

Market Commentary

➔ **The View.** The PSEi rose by 6.53 points or 0.09%, closing at 7,413.16. The marginal gains were supported by investors' anticipation of strong third-quarter corporate earnings, although these were tempered by concerns about rising US Treasury yields and the weakening of the local peso. Sentiment remained cautious as the broader market continued to weigh the impact of external economic factors, particularly the rising interest rates abroad, which could pose challenges for equity markets in the near term. In the US, Wall Street was mixed, with the Dow Jones inching down 0.02% and the S&P 500 slipping by 0.05%. Meanwhile, the Nasdaq Composite managed a modest gain of 0.18%. US equities struggled as the 10-year Treasury note yield climbed above 4.2% for the first time in nearly three months, signaling continued pressure from rising interest rates. The market was also eyeing key earnings reports expected later in the week, including those from Tesla and Coca-Cola, which could influence the near-term outlook. Meanwhile, European markets closed lower, with the Stoxx50 down 0.039% and the Stoxx600 declining 0.21%. Investors in the region were focused on assessing corporate earnings from major firms, as well as the US interest rate outlook. In APAC markets, most major indices fell on Tuesday. Australia's ASX 200 led the decliners, falling 1.66% to its lowest level in nearly two weeks. Japan's Nikkei dropped 1.39%, while South Korea's Kospi followed with a 1.31% dip. In contrast, Hong Kong's Hang Seng managed a small gain of 0.12%, and China's CSI 300 posted a solid 0.57% increase. Locally, sectors mostly closed lower, with Financials (-0.50%), and Property (-0.41%) leading the losses. However, Services (+1.21%) and Industrials (+0.69%) rose. In the PSEi, MONDE (+3.94%), CNVRG (+2.75%), and ICT (+2.20%) were the top performers. On the flip side, NIKL (-2.88%), WLCON (-2.35%), and AGI (-2.08%) were the main laggards. Market turnover rose to ₱5.31 billion, up 61% from the previous session, but foreign investors turned net sellers, recording an outflow of ₱16.04 million, a reversal from Monday's net inflow of ₱161.44 million. The peso weakened further, closing at ₱57.88 per dollar, down by 29 centavos from ₱57.59, reflecting heightened US bond yield pressures. Looking ahead, while sentiment remains cautiously optimistic with hopes for solid corporate earnings, rising US interest rates and geopolitical risks could lead to heightened volatility. Investors will be closely monitoring further earnings reports and global developments to gauge market direction.

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%	27.95%
CNPF	3/13/20	13.10	42.20	222.14%	27.95%
FGEN	9/23/20	24.80	18.00	-27.42%	25.80%
AP	9/23/20	25.55	38.05	48.92%	25.80%
BDO	11/17/20	92.60	164.00	77.11%	7.16%
BPI	11/17/20	83.00	143.00	72.29%	7.16%
MBT	11/17/20	44.35	79.00	78.13%	7.16%
SECB	11/17/20	103.90	94.50	-9.05%	7.16%
CNVRG	6/13/22	22.50	17.20	-23.56%	14.63%
ALI	6/13/22	30.05	35.80	19.13%	14.63%
SGP	6/13/22	12.06	9.61	-20.32%	14.63%
Ave. Return				43.88%	16.37%

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PSEI INTRADAY



INDICES

Index	Prev	Last	% Chg
PSEi	7,406.63	7,413.16	0.09%
All Shares	4,080.29	4,085.50	0.13%
Financial	2,423.37	2,411.22	-0.50%
Industrial	10,032.13	10,100.89	0.69%
Holding Firms	6,204.23	6,185.48	-0.30%
Property	2,940.14	2,928.01	-0.41%
Services	2,254.28	2,281.60	1.21%
Mining & Oil	8,682.55	8,669.13	-0.15%

TOP 10

MONDE	3.94%	NIKL	-2.88%
CNVRG	2.75%	WLCON	-2.35%
ICT	2.20%	AGI	-2.08%
URC	1.66%	MBT	-1.86%
GTCAP	1.43%	JGS	-1.32%
JFC	0.94%	GLO	-0.99%
TEL	0.88%	LTG	-0.99%
BLOOM	0.77%	MER	-0.92%
DMC	0.51%	SM	-0.62%
CNPF	0.48%	BDO	-0.61%

BOTTOM 10

MARKET DATA

Market Volume	916,593,285
Market Turnover (Value)	5,310,521,168
Foreign Buying	2,620,078,785
Foreign Selling	2,636,123,587
Net Foreign Buy / (Sell)	(16,044,803)

Mandarin Securities Corp.

