



Market Commentary



➔ The PSEi went up by 50.00 points or 0.81% week-on-week and finished last week at 6,211.89. The benchmark index closed at the 6,200-level for the first time since October 19 as positive catalysts continued to fuel the rally of equities. The Philippine Peso appreciated to PHP55.67 from PHP55.96 against the US dollar. Net foreign selling amounted to PHP103.05 million. Sectors had mixed results with Holding Firms (+2.26%) and Mining&Oil (-1.87%) having the biggest changes. DD (+10.32%) and SEVN (+7.89%) had the best week, while PNX4 (-16.23%) and HOME (-16.08%) led the stock laggards. Some notable development were the following:

- The Bangko Sentral ng Pilipinas (BSP) has decided to maintain its policy rate at 6.50%, citing a moderation in the inflation outlook over the policy horizon. The latest BSP projection anticipates full-year inflation at 6.1% in 2023, slightly improved from the 6.2% forecast in the previous Monetary Board meeting on October 26. The BSP now expects inflation to settle at 4.4% in 2024 and 3.4% in 2025.
- The Department of Tourism (DoT) reported that the tourism industry in the Philippines generated ₱404.02 billion in revenue for the first 10 months of the year, driven by over 4.63 million foreign tourists. This marked a substantial 190% growth compared to the same period last year. Tourism Secretary Esperanza Christina G. Frasco stated that the international visitors reached 96% of the year's target, and the projected revenue for the full year is \$7 billion.
- The Philippine banks reported a robust performance, registering a 10.4% year-on-year increase in net income for the first nine months of the year, totaling ₱270.35 billion, according to data from the Bangko Sentral ng Pilipinas (BSP). This growth was attributed to strong interest earnings and reduced provisions for potential loan losses. The industry's total operating income rose by 8.9% to ₱828.64 billion, with net interest income surging by 20.4% to ₱663.24 billion.

INDICES

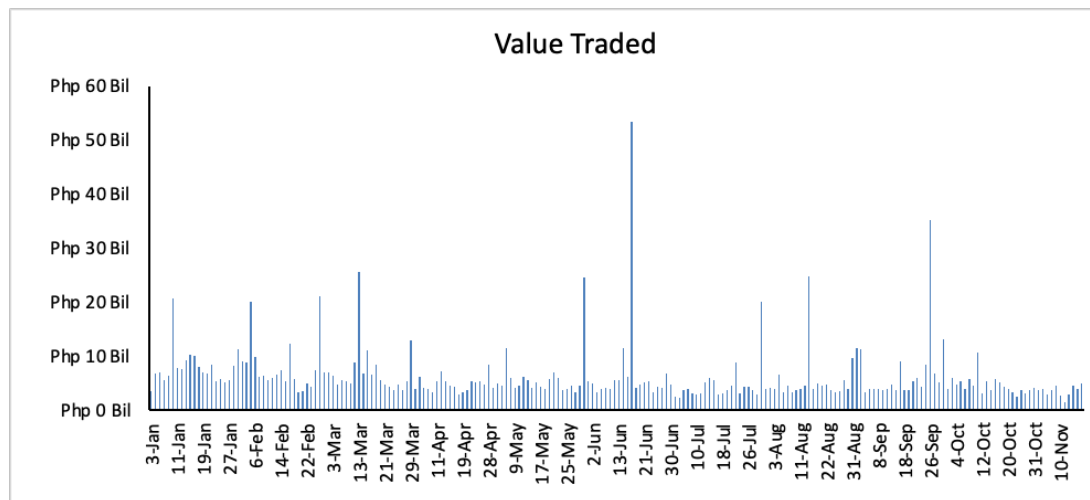
Index	Prev	Last	% Chg
PSEi	6,161.89	6,211.89	0.81%
All Shares	3,316.86	3,324.77	0.24%
Financial	1,764.39	1,750.56	-0.78%
Industrial	8,642.72	8,684.79	0.49%
Holding Firms	5,878.00	6,011.00	2.26%
Property	2,628.11	2,657.28	1.11%
Services	1,496.00	1,487.16	-0.59%
Mining & Oil	9,693.13	9,511.67	-1.87%

Disclaimer:

