

Market Commentary

➔ **The View.** The PSEi slipped by 9.10 points or 0.12%, closing at 7,406.63, as investors remained cautious ahead of the release of 3Q corporate earnings. The market showed a lackluster start to the week, with investors looking for positive catalysts to propel equities higher. Local equities struggled to find direction without significant market-moving news, resulting in a dip that reflected broader market caution. In the US, Wall Street experienced mixed results. The Dow Jones fell 0.80%, while the S&P500 edged down 0.18%. However, the tech-heavy Nasdaq Composite rose 0.27%. These moves came after both the Dow and S&P500 posted record highs the previous Friday. Rising Treasury yields, along with concerns about the US Federal Reserve (Fed)'s rate policy, pressured consumer and homebuilder stocks. In Europe, the Stoxx50 and Stoxx600 both closed lower, shedding 0.90% and 0.66%, respectively, as Middle East tensions and upcoming corporate earnings weighed on sentiment. In the APAC region, markets had mixed results as investors reacted to China's loan prime rate (LPR) announcement. China's central bank reduced the one-year and five-year LPRs by 25-bps each, to 3.1% and 3.6%, respectively. This move was largely in line with expectations as authorities aim to spur economic growth. Japan's Nikkei closed marginally lower, while South Korea's Kospi climbed 0.43%. Australia's ASX 200 rose 0.74%, but Hong Kong's Hang Seng slumped by 1.57%. China's CSI 300 managed to eke out a modest gain of 0.25%. Locally, sectoral performance was mixed, with small movements across the board. Mining&Oil (+0.45%) was the top gainer, while Property (-0.24%) declined the most. In the PSEi, CNPF (+1.57%), JGS (+1.34%), and MONDE (+0.95%) had the biggest upticks, while main laggards included CNVRG (-1.99%), BLOOM (-1.52%), and TEL (-1.20%). Market turnover dropped sharply to ₱3.30 billion, down by 48%. Foreign investors posted a net inflow of ₱161.44 million, slightly lower than last Friday's ₱173.77 million. The Philippine Peso weakened to ₱57.59 against the US dollar, pressured by rising tensions in the Middle East and higher global bond yields. Looking ahead, market activity could pick up as more 3Q earnings reports are released. The PSEi continues to trade within the 7,400-7,500 range, but corporate results in the coming days could dictate whether the index breaks out in either direction. However, concerns over the weakening peso and rising US bond yields may cap any potential upside for now.

Stock Picks

| Stock | Date | Initial Price | Current Price | Return since Recommendation | |
|--------------------|----------|---------------|---------------|-----------------------------|---------------|
| | | | | Stock | PSEi |
| TEL | 3/13/20 | 1,029.00 | 1,482.00 | 44.02% | 27.83% |
| CNPF | 3/13/20 | 13.10 | 42.00 | 220.61% | 27.83% |
| FGEN | 9/23/20 | 24.80 | 18.12 | -26.94% | 25.69% |
| AP | 9/23/20 | 25.55 | 38.00 | 48.73% | 25.69% |
| BDO | 11/17/20 | 92.60 | 165.00 | 78.19% | 7.06% |
| BPI | 11/17/20 | 83.00 | 142.50 | 71.69% | 7.06% |
| MBT | 11/17/20 | 44.35 | 80.50 | 81.51% | 7.06% |
| SECB | 11/17/20 | 103.90 | 95.90 | -7.70% | 7.06% |
| CNVRG | 6/13/22 | 22.50 | 16.74 | -25.60% | 14.53% |
| ALI | 6/13/22 | 30.05 | 36.00 | 19.80% | 14.53% |
| SGP | 6/13/22 | 12.06 | 9.69 | -19.65% | 14.53% |
| Ave. Return | | | | 44.06% | 16.26% |

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

PSEI INTRADAY



INDICES

| Index | Prev | Last | % Chg |
|---------------|-----------|-----------|--------|
| PSEi | 7,415.73 | 7,406.63 | -0.12% |
| All Shares | 4,081.52 | 4,080.29 | -0.03% |
| Financial | 2,421.60 | 2,423.37 | 0.07% |
| Industrial | 10,028.99 | 10,032.13 | 0.03% |
| Holding Firms | 6,208.99 | 6,204.23 | -0.08% |
| Property | 2,947.08 | 2,940.14 | -0.24% |
| Services | 2,258.02 | 2,254.28 | -0.17% |
| Mining & Oil | 8,643.23 | 8,682.55 | 0.45% |

TOP 10

| | | | |
|-------|-------|-------|--------|
| CNPF | 1.57% | CNVRG | -1.99% |
| JGS | 1.34% | BLOOM | -1.52% |
| MONDE | 0.95% | TEL | -1.20% |
| URC | 0.86% | DMC | -1.18% |
| BDO | 0.61% | SCC | -0.87% |
| AGI | 0.31% | AC | -0.70% |
| GTCAP | 0.29% | LTG | -0.59% |
| SMC | 0.28% | ACEN | -0.58% |
| MBT | 0.25% | NIKL | -0.57% |
| WLCON | 0.00% | ALI | -0.55% |

BOTTOM 10

MARKET DATA

| | |
|--------------------------|---------------|
| Market Volume | 638,325,519 |
| Market Turnover (Value) | 3,295,905,046 |
| Foreign Buying | 1,585,213,575 |
| Foreign Selling | 1,423,772,257 |
| Net Foreign Buy / (Sell) | 161,441,318 |

Mandarin Securities Corp.