Hanz Elmer Torres

hanz.torres@mandarinsecurities.com



Economic Developments

- ➔ **August building permit approvals fell by 7.5%.** Approved building permits in the Philippines dropped by 7.5% year on year in August, totaling 13,436, according to the Philippine Statistics Authority (PSA). Despite the decline in the number of permits, the total floor area of approved projects rose by 1.9% to 3.23 million square meters, with the total value of construction projects increasing by 1.1% to ₱43.05 billion. Residential buildings made up 64.7% of approved permits, with single homes accounting for 83.1% of the residential segment. Non-residential permits, valued at ₱18.31 billion, declined by 13% year on year. Commercial construction applications accounted for 69.2% of the non-residential segment but were down 3.6% from the previous year. The region of Calabarzon led in approved construction projects with a 25.1% share, followed by Central Visayas and Central Luzon. The PSA compiles construction statistics from original application forms for approved building, demolition, and fencing permits collected by field personnel from local building offices. (*BusinessWorld*)
- ➔ **High household debt raises bank asset risks in Southeast Asia.** Moody's Ratings warned that Southeast Asian banks, including those in the Philippines, may face asset quality risks due to rising household debt amid elevated interest rates. The report assessed six ASEAN economies, finding the Philippines at "moderate" risk alongside Indonesia and Malaysia. Although household debt in the Philippines has grown rapidly, it remains lower than regional peers, and the country's stable banking environment helps mitigate risks. Bank lending in the Philippines grew by 10.7% year-on-year in August to ₱12.25 trillion, but slower growth in consumer loans and a rise in nonperforming loans (NPLs) to 3.59% signal potential pressures. Moody's noted that elevated inflation, high borrowing costs, and modest income growth strain household finances, especially for unsecured retail loans like credit cards, which make up 28% of retail loans in the Philippines. As a result, banks may need to increase capital buffers and provisions to manage these risks. Despite asset quality concerns, Moody's expects household debt growth to outpace GDP growth as financial access improves. (*BusinessWorld*)
- ➔ **BSP net income up by over 400% as of end-July.** The Bangko Sentral ng Pilipinas (BSP) reported a significant 414% surge in net income for the period from January to July 2024, reaching ₱95.2 billion compared to ₱18.5 billion in the same period last year. This rise was driven by a 57.1% increase in revenues, which totaled ₱190.6 billion. Interest income, accounting for the bulk of revenue, rose to ₱140.2 billion, while miscellaneous income grew to ₱50.2 billion, up from ₱11.7 billion. On the expense side, BSP saw a slight increase in operating costs, reaching ₱98.4 billion. However, other expenses, including net trading losses, declined to ₱27.4 billion from ₱42.5 billion. The central bank's net worth also improved, jumping 77.2% to ₱230.9 billion. Total assets increased by 9.4% to ₱7.95 trillion, largely attributed to higher international reserves. These strong financial results reflect BSP's effective management of its interest income and trading operations, even as it faces rising liabilities, which grew by 8.2% to ₱7.7 trillion. (*Inquirer*)

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hanz.torres@mandarinsecurities.com

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Corporate Developments

- ➔ **Pryce Corporation (PPC)**. PPC reported robust financial performance for the first nine months of 2024, with a 40% increase in net income, reaching ₱2.21 billion compared to ₱1.58 billion in the same period last year. Consolidated revenues rose by 7%, amounting to ₱15.01 billion, driven primarily by its liquefied petroleum gas (LPG) segment, which contributed ₱14.07 billion or 93.77% of total revenues. The industrial gases segment grew significantly, with a 27.4% year-on-year increase in sales volume, contributing ₱665.51 million or 4.43% to overall revenues, while memorial park operations and pharmaceutical products contributed ₱233.56 million and ₱36.48 million, respectively. PPC's gross profit improved by 29.4%, reaching ₱4.41 billion, supported by higher LPG margins in Luzon due to a shift towards branded LPG sales and lower landed costs from improved supply contracts. Operating income also saw a 23.32% increase, reaching ₱2.64 billion despite a 14.4% rise in operating expenses. The company's industrial gas business is poised for future growth, with the upcoming commencement of its air separation facility in Mindanao, which will benefit from shared logistical efficiencies with the LPG business. PPC anticipates significant contributions from this segment in the coming periods. *(PPC Disclosure)*
- ➔ **Prime Media Holdings, Inc. (PRIM)**. PRIM announced a ₱531 million capital raising plan to support the expansion of its subsidiary, Philippine Collective Media Corp. (PCMC), into the broadcast media industry. This initiative will be executed through private placements with Valiant Consolidated Resources Inc. and Cymac Holdings Corp. Valiant will invest approximately ₱476 million by subscribing to 161 million common shares, while Cymac will raise ₱55 million through the acquisition of 18.6 million shares. The capital raised will support PCMC's nationwide broadcast expansion, and the transaction is contingent on completing the acquisition of PCMC's parent company, Golden Peregrine Holdings Inc., and regulatory approvals from the Securities and Exchange Commission (SEC). The subscriptions are part of PRIM's plan to boost its market presence, with Cymac's subscription contributing to the company's public float. PCMC has also been approved to borrow ₱531 million to acquire key assets for its broadcasting operations. *(The Manila Times)*
- ➔ **Manila Water Company, Inc. (MWC)**. MWC has finalized the ₱1.02-billion divestment of its subsidiary Filipinas Water Holdings Corp.'s stakes in Bulakan Water Co., Inc. and Obando Water Co., Inc. The shares were sold to SMC Bulacan Water Services Corp., meeting all closing conditions. This sale includes Filipinas Water's 90% stakes in both Bulakan Water, with 135 million shares, and Obando Water, with 88.2 million shares. The divestment allows SMC Bulacan to replace Filipinas Water as the joint venture partner for the local water districts. The proceeds from the divestment will be allocated to fund other strategic initiatives by MWC. Bulakan Water and Obando Water are joint ventures with the respective local water districts, managing the water and sanitation services for Bulakan town and Obando municipality. *(BusinessWorld)*