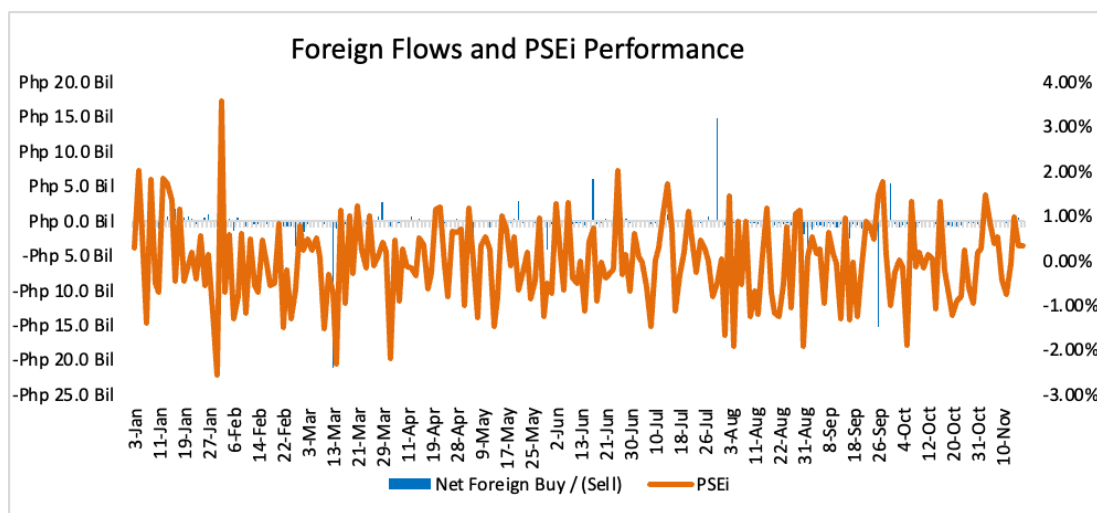
Information and opinions presented represent the judgment of the author and securities offered and sold by Mandarin Securities Corp. are subject to price movements and possible loss of amount invested. The information is based upon sources we believe to be reliable and has been obtained from public sources. Opinions and estimates are subject to change without notice. Mandarin Securities, and/or its employees may act or take a view in a different and inconsistent way contained in this report. This report is for informational purposes only, and is not an offer or solicitation to buy or sell any financial instrument or product or financial security.



➔ Market turnover averaged PHP3.52 billion last week, lower than the PHP3.63 billion in the week of November 6-10.



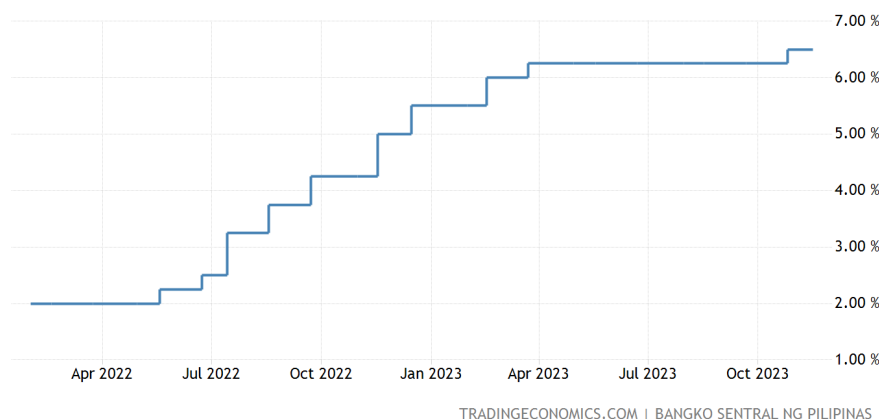
➔ Last week logged a net foreign selling of PHP103.05 million opposite the net foreign buying of PHP86.93 million in the previous week.



Disclaimer:

Information and opinions presented represent the judgment of the author and securities offered and sold by Mandarin Securities Corp. are subject to price movements and possible loss of amount invested. The information is based upon sources we believe to be reliable and has been obtained from public sources. Opinions and estimates are subject to change without notice. Mandarin Securities, and/or its employees may act or take a view in a different and inconsistent way contained in this report. This report is for informational purposes only, and is not an offer or solicitation to buy or sell any financial instrument or product or financial security.

