

Market Commentary

➔ **The View.** The PSEi surged by 86.76 points (+1.16%) to close at 7,554.68, its highest level since January 2020. The index's strong performance came as inflation in the Philippines dropped to its lowest level in over four years, boosting hopes that the central bank will further ease borrowing costs. Investor sentiment was also bolstered by continued net foreign inflows, reflecting increased confidence in the local market. Despite some profit-taking, the combination of favorable local inflation data and a strong US jobs report drove buying interest, propelling the PSEi to break past the 7,500-level. In the US, major indices ended lower, with the Dow Jones down 0.94%, the S&P500 dropping 0.96%, and the Nasdaq Composite shedding 1.18%. Bond yields and oil prices continued to rise, creating headwinds for stocks, particularly in the tech sector. The 10-year Treasury yield surpassed 4%, its highest since early August, as geopolitical tensions in the Middle East escalated following Iran's missile attack on Israel. In Europe, stocks ended on a positive note, with the Stoxx50 and Stoxx600 rising by 0.30% and 0.17%, respectively. Investors in the region benefited from the upbeat momentum in Asian markets and continued monitoring oil prices. Eurozone retail sales saw a modest increase of 0.2% in August, in line with expectations, while UK housing data showed a notable annual rise, further supporting sentiment in European markets. Meanwhile, APAC markets mostly advanced, led by Japan's Nikkei, which surged by 1.80%. The Hong Kong Hang Seng followed closely with a 1.60% gain, while South Korea's Kospi reversed earlier losses to climb by 1.58%. Australia's ASX 200 also saw a moderate gain of 0.68%. Investors in the region remained focused on upcoming central bank decisions from South Korea, New Zealand, and India, which are expected to impact market sentiment. On the local front, most sectors ended the day higher. Property (+2.05%) led the gains, followed by the Services (+1.90%). However, Financials (-0.46%) and Mining & Oil (-0.39%) posted losses. In the PSEi, PGOLD (+8.49%), CNVRG (+5.04%), and DMC (+3.81%) were the top gainers, while BPI (-1.66%), MBT (-1.62%), and GTCAP (-1.39%) lagged. The market turnover reached ₱7.87 billion, up by 28% from the previous session, while net foreign inflows surged to ₱1.35 billion. The peso, however, weakened to ₱56.825 against the US dollar, pressured by rising US Treasury yields. Looking ahead, while the PSEi has shown resilience, investors may consider locking in profits due to uncertainties in the Middle East and the recent rebound in US bond yields, signaling potential challenges ahead for risk assets globally.

Stock Picks

Stock	Date	Initial Price	Current Price	Return since Recommendation	
				Stock	PSEi
TEL	3/13/20	1,029.00	1,550.00	50.63%	30.39%
CNPF	3/13/20	13.10	39.55	201.91%	30.39%
FGEN	9/23/20	24.80	18.06	-27.18%	28.20%
AP	9/23/20	25.55	38.25	49.71%	28.20%
BDO	11/17/20	92.60	160.00	72.79%	9.20%
BPI	11/17/20	83.00	142.40	71.57%	9.20%
MBT	11/17/20	44.35	79.10	78.35%	9.20%
SECB	11/17/20	103.90	98.70	-5.00%	9.20%
CNVRG	6/13/22	22.50	17.10	-24.00%	16.82%
ALI	6/13/22	30.05	38.25	27.29%	16.82%
SGP	6/13/22	12.06	9.84	-18.41%	16.82%
Ave. Return				43.42%	18.59%

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.

PSEI INTRADAY



INDICES

Index	Prev	Last	% Chg
PSEi	7,467.92	7,554.68	1.16%
All Shares	4,041.65	4,082.97	1.02%
Financial	2,393.77	2,382.77	-0.46%
Industrial	9,933.47	10,054.26	1.22%
Holding Firms	6,329.44	6,405.78	1.21%
Property	2,965.06	3,025.70	2.05%
Services	2,293.58	2,337.06	1.90%
Mining & Oil	9,077.86	9,042.29	-0.39%

TOP 10

PGOLD	8.49%	BPI	-1.66%
CNVRG	5.04%	MBT	-1.62%
DMC	3.81%	GTCAP	-1.39%
AC	3.50%	NIKL	-1.24%
ALI	3.38%	TEL	-0.64%
GLO	2.50%	EMI	-0.32%
MER	2.37%	ACEN	0.00%
ICT	2.14%	URC	0.10%
JFC	2.08%	CNPF	0.25%
BLOOM	1.99%	WLCON	0.35%

BOTTOM 10

MARKET DATA

Market Volume	1,356,816,683
Market Turnover (Value)	7,873,374,598
Foreign Buying	3,938,690,106
Foreign Selling	2,586,740,445
Net Foreign Buy / (Sell)	1,351,949,661

Mandarin Securities Corp.

