

Market Commentary

➔ **The View.** The PSEi plunged by 155.65 points or 2.10% and closed at 7,272.65 yesterday. The local bourse succumbed to profit taking and window dressing as yesterday marked the end of the month and the third quarter. Despite the 2-day drop, the benchmark index ended 3Q up by 13.42%, propelled by the official easing of interest rates by the US Federal Reserve (Fed) last month, and the prospective cuts for the rest of the year by the Bangko Sentral ng Pilipinas (BSP) as well. In the US, the 3 major indices ended higher to cap off a strong month and quarter. The Dow had a marginal gain of 0.04%, while the S&P500 rose by 0.42% to a new record close. The Nasdaq Composite also went up by 0.38%. Stocks rebounded by the close, reversing earlier declines after Fed Chairman Jerome Powell hinted at more rate cuts while stressing flexibility. He suggested two 25-bps cuts could happen this year, depending on economic trends. Meanwhile, European markets finished in the red yesterday. The Stoxx600 slid by 0.95% and came off a record high last Friday. The FTSE100 also went down by 0.98%. In the Asia-Pacific, markets had mixed results to kick off the week. China's CSI300 led the charge for the second straight session, posting an 8.48% jump, fueled by tech and healthcare companies. The index is now on a 9-day winning streak after its best daily performance since August 2023. Hong Kong's Hang Seng also went up by 2.43%. Japan's Nikkei had the worst day after a 4.80% contraction mainly due to declines in real estate stock prices. South Korea's Kospì also dipped by 2.13%. Locally, sectors had negative results across the board. Holding Firms (-2.84%) and Property (-1.95%) were the worst performers. In the PSEi, ACEN (+0.94%) and GLO (+0.71%) were the only ones to go up. On the flip side, SM (-4.02%), MER (-3.65%), and NIKL (-3.49%) had the biggest contractions. Market turnover inched up by 4% to ₱7.22 billion, while net foreign buying decreased to ₱87.71 million. The Philippine Peso slightly appreciated to ₱56.03 from ₱56.077 against the US dollar. Investors may continue to exercise caution for the coming days prior to the release of the September inflation data on Friday. However, with the current expectations leaning toward an even cooler print than in August, we could see an increase in activity prior to the official release. Investors will also keep an eye on Fed Chairman Jerome Powell's speeches along with the publication of the August US JOLTS report today (US time). A break of the 7,200-support level may fuel another sell-off, but overall bias remains upward.

Stock Picks

Stock	Date	Initial Price	Current Price	Return since Recommendation	
				Stock	PSEi
TEL	3/13/20	1,029.00	1,490.00	44.80%	25.52%
CNPF	3/13/20	13.10	38.05	190.46%	25.52%
FGEN	9/23/20	24.80	17.28	-30.32%	23.42%
AP	9/23/20	25.55	38.10	49.12%	23.42%
BDO	11/17/20	92.60	158.00	70.63%	5.13%
BPI	11/17/20	83.00	135.10	62.77%	5.13%
MBT	11/17/20	44.35	78.60	77.23%	5.13%
SECB	11/17/20	103.90	95.95	-7.65%	5.13%
CNVRG	6/13/22	22.50	16.36	-27.29%	12.46%
ALI	6/13/22	30.05	36.60	21.80%	12.46%
SGP	6/13/22	12.06	9.31	-22.80%	12.46%
Ave. Return				38.98%	14.16%

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PSEI INTRADAY



INDICES

Index	Prev	Last	% Chg
PSEi	7,428.30	7,272.65	-2.10%
All Shares	3,970.43	3,918.68	-1.30%
Financial	2,339.38	2,297.62	-1.79%
Industrial	9,817.69	9,710.68	-1.09%
Holding Firms	6,330.21	6,150.15	-2.84%
Property	2,989.00	2,930.63	-1.95%
Services	2,261.21	2,231.26	-1.32%
Mining & Oil	8,791.38	8,675.63	-1.32%