Key Economic Figures



- ➔ **BSP benchmark rate.** In November 2023, the Bangko Sentral ng Pilipinas (BSP) kept its benchmark interest rate steady at 6.50%, aligning with market expectations. This decision followed a surprise off-cycle hike of 25 basis points in September. The central bank pointed to a moderated inflation outlook and emphasized that maintaining the current rates would allow previous adjustments to continue impacting the economy. In October, the country's headline inflation slowed for the first time in three months, dropping to 4.9% from the previous month's 6.1%. Despite this moderation, inflation remained above the government's target range of 2% to 4%, and upward risks to inflation persisted, particularly due to potential increases in transport fare and wages. *(BSP)*



- ➔ **US 10-year Treasury yield.** The yield on the 10-year US Treasury note fell to a two-month low below 4.4% as investors anticipate a potential conclusion to Federal Reserve tightening, driven by recent data indicating a slowdown in the US economy. High initial unemployment claims, reaching nearly a three-month high, and elevated continuing claim, the highest in two years, suggest challenges for the unemployed in finding available positions. Additionally, indicators such as CPI, PPI, and import prices show a continued deceleration in inflation. The prolonged decline in oil prices, on track for the fourth consecutive week, further strengthens expectations of sustained lower inflation. *(TradingEconomics)*

For the Week

TOP GAINERS		TOP LOSERS	
DD	10.32%	PNX4	-16.23%
SEVN	7.89%	HOME	-16.08%
EEI	7.82%	SSP	-14.61%
JFC	6.28%	SGP	-11.91%
GTCAP	4.65%	CHP	-11.49%
SM	4.14%	CNVRG	-7.98%
MEG	4.02%	HOUSE	-6.26%
APX	3.92%	IMI	-6.25%
SLI	3.81%	MONDE	-5.61%
MER	3.56%	ROCK	-5.59%
CNPF	3.39%	ACEN	-5.04%
AC	3.19%	STR	-4.92%
SHNG	3.06%	SCC	-4.41%
ALI	2.59%	ION	-4.07%
PRF3A	2.58%	GSMI	-3.80%
GTPPB	2.51%	MAXS	-3.60%
DDPR	2.50%	TUGS	-3.53%
AB	2.00%	AEV	-3.48%
PGOLD	1.79%	GLO	-3.10%
PNB	1.64%	BDO	-2.69%

Disclaimer:

Information and opinions presented represent the judgment of the author and securities offered and sold by Mandarin Securities Corp. are subject to price movements and possible loss of amount invested. The information is based upon sources we believe to be reliable and has been obtained from public sources. Opinions and estimates are subject to change without notice. Mandarin Securities, and/or its employees may act or take a view in a different and inconsistent way contained in this report. This report is for informational purposes only, and is not an offer or solicitation to buy or sell any financial instrument or product or financial security.



Key Economic Figures



➔ **Eurozone inflation.** In October 2023, the eurozone inflation rate was confirmed at 2.9% year-on-year, representing the lowest figure since July 2021 but still exceeding the European Central Bank (ECB)'s target of 2%. The decline was primarily attributed to lower energy prices and a slowdown in food inflation. The core inflation rate, excluding volatile food and energy prices, also decreased to 4.2%, reaching its lowest level since July 2022. Energy costs notably dropped by 11.2%, compared to -4.6% in September, while inflation rates moderated for food, alcohol, and tobacco (7.4% compared to 8.8%) and non-energy industrial goods (3.5% compared to 4.1%). Services inflation remained relatively stable at 4.6% compared to the previous month's 4.7%. On a monthly basis, consumer prices saw a marginal 0.1% increase in October, following a 0.3% rise in September. (*Eurostat*)



➔ **China FDI.** Foreign direct investment (FDI) into China declined by 9.4% year-on-year to CNY 987.01 billion (\$136.40 billion) in the first ten months of 2023, as reported by the Ministry of Commerce. FDI in the service sector decreased by 15.9% to CNY 672.10 billion, while in the manufacturing sector, it increased by 1.9% to CNY 283.44 billion. Notably, there was a 9.5% rise in investment in high-tech manufacturing, with significant growth observed in medical equipment and electronic communication equipment manufacturing. Increased investment was also seen in the construction industry (30.0% growth) and R&D and design services (15.9% growth). Notable increases in investment came from Canada (110.3%), the United Kingdom (94.6%), France (90.0%), Switzerland (66.1%), and the Netherlands (33.0%). (*Ministry of Commerce of the People's Republic of China*)

