

## Market Commentary

➔ **The View:** The PSEi gained 41.07 points or 0.61% and closed at 6,753.12 yesterday. The local bourse went back to its winning ways after a brief slump last Monday. Investors appeared to have been appeased by the policy updates and progress reports cited by President Bongbong Marcos during his State of the Nation Address (SONA). The drop in the country's poverty incidence level last year, along with Wall Street's rebound also provided some boost to overall sentiment. In the US, the 3 major averages experienced a slight pullback with the Dow losing 0.14%, while the S&P500 and the Nasdaq Composite falling by 0.16% and 0.06%, respectively. Tesla's stock price tumbled by more than 6% after its quarterly results missed expectations for the 4th consecutive quarter. Google also slid after Youtube advertising revenue went below estimates, which overshadowed another topline revenue and profit beats. The Russell 2000 rose by 1.02%, signaling that a continued rotation from big tech to companies that are likely to benefit more from lowering interest rates. In Europe, most markets rose as investors digested corporate results. The Stoxx600 inched higher by 0.13%, while FTSE100 slid by 0.38%. The Hungarian National Bank added itself to the list of central banks which began loosening its monetary policies after it reduced its key rates by 25-basis points with one more cut expected this year. Meanwhile, Asia-Pacific markets also had mixed results. China's CSI300 posted a notable loss of 2.14%, followed by Hong Kong's Hang Seng which shed 0.94%. Australia's ASX200 and South Korea's Kospi went up by 0.50% and 0.39%, respectively. In the local bourse, Property (-1.62%) and Financial (-0.17%) finished with losses. The rest closed higher led by Holding Firms (+1.66%) and Services (+1.52%). In the main index, SMC (+3.11%), MBT (+3.06%), and TEL (+2.82%) were the top performers among 20 gainers. On the other end, SMPH (-2.45%), BDO (-1.75%), and PGOLD (-1.53%) had the biggest contractions among 9 laggards. Market turnover inched lower by 12% to ₱5.49 billion, while net foreign buying amounted to ₱442.93 million, lower than the ₱1.01 billion record last Monday. The Philippine Peso weakened for the 3<sup>rd</sup> straight session and ended at ₱58.435 from ₱58.38 against the US dollar. Investors are looking forward to more earnings results for Q2, which began on a strong positive note with BPI posting record numbers. Some further consolidation at the 6,700-level may occur, but the PSEi's upward momentum is expected to continue this week, barring any big surprises from the batch of US economic data slated for this week like the personal consumption (PCE) index.

## PSEI INTRADAY



### INDICES

Index	Prev	Last	% Chg
PSEi	6,712.05	6,753.12	0.61%
All Shares	3,599.98	3,638.48	1.07%
Financial	2,086.79	2,083.18	-0.17%
Industrial	9,054.49	9,113.28	0.65%
Holding Firms	5,746.82	5,842.49	1.66%
Property	2,726.06	2,681.82	-1.62%
Services	1,996.18	2,026.51	1.52%
Mining & Oil	8,717.84	8,728.94	0.13%

### TOP 10

SMC	3.11%	SMPH	-2.45%
MBT	3.06%	BDO	-1.75%
TEL	2.82%	PGOLD	-1.53%
AC	2.41%	ALI	-0.94%
SM	2.10%	SCC	-0.90%
CNPF	1.97%	LTG	-0.83%
ICT	1.97%	BLOOM	-0.58%
GLO	1.84%	AEV	-0.42%
JGS	1.80%	GTCAP	-0.08%
MER	1.71%	BPI	0.00%

### BOTTOM 10

## Stock Picks

Stock	Date	Initial Price	Current Price	Return since Recommendation	
				Stock	PSEi
TEL	3/13/20	1,029.00	1,495.00	45.29%	16.55%
CNPF	3/13/20	13.10	33.65	156.87%	16.55%
FGEN	9/23/20	24.80	17.50	-29.44%	14.60%
AP	9/23/20	25.55	34.00	33.07%	14.60%
BDO	11/17/20	92.60	145.60	57.24%	-2.38%
BPI	11/17/20	83.00	129.00	55.42%	-2.38%
MBT	11/17/20	44.35	68.95	55.47%	-2.38%
SECB	11/17/20	103.90	63.80	-38.59%	-2.38%
CNVRG	6/13/22	22.50	11.14	-50.49%	4.42%
ALI	6/13/22	30.05	31.60	5.16%	4.42%
SGP	6/13/22	12.06	9.60	-20.40%	4.42%
<b>Ave. Return</b>				<b>24.51%</b>	<b>6.00%</b>

### MARKET DATA

Market Volume	401,943,549
Market Turnover ( Value)	5,485,381,753
Foreign Buying	3,460,331,347
Foreign Selling	3,017,403,458
Net Foreign Buy / (Sell)	442,927,889