Hanz Elmer Torres

hanz.torres@mandarinsecurities.com



Economic Developments

- ➔ **Debt service burden down 7.6% to \$7.7 billion as of end-July.** The Philippines' debt service burden decreased by 7.6% to \$7.69 billion as of July, down from \$8.33 billion in the same period last year, according to preliminary data from the Bangko Sentral ng Pilipinas (BSP). This decline was driven by a 28.14% drop in principal payments, which fell to \$3.11 billion, while interest payments rose by 14.6% to \$4.58 billion. The debt service burden encompasses payments on medium- to long-term credits, such as those from the International Monetary Fund (IMF) and commercial banks, but excludes prepayments of future liabilities. Despite the drop in debt service, the country's external debt rose by 10.4% to \$130.18 billion by the end of June, compared to \$117.92 billion a year earlier. The public sector accounted for \$79.83 billion of this amount, reflecting a 7.18% increase, while private sector debt grew by 15.9% to \$50.36 billion. As a percentage of GDP, the debt service burden fell to 3.1% in the second quarter, down from 3.6% last year, while external debt represented 28.9% of GDP, slightly higher than the previous year's 28.5%. *(The Manila Times)*
- ➔ **Nickel miners expect output recovery next year.** The Philippines' nickel output is expected to rebound in 2024, driven by higher demand, improved weather conditions, and a favorable policy environment, including the anticipated rationalized mining fiscal regime. Dante Bravo, president of the Philippine Nickel Association and Global Ferronickel Holdings Inc., noted that this year's production has fallen short due to adverse weather and low global prices, impacted by China's sluggish demand and increased Indonesian output. However, optimism remains as the industry looks forward to adjusting to market conditions and benefiting from the upcoming fiscal changes. In 2023, the country's nickel production struggled, with a 19.4% drop in the first half to 13.37 million dry metric tons (DMT) and a corresponding 24.32% decline in value to ₱23.99 billion. This contrasts with the strong performance in 2022, where nickel output grew by 19% to 35.144 million DMT, valued at ₱65.845 billion. Despite the recent dip, Bravo remains confident that with better market conditions and policy reforms, the industry will see a recovery next year. *(Philstar)*
- ➔ **23 projects added to PPP pipeline.** The Philippine government has expanded its Public-Private Partnership (PPP) pipeline by adding 23 new projects, bringing the total to 173 projects valued at ₱3.17 trillion. These newly added projects include both unsolicited national and local initiatives, such as the ₱7.21-billion Combined Upper and Lower Sampaloc Hydroelectric Power Project, the ₱29.82-billion Air Navigation Services Design-Build-Finance-Operate scheme, and various digitalization efforts, including the ₱9.6-billion Electronic Invoicing and Tax Engine Systems Project. The pipeline also includes critical infrastructure projects like the ₱8.45-billion Iloilo Bulk Water Supply and the ₱1.47-billion San Juan housing initiative under the Pambansang Pabahay Para sa Pilipino program. In addition to the 12 projects delisted due to coordination with implementing agencies, the pipeline reflects a strong focus on healthcare, with projects like the ₱360-million Santiago City Hemodialysis Center and the PPP for School Infrastructure Project Phase III also gaining prominence. This broad expansion demonstrates the government's push to leverage private sector involvement in developing key sectors such as energy, healthcare, digital infrastructure, and public services across the country. *(Philstar)*

Mandarin Securities Corp.

Hanz Elmer Torres

hanz.torres@mandarinsecurities.com

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Corporate Developments

- ➔ **Citicore Renewable Energy Corporation (CREC)**. CREC, through its subsidiary Citicore Wind Energy Corporation (CWEC), has partnered with Levanta Renewables to develop a 375 MW onshore wind portfolio in the Philippines. This joint venture will focus on four wind projects in Luzon and Visayas, all of which secured offtake through the Department of Energy's Green Energy Auction Program (GEAP) in 2023. The partnership aims to leverage Levanta's extensive technical expertise, marking its entry into the Philippine wind market, as it works toward its goal of 1.5 GW of operating capacity across Southeast Asia by 2028. This collaboration is part of CREC's larger vision to expand its renewable energy footprint. CREC President Oliver Tan expressed confidence in the partnership, highlighting Levanta's operational experience as vital for advancing the country's onshore wind industry. The agreement is expected to close within the next few months, pending customary conditions. *(CREC Disclosure)*
- ➔ **Arthaland Corporation (ALCO)**. ALCO has secured the Philippine Stock Exchange's (PSE) approval for its ₱3-billion follow-on offering (FOO), aimed at repaying debt and funding a residential project. The offering includes up to 4 million nonvoting, nonparticipating Series F preferred shares, with an oversubscription option of 2 million shares, priced at ₱500 each. The offer period runs from October 28 to November 4, with the listing scheduled for November 14. If fully exercised, Arthaland expects to raise ₱2.96 billion, with ₱1 billion earmarked for loan repayments and ₱1.14 billion for investment in Project Teal, a two-tower residential condominium near major universities in northern Metro Manila. The project's first tower is set to launch in 2025 and be completed by 2029, while the second is expected to finish by 2031. Additionally, part of the proceeds will cover other loan payments and corporate expenses. ALCO is also exploring potential acquisitions in Makati, Bonifacio Global City, and emerging cities. BDO Capital & Investment Corp. will serve as the lead underwriter and issue manager for the offer. *(BusinessWorld)*