For the Week

TOP GAINERS		TOP LOSERS	
DD	10.32%	PNX4	-16.23%
SEVN	7.89%	HOME	-16.08%
EEI	7.82%	SSP	-14.61%
JFC	6.28%	SGP	-11.91%
GTCAP	4.65%	CHP	-11.49%
SM	4.14%	CNVRG	-7.98%
MEG	4.02%	HOUSE	-6.26%
APX	3.92%	IMI	-6.25%
SLI	3.81%	MONDE	-5.61%
MER	3.56%	ROCK	-5.59%
CNPF	3.39%	ACEN	-5.04%
AC	3.19%	STR	-4.92%
SHNG	3.06%	SCC	-4.41%
ALI	2.59%	ION	-4.07%
PRF3A	2.58%	GSMI	-3.80%
GTPPB	2.51%	MAXS	-3.60%
DDPR	2.50%	TUGS	-3.53%
AB	2.00%	AEV	-3.48%
PGOLD	1.79%	GLO	-3.10%
PNB	1.64%	BDO	-2.69%

Disclaimer:

Information and opinions presented represent the judgment of the author and securities offered and sold by Mandarin Securities Corp. are subject to price movements and possible loss of amount invested. The information is based upon sources we believe to be reliable and has been obtained from public sources. Opinions and estimates are subject to change without notice. Mandarin Securities, and/or its employees may act or take a view in a different and inconsistent way contained in this report. This report is for informational purposes only, and is not an offer or solicitation to buy or sell any financial instrument or product or financial security.



Market Outlook

What You Need to Know

- ➔ The PSEi is currently on its third consecutive winning week as strong positive catalysts continued to lift market sentiment. The anticipated pause of the BSP and the easing of bond yields from multi-year highs have been welcomed by investors. The improved inflation outlook by the BSP for 2023 to 2025 also spurred confidence that interest rates have finally peaked and inflation will soon go down within targets.
- ➔ The number of coronavirus cases in the Philippines increased to 4,122,658 as of November 17 from 4,121,325 last November 9. Active cases rose again to 3,093 from 2,895. There were no new deaths from COVID-19 recorded last week, and the total figure remained at 66,746. Number of recoveries increased to 4,052,819 from 4,051,684.
- ➔ In the upcoming week, the US will center its attention on the release of FOMC meeting minutes, providing insights into the US Federal Reserve (Fed)'s approach to balancing inflation concerns and signs of a changing labor market. Key economic indicators include durable goods orders, the flash S&P Global PMI survey, existing home sales, and the final reading of the Michigan consumer sentiment. In Europe, the spotlight is on flash PMI releases and Germany's Ifo Business Climate. Other economic indicators include flash PMIs, GfK Consumer Confidence, CBI industrial trends orders, and public sector net borrowing. In Asia, China is expected to maintain its loan prime rates, Japan will watch October's inflation print and November's PMI data, and Thailand will unveil third-quarter GDP. The Reserve Bank of Australia's minutes will shed light on recent policy decisions, and fresh PMI data is due.
- ➔ Investors are expressing optimism in response to the deceleration of inflation, both in the domestic market and the US. This suggests expectations for a potential halt in interest rate hikes by both the BSP and the Fed. With bond yields falling and the US dollar weakening further, the local bourse may be able to have strong support for a continued rally. However, since it managed to break into the tough 6,200-level already last Friday and may cause some pullback if investors decide to book some of their current gains.

Disclaimer:

Information and opinions presented represent the judgment of the author and securities offered and sold by Mandarin Securities Corp. are subject to price movements and possible loss of amount invested. The information is based upon sources we believe to be reliable and has been obtained from public sources. Opinions and estimates are subject to change without notice. Mandarin Securities, and/or its employees may act or take a view in a different and inconsistent way contained in this report. This report is for informational purposes only, and is not an offer or solicitation to buy or sell any financial instrument or product or financial security.