TOP 10

ACEN	0.94%	SM	-4.02%
GLO	0.71%	MER	-3.65%
GTCAP	0.00%	NIKL	-3.49%
SMC	-0.11%	SMPH	-3.15%
JFC	-0.15%	MBT	-3.02%
EMI	-0.32%	AC	-2.96%
WLCON	-0.54%	BLOOM	-2.76%
URC	-0.77%	CNVRG	-2.50%
LTG	-0.79%	BDO	-2.11%
DMC	-0.86%	AGI	-1.99%

BOTTOM 10

MARKET DATA

Market Volume	1,100,546,046
Market Turnover (Value)	7,221,143,728
Foreign Buying	4,317,766,796
Foreign Selling	4,230,055,543
Net Foreign Buy / (Sell)	87,711,253

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Economic Developments

- ➔ **PH inflation expected to ease further on decline in rice prices.** Headline inflation in the Philippines is expected to ease significantly, driven by declining rice and crude oil prices, according to ANZ Research. The firm projects inflation to average 3.4% this year, aligning with the Bangko Sentral ng Pilipinas' (BSP) forecast. In September, inflation is predicted to fall to 2.5%, the lowest in nearly four years, down from 3.3% in August and 6.1% a year earlier. The primary factor in this easing is the reduction of rice tariffs to 15%, which has softened food inflation, alongside subdued crude oil prices contributing to lower transport costs. ANZ Research further noted that easing inflation has mitigated the cost-of-living pressures that had been weighing on household consumption. However, despite this softening and expected interest rate cuts by the BSP, the impact on private consumption growth is expected to be moderate in 2024. The central bank is forecasted to cut interest rates by 25 basis points in the fourth quarter, with further cuts in 2025, alongside reductions in the reserve requirement ratio (RRR) to stimulate risk appetite and bond demand in the banking sector. (*BusinessWorld*)
- ➔ **PH identified as priority site for infra investment within IPEF bloc.** The Philippine energy sector stands to gain significant financing opportunities following the country's recognition by the Coalition for Emerging Market Infrastructure Investment (CEMII) as a priority location for infrastructure investment within the Indo-Pacific Economic Framework (IPEF). The Department of Energy (DoE) noted that CEMII, through its Indo-Pacific Partnership for Prosperity (IP3), identified the Philippines as an "ideal market" due to its rapid energy demand growth and ambitious renewable energy targets. The country aims to increase its renewable energy share to 35% by 2030 and 50% by 2040, and this initiative is expected to attract substantial investment to accelerate the clean energy transition. The DoE welcomed the collaboration with CEMII and IP3, expressing optimism about developing a roadmap to boost clean energy infrastructure investments. The initiative will benefit private developers by providing access to capital, with the Philippines needing an estimated \$500 billion in investment by 2050 to support its energy goals. CEMII plans to launch country-specific platforms to drive infrastructure investment in IPEF economies, working closely with the Philippine government to identify areas of mutual interest and advance sustainable energy projects. (*BusinessWorld*)
- ➔ **Marcos expects StB GigaFactory battery plant in Clark to attract more RE investors.** President Ferdinand R. Marcos, Jr. emphasized that the newly inaugurated StB GigaFactory, Inc. battery manufacturing plant in Capas, Tarlac, is a key step in advancing the Philippines' renewable energy (RE) sector. Expected to generate ₱5 billion in revenues and create 2,500 jobs by 2030, the plant will produce two gigawatt-hours of iron phosphate batteries annually, powering approximately 18,000 electric vehicles and nearly half a million home battery systems. The facility, located in Filinvest Innovation Park within the Clark Special Economic Zone, is set to export 70% of its output to Australia and Southeast Asia, with the rest distributed locally. The Philippines aims to increase RE's share in its energy mix from 22% to 25% by 2030, and to 50% by 2040. President Marcos also highlighted how this project aligns with national goals for grid modernization and electric vehicle (EV) development. The Maharlika Investment Fund has expressed interest in investing in off-grid power and infrastructure projects to support the country's energy transition. (*BusinessWorld*)