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## Economic Developments

- ➔ **Poverty incidence falls to below pre-pandemic level in 2023.** In 2023, approximately 17.54 million Filipinos were living in poverty, a significant decrease from nearly 20 million in 2021, according to the Philippine Statistics Authority (PSA). The poverty incidence among the population fell to 15.5% from 18.1% in 2021, and is even lower than the pre-pandemic level of 16.7% in 2018. President Ferdinand R. Marcos Jr. highlighted this improvement in his State of the Nation Address, noting that around 2.5 million Filipinos were lifted out of poverty. This reduction in poverty also surpassed the government's target of 16-16.4% under the Philippine Development Plan 2023-2028. Poverty incidence among families was recorded at 10.9%, affecting about three million families, while 2.7% of Filipino families, or approximately 740,000 families, struggled to meet their basic food needs. National Economic and Development Authority Secretary Arsenio M. Balisacan attributed the lower poverty incidence to effective government policies and initiatives, despite the high inflation in the first half of 2023. He emphasized the importance of food security, creating high-quality jobs, and developing human capital to improve earning potential. The PSA indicated that the decline in poverty was influenced by a 15.3% growth in the poverty threshold from 2021 to 2023, driven mainly by changes in food prices. Additionally, the mean per capita income for families near the poverty threshold increased by 22.9%, outpacing the rise in the poverty threshold. Security Bank Corp. Chief Economist Robert Dan J. Roces and De La Salle University Professor Jesus Felipe noted the positive impact of economic growth, job creation, and government aid programs on poverty reduction, with projections of continued but slower declines in poverty incidence in the coming years. (BusinessWorld)
- ➔ **POGOs have 'very small' impact on property industry — NEDA.** National Economic and Development Authority (NEDA) Secretary Arsenio Balisacan stated on Tuesday that the impact of the Philippine offshore gaming operators (POGOs) on the property industry is minimal. Despite POGO being viewed as a significant contributor to the property market, Balisacan emphasized that their contribution to GDP, including rental revenues, is only about 0.5%. He highlighted that the social and reputational costs associated with hosting POGO outweigh the economic benefits. The NEDA chief also mentioned potential negative repercussions, such as a possible 1% GDP loss if China imposes restrictions on cross-border tourism due to the POGO ban. Real estate consultant David Leechiu previously estimated that a POGO ban could result in a vacancy of approximately 1.05 million square meters of office space. However, Balisacan suggested that investment in information technology could offset these losses by creating new job opportunities for those affected by the ban. He noted that President Ferdinand Marcos Jr. is focused on fostering legitimate businesses that enhance the country's reputation as an investment and tourist destination, rather than those linked to criminal activities. Marcos's decision to ban POGO followed extensive evidence of illegal activities associated with these operations. (Philstar)

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## Corporate Developments

- ➔ **Aboitiz Power Corporation (AP).** AP reported a 4% decline in earnings, with profits falling to ₱17.1 billion in the first half of the year, down from ₱17.8 billion in the same period last year, despite increased energy sales. The company attributed the decrease to the recognition of depreciation and interest costs for GNPower Dinginin Ltd. Co.'s (GNPD) Units 1 and 2. Without accounting for foreign exchange and derivative gains, core earnings also dropped to ₱17.1 billion from ₱17.8 billion. However, in the generation and retail electricity supply business, beneficial EBITDA increased by 10% to ₱33 billion, driven by improved portfolio margins and the activation of AP's solar plants in Pangasinan, leading to energy sales growth from 17,736 GWh to 17,758 GWh. In contrast, the distribution business saw a 16% decline in beneficial EBITDA, falling to ₱4.2 billion from ₱5 billion in 2023, despite a 9% rise in energy sales to 3,256 GWh, attributed to gains from residential, commercial, and industrial customers. Overall, AP's beneficial EBITDA for the first half of 2024 rose by 8% year-on-year to ₱36.3 billion. As of the end of June, AP's total assets were valued at ₱503.4 billion, with total liabilities and attributable equity at ₱247.4 billion and ₱185.7 billion, respectively. *(AP Disclosure)*
- ➔ **House of Investments, Inc. (HI).** HI announced that the Philippine Competition Commission (PCC) has approved its joint venture for the Sangley Point International Airport (SPIA) project. The PCC resolution clears the transaction between the Provincial Government of Cavite and a consortium comprising Cavitex Holdings, Inc. and HI. The project aims to develop Sangley Point into an international airport hub to meet future demand. In February 2023, the SPIA consortium, including HI and MacroAsia Corp. (MAC), signed a joint venture and development agreement with the Cavite provincial government for the project's implementation. The consortium, which also includes international partners such as Samsung C&T Corp., Munich Airport International GmbH, and Ove Arup & Partners Hong Kong Ltd., was awarded the \$11-billion project by the Cavite provincial government in 2022. The first phase of the project, expected to be completed by 2028, includes the construction of the first of four planned runways. The second phase will expand to a two-runway system capable of handling at least 75 million passengers annually. Currently, the National Government operates Sangley Point as a supplemental runway to Ninoy Aquino International Airport. *(BusinessWorld)*
- ➔ **Cebu Air, Inc. (CEB).** Cebu Pacific announced plans to finalize a \$24-billion (P1.4 trillion) agreement with Airbus to acquire up to 152 A321 new aircraft by the third quarter. The order includes the flexibility to choose between A321neo and A320neo models to adapt to market changes. CEO Michael Szucs highlighted that the deal aligns with Cebu Pacific's mission to make air travel more accessible and support Philippine growth. The agreement, commemorated in Farnborough, England, also involves a memorandum of understanding (MoU) with Airbus and Pratt & Whitney for up to 102 A321neo orders and 50 A320neo family purchase rights, with the future aircraft to be powered by Pratt & Whitney GTFTM engines. Airbus expressed gratitude for Cebu Pacific's confidence in its products, viewing the MoU as a positive signal for the aviation industry's recovery. Airbus Executive Vice President Benoît de Saint-Exupéry noted that the new generation aircraft would help Cebu Pacific reduce operating costs and maintain competitive low fares. He emphasized the ongoing partnership with Cebu Pacific as it strengthens its position as a leading low-cost carrier in the Asia-Pacific region. *(The Manila Times)*