Hanz Elmer Torres

hanz.torres@mandarinsecurities.com



Economic Developments

- ➔ **August's lending growth of 10.7% was the fastest in nearly 2 years.** Bank lending in the Philippines surged by 10.7% in August, reaching ₱12.25 trillion, the fastest growth since December 2022. Data from the Bangko Sentral ng Pilipinas (BSP) showed a marked increase from the 10.4% lending growth in July, driven largely by loans to key industries such as real estate (13.2%), manufacturing (9.8%), and transportation (23.4%). Outstanding loans to residents grew by 10.9%, while loans to non-residents slowed to 1.5%. The expansion in bank lending was partly due to the BSP's 25-basis-point rate cut in August, which reduced borrowing costs and boosted credit demand. Additionally, consumer loan growth eased slightly to 23.7%, with modest slowdowns in credit card and vehicle loans. Meanwhile, the banking sector's non-performing loan (NPL) ratio increased to 3.59%, the highest in over two years, reflecting rising loan risks. On the liquidity front, domestic liquidity (M3) grew by 5.5% to ₱17.4 trillion, though this was slower than the previous month. Economists expect lending and liquidity growth to pick up further as the BSP continues to ease reserve requirements, adding more liquidity to the financial system. (*BusinessWorld*)
- ➔ **PH forex reserves hit record-high \$112 billion.** The Philippines' gross international reserves (GIR) soared to a record \$112 billion in September, marking a 3.8% increase from \$107.9 billion in August and a continuation of the upward trend for five consecutive months. This growth was primarily fueled by the national government's foreign currency deposits, which surged from \$789.5 million to \$2.03 billion, including proceeds from the issuance of Republic of the Philippines (ROP) global bonds. Additionally, the rising prices of gold in the international market contributed to an increase in the BSP's gold holdings, which rose by 6.3% to \$10.86 billion, while the central bank's foreign investments also climbed by 2.4% to \$94.52 billion. The BSP noted that the current GIR provides ample coverage, equivalent to 8.1 months of imports and approximately 6.3 times the nation's short-term external debt based on original maturity. Historically, the reserves fluctuated, having peaked at \$110.12 billion in 2020 and declining in subsequent years before rebounding to \$103.75 billion in 2023. Looking ahead, the BSP anticipates the reserves will reach \$104 billion by the end of 2024 and \$105 billion in 2025, further strengthening the country's financial position. (*Philstar*)
- ➔ **Philippines, South Korea firm ink deal for Bataan nuclear power plant study.** The Philippines and South Korea have signed a memorandum of understanding (MOU) to conduct a feasibility study for rehabilitating the Bataan Nuclear Power Plant (BNPP). This agreement was formalized during South Korean President Yoon Suk Yeol's visit to the Philippines on October 7, with the Department of Energy partnering with Korea Hydro & Nuclear Power Co. Ltd. The study aims to assess the viability of reviving the 40-year-old BNPP, as well as explore other nuclear technologies and potential sites for future energy development. President Ferdinand Marcos Jr. expressed optimism about the project's potential to contribute to energy security. The BNPP, built during the 1970s in response to an oil crisis, was completed in 1984 at a cost of \$1.9 billion but was never commissioned due to financial issues and concerns over its safety. In 2023, South Korea's feasibility study estimated that it would take five years to bring the BNPP online. Beyond this, the MOU highlights ongoing bilateral cooperation, with additional agreements signed in areas such as economic cooperation, maritime security, tourism, and infrastructure. (*Philstar*)

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.

Mandarin Securities Corp.

Hanz Elmer Torres

hanz.torres@mandarinsecurities.com



Corporate Developments

- ➔ **Cebu Air, Inc. (CEB).** Cebu Pacific has acquired Ayala-led ALI Capital Corp.'s boutique airline, AirSwift, for ₱1.75 billion, a strategic move that allows Cebu Pacific to expand its network to popular tourist destinations like El Nido, Palawan. This acquisition will enable the Gokongwei-led airline to directly operate routes to key tourist hotspots including Cebu, Boracay, Coron, and Bohol from El Nido, as well as Manila and Clark. This deal follows Cebu Pacific's major ₱1.4 trillion aircraft purchase from Airbus, the largest aviation deal in Philippine history. The order, comprising up to 152 jets, is part of the airline's plan to enhance its domestic fleet, with deliveries expected to begin in 2029. Cebu Pacific has focused on strengthening its operations to better serve the growing demand for air travel in the Philippines, particularly in the tourism sector. (*Inquirer*)
- ➔ **Centro Escolar University (CEU).** CEU reported a robust 55.8% increase in net income for the fiscal year ending May 2024, reaching ₱617 million from ₱396 million the previous year. This surge was primarily driven by higher revenue from tuition and other school fees, rental income, and a modest rise in student enrollments. Total revenues climbed to ₱2.4 billion, reflecting a 5% increase in tuition fees, especially among second-year students and higher, with no rebates given on miscellaneous fees due to the hybrid learning setup. Revenue from tuition and fees saw a 28.5% growth, while rental income rose by 20.8%. The university's four campuses contributed to the overall positive performance, with CEU Mendiola adding ₱461.4 million to the group's net income, CEU Makati-Legaspi at ₱80.32 million, CEU Malolos at ₱55.7 million, and CEU Makati-Buendia at ₱54.8 million. Additionally, the deferral of revenues due to the extended academic year—triggered by a health break in June 2023—also contributed to the significant boost in earnings for the fiscal year. (*The Manila Times*)