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Other Developments

- ➔ **China's youth unemployment rate falls after climbing for 2 months.** China's unemployment rate for 16-to-24-year-olds, excluding students, declined to 17.6% in September from 18.8% in August, according to official data. This improvement comes as a relief to officials after youth unemployment surged to record highs for two consecutive months. The unemployment rate had previously spiked to 17.1% in July following a wave of approximately 12 million students entering the labor market. Despite this drop, factory owners have remained hesitant to increase hiring, as indicated by a separate survey showing stagnant employment conditions in September. Unemployment for those aged 25 to 29 was reported at 6.7%, and 3.9% for individuals aged 30 to 59, both figures excluding college students. Chinese officials remain optimistic about continued economic stabilization following the third quarter's disappointing growth results. *(Reuters)*
- ➔ **US proposals to curb AI, semiconductor investment into China under final review.** The U.S. is finalizing measures to restrict outbound investments in China, particularly in sensitive technologies such as artificial intelligence, semiconductors, microelectronics, and quantum computing. These technologies, which have potential military applications, are seen as a national security risk by the U.S. government. Under the proposed rules, the Treasury Department will require U.S. entities to notify investments in these sectors, with the final regulations expected within a week. This move is part of President Biden's broader effort to limit China's access to U.S. capital and expertise that could support its military modernization, following previous steps like export controls introduced in October 2022 aimed at curbing China's semiconductor capabilities. The new rules come as the U.S. continues to strengthen its technological and economic defenses against China, especially with the 2024 presidential election on the horizon. Since June 2023, the Treasury has been working on proposals to outright ban certain investments, while soliciting public feedback to fine-tune the regulations. This latest development builds on a series of initiatives designed to mitigate U.S. exposure to China's technological advancements, including the imposition of tariffs and broader trade restrictions targeting Chinese imports. *(CNBC)*
- ➔ **Southeast Asia needs to boost investments five-fold by 2035 to meet climate goals, IEA says.** Southeast Asia needs to boost clean energy investments to \$190 billion annually by 2035, a fivefold increase from current levels, to meet its climate targets, according to the International Energy Agency (IEA). The region's rapid economic expansion is set to challenge energy security and climate goals, with electricity demand projected to grow by 4% annually. Although renewable energy sources like wind, solar, and geothermal are expected to cover over a third of this demand, the region's carbon dioxide (CO₂) emissions could still rise by 35% by mid-century. The IEA emphasized that investment in clean energy technologies is lagging, and reliance on fossil fuel imports exposes Southeast Asian countries to future risks. Despite the region accounting for 6% of global GDP and 5% of global energy demand, it only attracts 2% of global clean energy investment. To accommodate higher renewable energy use, annual investment in modernizing power grids will need to double to nearly \$30 billion by 2035. *(Reuters)*

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hanz.torres@mandarinsecurities.com

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Other Developments

- ➔ **World's largest sovereign wealth fund posts \$76 billion in quarterly profit as interest rates fall.** Norway's sovereign wealth fund, Government Pension Fund Global, reported a third-quarter profit of 835 billion Norwegian kroner (\$76.3 billion), driven by stock market gains due to falling interest rates. The fund, valued at 18.870 trillion kroner by the end of September, achieved an overall return of 4.4%, just shy of its benchmark index set by Norway's Finance Ministry. Equities, which represent 71.4% of the fund, delivered a 4.5% return, while fixed-income investments, accounting for 26.8%, posted a 4.2% return. Norges Bank Investment Management (NBIM) attributed the results to recent shifts in global monetary policy, which had a significant positive impact on the fund's performance. Despite the positive returns, NBIM expressed caution over increasing global risks, particularly in the tech sector, as heightened geopolitical uncertainties and fluctuating interest rates continue to influence markets. While a global trend toward easing monetary policy, marked by rate cuts from the U.S. Federal Reserve, the Bank of England, and the European Central Bank (ECB), has supported stock gains, NBIM's deputy CEO Trond Grande warned that the current tech rally, fueled by artificial intelligence hype, may require a more cautious approach moving forward. (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
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.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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28/F LKG TOWER, 6801 AYALA AVENUE, MAKATI CITY : OFFICE: +63 (02) 884-1271 : FAX +63 (02)884-1384