock Picks

Stock	Date	Initial Price	Current Price	Return since Recommendation	
				Stock	PSEi
TEL	3/13/20	1,029.00	1,300.00	26.34%	17.88%
CNPF	3/13/20	13.10	36.15	175.95%	17.88%
FGEN	9/23/20	24.80	17.98	-27.50%	15.91%
AP	9/23/20	25.55	37.20	45.60%	15.91%
BDO	11/17/20	92.60	150.00	61.99%	-1.27%
BPI	11/17/20	83.00	112.60	35.66%	-1.27%
MBT	11/17/20	44.35	57.70	30.10%	-1.27%
SECB	11/17/20	103.90	73.00	-29.74%	-1.27%
CNVRG	6/13/22	22.50	9.57	-57.47%	5.61%
ALI	6/13/22	30.05	34.50	14.81%	5.61%
SGP	6/13/22	12.06	7.67	-36.40%	5.61%
Ave. Return				21.76%	7.21%

### MARKET DATA

Market Volume	829,440,686
Market Turnover ( Value)	6,326,430,974
Foreign Buying	3,361,133,077
Foreign Selling	2,156,051,189
Net Foreign Buy / (Sell)	1,205,081,888

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## Economic Developments

- ➔ **Unemployment rate falls to lowest level since 2005.** The Philippines recorded its lowest unemployment rate since 2005 in December 2023, with a rate of 3.1%, a significant drop from 4.3% in December 2022. This remarkable improvement is attributed to the increase in employment rates, which rose to 96.9% in December 2023, up from 95.7% a year earlier. The number of employed Filipinos reached 50.52 million in December 2023, higher than the 49 million reported in December 2022. Notable sectors contributing to increased employment include construction, agriculture, forestry, accommodation and food service activities, transportation and storage, and human health and social work activities. These positive trends in the labor market are seen as a reflection of the country's economic momentum and labor market resilience. National Economic and Development Authority Secretary Arsenio Balisacan welcomed the news, emphasizing the government's commitment to prioritize creating high-paying jobs and addressing vulnerabilities in the country's employment landscape. The government aims to continue promoting favorable trends by encouraging more investments, creating an enabling policy environment, and addressing constraints identified by the private sector, including energy and logistics costs, ease of doing business, labor force competitiveness, and regulatory consistency. Balisacan also stressed the importance of digital technology and innovation to enhance productivity and efficiency in various sectors, suggesting collaboration with Congress to pass legislation supporting these initiatives, such as the Open Access in Data Transmission bill. *(Philippine News Agency)*
- ➔ **Weak exports seen as main risk to PH GDP growth target in 2024.** BMI Country Risk & Industry Research has highlighted that sluggish overseas demand poses the most significant risk to the Philippines' growth in 2024, endangering the official GDP target of 6.5-7.5%. The report suggests that achieving the 6.5% to 7.5% target will be challenging due to the country's strong growth momentum being impacted by deteriorating external demand. The Philippines' major trading partners, the US and China, are facing significant headwinds, and a recession in these economies would negatively affect the Philippines' external sector, given that they account for one-third of the country's total exports. BMI also anticipates the Philippines to grow by 6.2% in 2024, driven by domestically driven economic strength. The research unit emphasizes that slowing inflation will boost household spending, and with tight labor market conditions and record-low unemployment rates, household consumption is expected to remain resilient. Additionally, the report notes that monetary easing is likely to support investment activity, and the central bank's next move is expected to be a rate cut in the second half of the year. Overall, BMI acknowledges that while overseas demand poses a significant risk, the Philippines' growth is expected to be domestically driven, supported by factors like easing inflation, low unemployment, and monetary policy support. *(BusinessWorld)*