Other Developments

- ➔ **10-year Treasury yield hits 4% keeping equity bulls in check.** The benchmark U.S. 10-year Treasury yield rose to 4% on Monday, bolstered by stronger-than-expected U.S. labor market data from last week, which reduced recession fears and caused a shift in market expectations regarding Federal Reserve rate cuts. The surprising addition of the highest number of jobs in six months led markets to scale back predictions of a 50-basis-point rate cut by the Fed in November. This sent bond yields higher, with the 10-year Treasury yield gaining 2 basis points, building on Friday's 13-basis-point rise. Yields on shorter-term bonds, such as the rate-sensitive 2-year Treasury, also climbed to 4.016%, outpacing the 10-year yield, reflecting investor uncertainty about the U.S. economy's trajectory and the Fed's next steps. Investors are awaiting Thursday's U.S. Consumer Price Index (CPI) data, which could further influence monetary policy decisions. (*Reuters*)

Mandarin Securities Corp.

Hanz Elmer Torres

hanz.torres@mandarinsecurities.com

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.



Other Developments

➔ **China stocks poised to reopen Tuesday with markets fixated on fiscal stimulus.**

Chinese investors are eagerly awaiting more policy direction from the National Development and Reform Commission (NDRC) as mainland markets reopen after a week-long holiday. A panel led by NDRC Chairman Zheng Shanjie is expected to provide updates on stimulus policies, as Beijing aims to steer the economy toward its annual growth target of around 5%. Investors and economists are looking for concrete fiscal measures to sustain market momentum after the announcement of earlier stimulus, which included interest rate cuts, looser property rules, and liquidity support for stock markets. China's major indexes have surged over 25%, with the CSI 300 blue-chip index extending a winning streak before the holiday. Despite these gains, experts believe the rally's sustainability depends on the extent and effectiveness of follow-up policies. Analysts, including those from Morgan Stanley and UBS, anticipate fiscal packages ranging between 1.5 trillion to 3 trillion yuan to further support the economy, especially in real estate and consumption. Some caution that Tuesday's briefing might underwhelm, particularly if it reiterates previously announced measures without significant new initiatives. Investors remain cautiously optimistic, with some warning that the market's momentum could falter if the government fails to deliver meaningful boosts to wages, consumption, and consumer confidence. *(CNBC)*

➔ **German industrial orders slump more than expected in August.**

German industrial orders fell sharply in August, declining by 5.8% month-on-month, significantly worse than analysts' expectations of a 2.0% drop. This drop marks a continued weakening of demand for Germany's industrial goods, particularly after large transport equipment orders in July had temporarily boosted figures. Excluding these large orders, August still saw a 3.4% fall from July. The data, combined with a revised 3.9% increase in July's figures, signals that Germany's manufacturing sector, a key part of its export-driven economy, is struggling with persistent weak demand, both domestically and abroad. Foreign orders fell by 2.2% overall, with euro zone demand plunging by 10.5%, although non-euro zone orders grew by 3.4%. Economists predict that the German economy will likely stagnate through the second half of the year, with a recovery in manufacturing not expected until 2024, and even then, only a modest one. Ongoing weak demand, particularly from abroad, combined with declines in output and employment, underscores the continued challenges facing Europe's largest economy. *(Reuters)*

Mandarin Securities Corp.

Hanz Elmer Torres

hanz.torres@mandarinsecurities.com

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.

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
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
MWP5	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

Mandarin Securities Corp.

Hanz Elmer Torres

hanz.torres@mandarinsecurities.com

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.



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
CEU	Centro Escolar University	20%	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

Mandarin Securities Corp.

Hanz Elmer Torres

hanz.torres@mandarinsecurities.com

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.

28/F LKG TOWER, 6801 AYALA AVENUE, MAKATI CITY : OFFICE: +63 (02) 884-1271 : FAX +63 (02)884-1384