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## Other Developments

- ➔ **US existing home sales slump in June; median price hits record high.** In June, US existing home sales fell by 5.4% to a seasonally adjusted annual rate of 3.89 million units, marking the lowest level since December, according to the National Association of Realtors (NAR). Despite this decline, the median existing home price reached a record high of \$426,900, up 4.1% from last year. Sales dropped significantly in the Midwest and South, while the Northeast and West saw smaller decreases. The fall in sales is linked to high mortgage rates, which were above 7.0% for the popular 30-year fixed-rate mortgage in the preceding months. However, recent drops in mortgage rates to 6.77% have raised hopes for a market rebound. Housing inventory rose by 3.1% to 1.32 million units, up 23.4% from a year ago, contributing to a shift from a seller's market to a buyer's market. Homes now typically stay on the market for 22 days compared to 18 days a year ago, and sellers are receiving fewer offers. Entry-level homes remain scarce, and new construction is not keeping up with demand, as single-family homebuilding hit an eight-month low in June. The current inventory level would last 4.1 months at June's sales pace, the highest in over four years. Residential investment is expected to have negatively impacted GDP in the second quarter, following a positive contribution in the first quarter. *(Reuters)*
- ➔ **Ether ETFs officially begin trading in US, with funds from BlackRock, Grayscale and more.** Ether ETFs started trading in the U.S. on Tuesday, bringing the world's second-largest cryptocurrency into a financial vehicle popular among professional investors and advisors. These new funds are offered by traditional fund issuers like BlackRock and Fidelity, as well as crypto-specific companies such as Grayscale, highlighting the growing integration of digital assets into mainstream finance. Ether, the native cryptocurrency on the Ethereum blockchain, is viewed as a broader bet on blockchain and crypto growth, unlike Bitcoin, which is often seen as digital gold. Jay Jacobs of BlackRock emphasized Ethereum's potential to drive digital transformation in finance and other industries. Bitcoin ETFs have seen about \$17 billion in net inflows since their January launch, according to FactSet, but ether ETFs are expected to attract less due to the smaller market size and lesser familiarity among investors. Sam Callahan of Swan Bitcoin noted that Ethereum is more complex and less clear to both individual and institutional investors. Additionally, the new ether ETFs do not offer staking, a process that can provide additional yield to crypto-native investors. Many of the launching funds are offering temporary fee waivers to attract clients, with management fees ranging from 0.15% to 2.50% after the waivers. Grayscale is converting its multi-billion-dollar private ether fund into two ETFs with different pricing structures. *(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
LAND	City & Land Developers, Incorporated	Php0.0338	Cash	Common	06/27/24	06/28/24	07/24/24
SMC	San Miguel Corporation	Php0.35	Cash	Common	06/27/24	06/28/24	07/26/24
MEDIC	Medilines Distributors Incorporated	Php0.002637207	Cash	Common	07/02/24	07/03/24	07/26/24
GTPPB	GT Capital Holdings, Inc.	Php12.73725	Cash	Preferred	07/04/24	07/05/24	07/29/24
KPH	Keppel Philippines Holdings, Inc.	Php0.20	Cash	Common	07/04/24	07/05/24	07/31/24
ACEN	ACEN CORPORATION	Php0.05	Special Cash	Common	07/10/24	07/11/24	07/25/24