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Corporate Developments

- ➔ **Filinvest REIT Corp. (FILRT).** FILRT has expanded its partnership with NASDAQ-listed EXLService Holdings, Inc. by leasing an additional 1,750 square meters of office space in Filinvest Two, Northgate Cyberzone, Alabang. EXL, a global leader in data analytics and digital operations, first partnered with FILRT in 2014, leasing 5,200 square meters in Plaz@ E Building, and has since renewed its contract twice. This expansion reflects EXL's ongoing growth in artificial intelligence and data-driven solutions. FILRT President and CEO Maricel Brion Lirio expressed pride in supporting EXL's success, highlighting the long-term relationship between the two companies. Both Filinvest Two and Plaz@ E, powered entirely by renewable energy, align with EXL's global environmental standards. Currently, 94% of FILRT's portfolio is powered by renewable energy, reinforcing its commitment to sustainability and premium office spaces. *(FILRT Disclosure)*
- ➔ **Alternergy Holdings Corporation (ALTER).** ALTER recorded significant financial growth in FY 2024, achieving a net income of ₱130 million, up 239% from ₱38 million in FY 2023. This marks the company's second consecutive year of positive earnings following a ₱145 million loss in FY 2022. The 60% revenue growth to ₱275 million was driven by the successful operation of its solar and battery energy storage system in Palau, alongside continued strong performance from the Kirahon solar plant in Misamis Oriental. The company is on track to meet its target of building 500 megawatts (MW) of renewable energy projects within two years. With 225 MW set to come online by 2025 and another 191 MW by 2026, ALTER is significantly expanding its clean energy footprint. Wind power projects in Tanay and Alabat Island are part of these developments. The firm's ₱18-billion capital expenditure for the projects is fully secured, ensuring timely implementation. Additionally, ALTER is exploring opportunities to extend its renewable energy solutions to off-grid areas, pending regulatory improvements and clearer commercial arrangements with the National Power Corp.'s Small Power Utilities Group (NPC-SPUG). *(Philstar)*

Other Developments

- ➔ **China property stocks rally after major cities ease homebuying restrictions.** Shares of Chinese property developers surged on Monday following significant policy easing measures aimed at boosting homebuyer sentiment in major cities. Guangzhou announced the removal of all home purchase restrictions, while Shanghai and Shenzhen lowered down-payment ratios and relaxed other rules. These measures come after the central government urged efforts to stabilize the real estate market, which has been in a downturn since 2020 due to high debt levels. The Hang Seng Mainland Properties Index gained 7%, extending last week's rally, with developers like Longfor Group Holdings and China Resources Land seeing double-digit gains. Despite these moves, analysts remain cautious about a full recovery, particularly in smaller cities, where elevated inventory levels persist. Further policy support and completion of stalled projects are deemed necessary to restore confidence in the market. *(CNBC)*

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Other Developments

- ➔ **China's factory activity contracts less than expected in September — but shrinks for a fifth straight month.** China's factory activity contracted for the fifth consecutive month in September, with the official manufacturing PMI rising slightly to 49.8 from 49.1 in August, still signaling contraction. Although the data exceeded expectations, the private Caixin PMI fell to 49.3, marking the sharpest decline in 14 months. The contrasting PMI figures reflect ongoing challenges in the manufacturing sector, exacerbated by weak domestic demand, a property downturn, and Western export restrictions. The manufacturing slump adds to broader economic struggles, with industrial profits dropping 17.8% in August and slower-than-expected growth in retail sales and industrial production. In response, China's government recently implemented new monetary policy measures, including a cut to the reserve requirement ratio and interest rates. While these actions spurred a market rally, experts caution that it will take time for stimulus measures to restore confidence and revive growth. *(CNBC)*
- ➔ **German inflation eases to 1.8%, spurring hopes for another ECB cut.** German inflation fell to 1.8% in September, the lowest level since February 2021, providing momentum for European Central Bank (ECB) doves advocating for a further rate cut next month. This is slightly below analysts' forecasts of 1.9% and down from 2.0% in August, according to harmonized data. The core inflation rate, excluding volatile food and energy prices, also dipped to 2.7%. Germany's declining inflation follows similar trends in major euro zone economies like Spain, France, and Italy, strengthening the argument for another ECB rate cut in October. Analysts, including Carsten Brzeski of ING and Andrew Kenningham of Capital Economics, believe the weak economic sentiment and easing inflation support this move. The ECB, which aims for a 2% inflation target, has already reduced interest rates twice this year. Energy prices in Germany fell 7.6% year-on-year in September, counterbalancing a slight rise in food inflation. Services inflation, a more persistent issue, dipped modestly to 3.8%. Forward-looking indicators, such as Germany's Ifo survey, suggest inflation will stay below 2% in the coming months, though a slight uptick towards year-end is possible. *(Reuters)*