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## Corporate Developments

- ➔ **Globe Telecom, Inc. (GLO).** GLO reported a substantial drop in consolidated net income for the full year of 2023, marking a 29% decline from ₱34.6 billion in 2022 to ₱24.6 billion. The decrease was attributed to higher depreciation expenses and non-operating charges, which outweighed the 3% growth in earnings before interest, taxes, depreciation, and amortization (EBITDA). GLO's depreciation expenses, up by 4%, are expected to continue increasing due to significant capital expenditure (capex) in the last three years. However, the telco achieved a record-high level of full-year consolidated service revenues, reaching ₱162.3 billion in 2023, a 3% increase from ₱158 billion in 2022, driven by growth in the mobile and corporate data businesses, along with non-telco services. Despite the decline in earnings, GLO recorded a 5% rise in net income for the fourth quarter of 2023, amounting to ₱5.2 billion. The telco's consolidated EBITDA was ₱81.4 billion for the year, reflecting healthy topline improvement. GLO's revenue guidance for 2024 anticipates a low to middle single-digit growth. The company plans to spend \$1 billion in capex for the year, funded by operational cash flow, net tower sales proceeds, and some debt, aiming to return to free cash flow positivity by 2025. *(GLO Disclosure)*
- ➔ **Filinvest Development Corporation (FDC).** FDC has successfully listed the first tranche of its ₱32 billion fixed-rate bonds on the Philippine Dealing & Exchange Corp (PDEX). The bond issuance, consisting of a base offer of ₱7 billion with an oversubscription option of up to ₱3 billion, attracted significant investor interest. The bonds carry an interest rate of 6.3206% per annum and have a maturity period of 2.5 years. FDC's President and CEO, Rhoda A. Huang, expressed gratitude for the trust placed in the company by investors, and the net proceeds from the issuance will be used to partially finance maturing bond redemptions and capital expenditures, particularly in renewable energy, water, hospitality, and digitalization projects. The successful bond issuance reflects the confidence of investors in Filinvest Development Corporation, a company with strategic holdings in various key industries, including real estate development, banking and financial services, hotel and resort development, power generation, and agriculture. The bell-ringing ceremony at PDEX marked the culmination of the bond issuance, with Filinvest Group leaders and SEC officials present. The Securities and Exchange Commission (SEC) commended FDC's return to the local debt capital market after ten years and highlighted the efficient processing of FDC's application, signaling a proactive approach to facilitating bond market participation among issuers. FDC's bonds were assigned an Issue Credit Rating of PRS Aaa by PhilRatings, indicating the company's strong capacity to meet financial commitments. *(FDC Disclosure)*

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## Other Developments

- ➔ **China replaces head of securities regulator amid market turmoil.** China has replaced the chairman of its securities regulator, appointing Wu Qing to lead the China Securities Regulatory Commission (CSRC) in a bid to stabilize the country's main stock indexes, which recently hit five-year lows. The move comes amid a challenging economic environment and a lack of forceful government stimulus, leading to a significant drop in confidence among institutional and retail investors. Wu Qing, a veteran securities regulator with previous experience leading the Shanghai Stock Exchange, has been appointed to head the CSRC, signaling a departure from the practice of having commercial bankers in charge. This change is seen as an effort to address market challenges and bring professional expertise to the regulatory body, as the Chinese government aims to restore confidence and stability in the markets. Despite various market-focused support measures and government statements, China's stock markets have faced continuous turmoil. The appointment of Wu Qing follows the removal of Yi Huiman as the head of the CSRC, and this leadership change is viewed as a response to the ongoing market rout. Foreign investors have been selling Chinese equities, and recent supportive moves, including a report about President Xi Jinping meeting with market regulators, led to a temporary rally. However, investors remain skeptical, and the mood in the market remains fragile. *(Reuters)*
- ➔ **Silver set for a 'terrific year' and could outperform gold to hit a 10-year high.** The Silver Institute anticipates a strong year for silver, forecasting global demand to reach 1.2 billion ounces in 2024, the second-highest level on record. This surge is driven by robust industrial demand, especially in the manufacturing of automobiles, solar panels, jewelry, and electronics. The institute expects a 9% increase in silverware demand, a 6% rise in jewelry demand, and a rebound in consumer electronics, particularly in India. Despite short-term challenges such as a slowing Chinese economy and reduced expectations of early U.S. interest rate cuts, the institute foresees a boost in the second half of 2024 when the U.S. Federal Reserve is expected to initiate rate cuts. Michael DiRienzo, the executive director of the Silver Institute, predicts silver prices to reach \$30 per ounce, a level not seen in a decade. Silver and gold maintain a positive correlation, with silver often outperforming during periods of economic expansion and lagging during times of economic stress. The gold-silver ratio currently stands at 90 ounces of silver to purchase one ounce of gold. Analysts suggest that while gold may experience an initial surge, silver tends to follow suit later, potentially outperforming gold, especially when the Fed begins to ease rates. Both metals are closely monitored for their inverse relationship with interest rates, where a higher interest rate environment tends to weaken demand for precious metals as they do not offer interest, making alternative investments like bonds more attractive. *(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
GLO	Globe Telecom, Inc.	Php25.00	Cash	Common	02/20/24	02/21/24	03/07/24
SPC	SPC Power Corporation	Php0.60	Special Cash	Common	02/21/24	02/22/24	03/07/24
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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