

Market Commentary

➔ **The View.** The PSEi went down by 82.11 points or 1.22% and settled at 6,642.71 yesterday. The benchmark succumbed to cautious sentiment ahead of the release of the US inflation data last night. The continued weakening of the local currency also helped pull the PSEi back to the 6,600-level. In the US, the Dow inched lower by 0.22%, while the S&P500 and the Nasdaq Composite went up by 0.82% and 1.77%, respectively. The latter popped to the 20,000-level and posted both an all-time high and a record close. The market welcomed the latest consumer price index (CPI) data which saw inflation come in line with estimates. November's headline inflation sped up by 2.7% year-on-year. Investors now look forward to the producer price index (PPI) data due later today. Meanwhile, European markets rebounded from the previous day's losing session. The Stoxx50 and the Stoxx600 rose by 0.15% and 0.28%, respectively. Investors digested the recent US inflation data. In Asia-Pacific, markets ended with mixed results. South Korea's Kospi led the gains again with 1.02% as it continued to recover from the sharp decline after a political turmoil broke out earlier this week. Japan's Nikkei also posted a marginal uptick. Hong Kong's Hang Seng fell by 0.76%, followed by Australia's ASX200 and China's CSI 300 which fell by 0.47% and 0.17%, respectively. Locally, Financial (+0.21%) was the lone sector in the green. Services (-2.37%), Property (-1.45%), and Holding Firms (-1.42%) had the biggest declines. In the PSEi, CNPF (+2.02%) was the top performer, as the rest of the gainers only had sub-1% additions. On the other hand, WLCON (-4.96%), ICT (-4.15%), and AGI (-4.11%) were the worst laggards. Market turnover decreased by 39% to ₱5.23 billion, while foreigners reverted to strong selling, posting a net outflow of ₱497.83 million. The Philippine Peso finished at ₱58.28 against the US dollar from ₱58.01 last Tuesday. Looking ahead to today's session, the local bourse may be due for a quick rebound as investors digest the latest US inflation data which suggests that the US Federal Reserve (Fed) is on track for an expected 25-bps cut next week. The Bangko Sentral ng Pilipinas (BSP) is also projected to follow suit. Near-term resistance at the 6,800-level is becoming more difficult to break, which could cap any significant stride of recovery today. Continued big foreign outflows also remain a problem which suggests reluctance in the local market for now, despite having attractive valuations.

Stock Picks

Stock	Date	Initial Price	Current Price	Return since Recommendation	
				Stock	PSEi
TEL	3/13/20	1,029.00	1,300.00	26.34%	14.65%
CNPF	3/13/20	13.10	42.85	227.10%	14.65%
FGEN	9/23/20	24.80	16.84	-32.10%	12.73%
AP	9/23/20	25.55	37.50	46.77%	12.73%
BDO	11/17/20	92.60	153.00	65.23%	-3.98%
BPI	11/17/20	83.00	130.00	56.63%	-3.98%
MBT	11/17/20	44.35	75.55	70.35%	-3.98%
SECB	11/17/20	103.90	84.00	-19.15%	-3.98%
CNVRG	6/13/22	22.50	16.08	-28.53%	2.72%
ALI	6/13/22	30.05	27.20	-9.48%	2.72%
SGP	6/13/22	12.06	8.95	-25.79%	2.72%
Ave. Return				34.30%	4.27%

PSEI INTRADAY



INDICES

Index	Prev	Last	% Chg
PSEi	6,724.82	6,642.71	-1.22%
All Shares	3,785.80	3,758.55	-0.72%
Financial	2,249.28	2,254.04	0.21%
Industrial	9,206.43	9,167.17	-0.43%
Holding Firms	5,730.75	5,649.28	-1.42%
Property	2,497.42	2,461.13	-1.45%
Services	2,120.86	2,070.54	-2.37%
Mining & Oil	7,587.52	7,543.67	-0.58%

TOP 10

CNPF	2.02%	WLCON	-4.96%
BDO	0.66%	ICT	-4.15%
URC	0.19%	AGI	-4.11%
LTG	0.19%	ALI	-3.37%
PGOLD	0.16%	DMC	-2.19%
BPI	0.08%	MER	-2.04%
MBT	0.07%	GTAP	-2.01%
SMC	0.06%	JGS	-1.65%
EMI	0.00%	TEL	-1.52%
ACEN	-0.27%	SM	-1.50%

BOTTOM 10

MARKET DATA

Market Volume	783,542,687
Market Turnover (Value)	8,541,004,295
Foreign Buying	3,684,395,498
Foreign Selling	2,341,299,608
Net Foreign Buy / (Sell)	1,343,095,889

Mandarin Securities Corp.