Other Developments

- ➔ **China cuts key lending rates to support growth**. China has cut its benchmark lending rates, reducing the one-year loan prime rate (LPR) by 25 basis points to 3.10% and the five-year LPR to 3.6%, as anticipated. This move follows a series of aggressive stimulus measures introduced last month, including a 50-basis point cut to banks' reserve requirement ratio and a 30 basis point reduction in the medium-term lending facility rate. These actions aim to revive the Chinese economy, particularly supporting the struggling property sector and boosting consumption. The reductions mark the most significant easing since the pandemic, signaling the government's commitment to meeting its annual growth target of around 5%. Despite initial optimism reflected in a 14% rise in the CSI300 Index, concerns have surfaced regarding the sufficiency of these measures in sustaining long-term growth. China's economic data has been mixed, with third-quarter growth slightly exceeding expectations, but property investment falling more than 10% in the first nine months. Officials remain confident in achieving growth targets, suggesting further easing, including another reserve ratio cut, by the end of the year. However, some analysts, like Chris Weston of Pepperstone, question the broader impact of additional easing, noting potential policy fatigue among market participants. *(Reuters)*

Mandarin Securities Corp.

Hanz Elmer Torres

hanz.torres@mandarinsecurities.com

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Other Developments

- ➔ **Vietnam to amend national power plan to include nuclear energy.** Vietnam plans to amend its national power development plan, PDP8, to incorporate nuclear energy and hydrogen options, alongside expanding renewable energy sources such as solar and wind, according to the Minister of Industry and Trade Nguyen Hong Dien. This update aims to harness the country's full energy potential and ensure a proactive energy supply. Initially approved in 2022, PDP8 targets a total power generation capacity exceeding 150 GW by 2030, a significant increase from over 80 GW at the end of 2022. However, regulatory and pricing challenges have hampered the development of offshore wind and liquefied natural gas (LNG) projects. Vietnam is also considering resuming nuclear power development to secure energy stability and support its goal of 7% annual economic growth. This follows the shelving of nuclear plans in 2016 after the Fukushima disaster. The country is now exploring partnerships with nations such as South Korea, Canada, and Russia for small modular reactors, which offer a cost-effective and scalable solution for energy production. Originally, Vietnam planned two nuclear plants, with a combined capacity of 4 GW, to be built by Russia's Rosatom and Japan Atomic Power Co, but these were halted due to financial and safety concerns. *(Reuters)*

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hanz.torres@mandarinsecurities.com

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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 |
| 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 |
| BALAI | Balai Ni Fruitas Inc. | Php0.005 | Cash | Common | 10/23/24 | 10/24/24 | 11/08/24 |
| CPGPB | Century Properties Group, Inc. | Php1.8858000 | Cash | Preferred | 10/25/24 | 10/28/24 | 11/22/24 |
| SCC | Semirara Mining and Power Corporation | Php2.50 | Special Cash | Common | 10/28/24 | 10/29/24 | 11/14/24 |
| DMC | DMCI Holdings, Inc. | Php0.48 | Special Cash | Common | 10/29/24 | 10/30/24 | 11/15/24 |
| PRC | Philippine Racing Club, Inc. | Php0.08 | Cash | Common | 10/29/24 | 10/30/24 | 11/21/24 |
| ASLAG | Raslag Corporation | Php0.05 | Cash | Common | 10/30/24 | 10/31/24 | 11/25/24 |
| DDMPR | DDMP REIT, Inc. | Php0.0235610 | Cash | Common | 10/30/24 | 10/31/24 | 11/26/24 |
| PSB | Philippine Savings Bank | Php0.75 | Cash | Common | 10/31/24 | 11/04/24 | 11/18/24 |
| MEG | Megaworld Corporation | Php0.08175968 | Cash | Common | 11/04/24 | 11/05/24 | 11/18/24 |
| 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 |
| HTI | Haus Talk, Inc. | Php0.02 | Cash | Common | 11/07/24 | 11/08/24 | 12/02/24 |
| FCG | Figaro Coffee Group, Inc. | Php0.027 | Cash | Common | 11/13/24 | 11/14/24 | 12/04/24 |
| 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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Hanz Elmer Torres

hanz.torres@mandarinsecurities.com

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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 |
| 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 |

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