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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
CREIT	Citicore Energy REIT Corp.	Php0.049	Cash	Common	09/09/24	09/10/24	10/04/24
VREIT	VistaREIT, Inc.	Php0.04523	Cash	Common	09/11/24	09/12/24	10/03/24
PRF4A	Petron Corporation	Php16.76975	Cash	Preferred	09/12/24	09/13/24	10/07/24
PRF4B	Petron Corporation	Php16.99300	Cash	Preferred	09/12/24	09/13/24	10/07/24
PRF4C	Petron Corporation	Php17.71525	Cash	Preferred	09/12/24	09/13/24	10/07/24
SMC2F	San Miguel Corporation	Php1.27635	Cash	Preferred	09/19/24	09/20/24	10/04/24
SMC2I	San Miguel Corporation	Php1.18790625	Cash	Preferred	09/19/24	09/20/24	10/04/24
SMC2J	San Miguel Corporation	Php0.890625	Cash	Preferred	09/19/24	09/20/24	10/04/24
SMC2K	San Miguel Corporation	Php0.84375	Cash	Preferred	09/19/24	09/20/24	10/04/24
SMC2L	San Miguel Corporation	Php1.48396875	Cash	Preferred	09/19/24	09/20/24	10/04/24
SMC2M	San Miguel Corporation	Php1.5703125	Cash	Preferred	09/19/24	09/20/24	10/04/24
SMC2N	San Miguel Corporation	Php1.5649875	Cash	Preferred	09/19/24	09/20/24	10/04/24
SMC2O	San Miguel Corporation	Php1.611300	Cash	Preferred	09/19/24	09/20/24	10/04/24
CNVRG	Converge ICT Solutions, Inc.	Php0.18	Cash	Common	09/23/24	09/24/24	10/10/24
CPG	Century Properties Group, Inc.	Php0.015989	Special Cash	Common	09/27/24	09/30/24	10/14/24
JFCPB	Jollibee Foods Corporation	Php10.60125	Cash	Preferred	09/27/24	09/30/24	10/15/24
FEU	Far Eastern University, Incorporated	Php16.00	Cash	Common	09/30/24	10/01/24	10/17/24
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
MWPS	Megawide Construction Corporation	Php1.97605	Cash	Preferred	10/01/24	10/02/24	10/17/24
DDPR	DoubleDragon Corporation	Php2.42125	Cash	Common	10/02/24	10/03/24	10/14/24
GTPPB	GT Capital Holdings, Inc.	Php12.73725	Cash	Preferred	10/04/24	10/07/24	10/28/24
MWP4	Megawide Construction Corporation	Php1.325	Cash	Preferred	10/11/24	10/14/24	10/29/24
CPGPB	Century Properties Group, Inc.	Php1.8858000	Cash	Preferred	10/25/24	10/28/24	11/22/24
DDMPR	DDMP REIT, Inc.	Php0.0235610	Cash	Common	10/30/24	10/31/24	11/26/24
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
DD	DoubleDragon Corporation	Php0.2648000	Cash	Common	11/05/24	11/06/24	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
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	10/25/24
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) BHDI 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	09/16/24	09/17/24	10/11/24
CEI	Crown Equities, Inc.	10%	Stock	Common	TBA	TBA	TBA
SBS	SBS Philippines Corporation	22%	Stock	Common	TBA	TBA	TBA
MFIN	Makati Finance Corporation	0.7127962684%	Stock	Common	08/21/24	08/22/24	09/18/24
COL	COL Financial Group, Inc.	25%	Stock	Common	10/22/24	10/23/24	11/14/24

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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