AC	Ayala Corporation	Php4.1866	Cash	Common	07/10/24	07/11/24	07/26/24
CEU	Centro Escolar University	Php1.20	Cash	Common	07/10/24	07/11/24	08/05/24
MWP4	Megawide Construction Corporation	Php1.325	Cash	Preferred	07/11/24	07/12/24	07/29/24
AUB	Asia United Bank Corporation	Php1.33	Cash	Common	07/11/24	07/12/24	07/31/24
SGI	Solid Group, Inc.	Php0.10	Cash	Common	07/12/24	07/15/24	08/08/24
ALCO	Arthaland Corporation	Php0.012	Cash	Common	07/18/24	07/19/24	08/09/24
AREIT	AREIT, Inc.	Php0.56	Cash	Common	07/25/24	07/26/24	08/11/24
CPG	Century Properties Group, Inc.	Php0.023983	Cash	Common	07/26/24	07/29/24	08/12/24
CPGPB	Century Properties Group, Inc.	Php1.8858000	Cash	Preferred	07/26/24	07/29/24	08/22/24
CNPF	Century Pacific Food, Inc.	Php0.48	Special Cash	Common	07/30/24	07/31/24	08/16/24
BRN	A Brown Company, Inc.	Php0.025	Cash	Common	07/31/24	08/01/24	08/15/24
BRNPB Series B	A Brown Company, Inc.	Php2.0625	Cash	Preferred	07/31/24	08/01/24	08/23/24
BRNPC Series C	A Brown Company, Inc.	Php2.1875	Cash	Preferred	07/31/24	08/01/24	08/23/24
BRNP Series A	A Brown Company, Inc.	Php1.75	Cash	Preferred	07/31/24	08/01/24	08/29/24
MWP2B	Megawide Construction Corporation	Php1.4375	Cash	Preferred	08/07/24	08/08/24	08/27/24
PERC	PetroEnergy Resources Corporation	Php0.05	Cash	Common	08/07/24	08/08/24	08/30/24
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
EEIPA	EEl Corporation	Php1.441025	Cash	Preferred	08/30/24	09/02/24	09/23/24
EEIPB	EEl Corporation	Php1.73485	Cash	Preferred	08/30/24	09/02/24	09/23/24
TCB2B	Cirtek Holdings Philippines Corporation	US\$0.025	Cash	Preferred	09/02/24	09/03/24	09/18/24
AUB	Asia United Bank Corporation	Php1.00	Cash	Common	09/05/24	09/06/24	09/30/24
CPG	Century Properties Group, Inc.	Php0.015989	Special Cash	Common	09/27/24	09/30/24	10/14/24
CLIA1	Cebu Landmasters, Inc.	Php18.9625	Cash	Preferred	10/01/24	10/02/24	10/12/24
CLIA2	Cebu Landmasters, Inc.	Php20.625	Cash	Preferred	10/01/24	10/02/24	10/12/24
GTPPB	GT Capital Holdings, Inc.	Php12.73725	Cash	Preferred	10/04/24	10/07/24	10/28/24
CPGPB	Century Properties Group, Inc.	Php1.8858000	Cash	Preferred	10/25/24	10/28/24	11/22/24
BRNPB Series B	A Brown Company, Inc.	Php2.0625	Cash	Preferred	11/04/24	11/05/24	11/25/24
BRNPC Series C	A Brown Company, Inc.	Php2.1875	Cash	Preferred	11/04/24	11/05/24	11/25/24
BRNP Series A	A Brown Company, Inc.	Php1.75	Cash	Preferred	11/04/24	11/05/24	11/29/24

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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	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
EEIPA	EEl Corporation	Php1.441025	Cash	Preferred	11/29/24	12/02/24	12/23/24
EEIPB	EEl Corporation	Php1.73485	Cash	Preferred	11/29/24	12/02/24	12/23/24
TCB2B	Cirtek Holdings Philippines Corporation	US\$0.025	Cash	Preferred	12/02/24	12/03/24	12/18/24
BRNPB Series B	A Brown Company, Inc.	Php2.0625	Cash	Preferred	02/07/25	02/10/25	02/24/25
BRNPC Series C	A Brown Company, Inc.	Php2.1875	Cash	Preferred	02/07/25	02/10/25	02/24/25

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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	Greenergy 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
LFM	Liberty Flour Mills, Inc.	97 common shares of LPC for every 1 common share of LFM	Property	Common	06/18/24	06/19/24	TBA
BDO	BDO Unibank, Inc.	TBA	Property	Treasury	TBA	TBA	TBA
CEI	Crown Equities, Inc.	0.10 common share for every one (1) CEI common share	Property	Common	TBA	TBA	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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