Hanz Elmer Torres

hanz.torres@mandarinsecurities.com

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Economic Developments

➔ **Banks face worsening asset quality as NPL ratio hits 3.6% in October.** The gross nonperforming loan (NPL) ratio for Philippine banks climbed to 3.6% in October, marking a two-year high, according to the Bangko Sentral ng Pilipinas (BSP). This was up from 3.47% in September and 3.44% a year earlier, driven by a 16.7% year-on-year surge in bad loans to ₱524.31 billion. The total loan portfolio of the banking sector decreased slightly to ₱14.55 trillion from ₱14.9 trillion in September, but increased by 11.3% compared to October 2022. Past-due loans also rose by 1.3% month-on-month, while restructured loans and the NPL coverage ratio saw declines. Economist Michael Ricafort attributed the uptick in NPLs to factors such as the central bank's recent monetary easing, storm-related disruptions from Severe Tropical Storm Kristine and Super Typhoon Leon, and heightened geopolitical risks in the Middle East. The BSP initiated its policy easing cycle with a total 50-basis-point rate cut in August, potentially signaling further reductions in its December review. (*BusinessWorld*)

➔ **FDI net inflows drop to four-year low as global conditions dampen investor confidence.** Foreign direct investment (FDI) net inflows to the Philippines fell sharply by 36.2% year-on-year to \$368 million in September, the lowest level since April 2020, amid elevated global interest rates and geopolitical tensions, according to the Bangko Sentral ng Pilipinas (BSP). The decline reflects reduced net investments in debt instruments (down 33%) and equity capital (down 53.4%). Key contributors to equity placements, including Japan, the US, and Singapore, focused on sectors like manufacturing, real estate, and information and communication. Economic challenges, such as slower Philippine GDP growth (5.2% in Q3 2023) and lingering structural barriers like regulatory inefficiencies, further dampened FDI appeal. Despite the decline, cumulative net inflows for the first nine months of 2023 rose 3.8% to \$6.7 billion, driven by stronger equity placements and reduced withdrawals. Economists remain cautious, citing global economic uncertainties and high interest rates as continuing headwinds, though recent government efforts to streamline investment processes may bolster FDI prospects in the medium term. (*Philstar*)

Corporate Developments

➔ **Megawide Construction Corporation (MWIDE).** The ₱1.19-billion Baguio City Integrated Terminal project by MWIDE is set for a Swiss challenge early next year after the Baguio City Sanggunian's 90-day approval process concludes. This procurement method allows competing bids to challenge MWIDE's unsolicited proposal, ensuring transparency and competitive pricing. The project aims to alleviate Baguio's city-center congestion by creating a modern intermodal terminal for provincial buses, enhancing commuter convenience. The Swiss challenge will also be applied to MWIDE's ₱1.87-billion Cavite Bus Rapid Transit (BRT) System, with a decision deadline on Dec. 23. This joint venture with Maplecrest Group, Inc. involves a 42-kilometer BRT route connecting key Cavite cities to Metro Manila via the Parañaque Integrated Terminal Exchange, aiming to streamline regional transit and reduce traffic. (*BusinessWorld*)

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hanz.torres@mandarinsecurities.com

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Corporate Developments

- ➔ **Ayala Land, Inc. (ALI).** ALI successfully raised ₱2.78 billion by selling 75 million shares of AREIT, Inc., its real estate investment trust, at ₱37 per share. The transaction, executed through BPI Capital Corp. and UBS AG Singapore Branch, saw overwhelming demand from both local and international institutional investors, resulting in multiple oversubscriptions. The sale, conducted under exemptions from the Philippine Securities Regulation Code, avoided the need for registration with the Securities and Exchange Commission. Settlement of the proceeds is set for Dec. 12, with ALI and its subsidiary expected to submit a reinvestment plan detailing the use of the funds. The strong investor interest underscores the continued appeal of AREIT and ALI's strategic positioning in the real estate sector. (*BusinessWorld*)

Other Developments

- ➔ **U.S. inflation rises to 2.7% in November, solidifying market expectations for Fed rate cut.** The U.S. consumer price index (CPI) increased by 2.7% annually in November, up 0.1 percentage point from October, and rose 0.3% month-over-month, according to the Bureau of Labor Statistics. Core CPI, which excludes food and energy, remained steady at 3.3% year-over-year, also climbing 0.3% monthly. These figures align with market forecasts and further bolster expectations of a Federal Reserve rate cut during its Dec. 18 policy meeting, with traders assigning a 99% probability of a 0.25 percentage-point reduction. November's inflation uptick was driven largely by shelter costs, which accounted for 40% of the CPI increase and rose 4.7% annually. Food prices increased modestly by 2.4% year-over-year, while energy prices declined 3.2%. Vehicle prices reversed recent trends, with used cars up 2% and new vehicles rising 0.6%. Despite inflation moderating from its 2022 peak, it remains above the Fed's 2% target, leading to caution among policymakers about the pace of future rate cuts. Average hourly earnings were unchanged in real terms for the month but increased by 1.3% over the year. (*CNBC*)
- ➔ **U.S. budget deficit rises 17% in November, driven by higher spending and interest costs.** The U.S. budget deficit surged to \$366.8 billion in November, marking a 17% increase compared to the same month in 2023, according to the Treasury Department. This pushed the fiscal year 2025 shortfall to \$544 billion in just two months, 19% higher year-to-date on an adjusted basis. Federal receipts rose to \$301.8 billion, but were outpaced by expenditures of \$668.5 billion, fueled by rising costs in key areas like Social Security, Medicare, and defense. Interest payments on the national debt, which now totals \$36.1 trillion, have become a major fiscal burden, accounting for \$79 billion in November and \$160 billion so far this fiscal year. Despite two Federal Reserve rate cuts since September, total interest payments are projected to hit \$1.2 trillion in 2025, making it the fastest-growing component of federal spending. The widening deficit reflects ongoing fiscal challenges amid elevated debt servicing costs and rising mandatory expenditures. (*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
OGP	OceanaGold (Philippines), Inc.	US\$0.0138	Cash	Common	11/19/24	11/20/24	12/16/24
ALTP2	Alternergy Holdings Corporation	Php0.0238	Cash	Preferred	11/21/24	11/22/24	12/18/24
HOME	AllHome Corp.	Php0.0309	Cash	Common	11/26/24	11/27/24	12/12/24
ALLDY	AllDay Marts, Inc.	Php0.0032	Cash	Common	11/26/24	11/27/24	12/12/24
AREIT	AREIT, Inc.	Php0.58	Cash	Common	11/26/24	11/27/24	12/13/24
SLF	Sun Life Financial Inc.	CAD 0.84	Cash	Common	11/26/24	11/27/24	12/31/24
VLL	Vista Land & Lifescapes, Inc.	Php0.1120	Cash	Common	11/27/24	11/28/24	12/12/24
STR	Vistamalls, Inc.	Php0.0365	Cash	Common	11/27/24	11/28/24	12/12/24
SLI	Sta. Lucia Land, Inc.	Php0.04	Cash	Common	11/27/24	11/28/24	12/20/24
PRF4D	Petron Corporation	Php17.09100	Cash	Preferred	11/27/24	11/28/24	12/23/24
PRF4E	Petron Corporation	Php17.75800	Cash	Preferred	11/27/24	11/28/24	12/23/24
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
PRF3A	Petron Corporation	Php17.17825	Cash	Preferred	11/28/24	11/29/24	12/26/24
PRF3B	Petron Corporation	Php17.84575	Cash	Preferred	11/28/24	11/29/24	12/26/24
LTG	LT Group, Inc.	Php0.35	Cash	Common	11/29/24	12/02/24	12/09/24
PPC	Pryce Corporation	Php0.20	Cash	Common	11/29/24	12/02/24	01/02/25
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
MONDE	Monde Nissin Corporation	Php0.14	Cash	Common	11/29/24	12/02/24	12/27/24
TCB2B	Cirtek Holdings Philippines Corporation	US\$0.025	Cash	Preferred	12/02/24	12/03/24	12/18/24
BPI	Bank of the Philippine Islands	Php1.98	Cash	Common	12/03/24	12/04/24	12/20/24
PRF4A	Petron Corporation	Php16.76975	Cash	Preferred	12/06/24	12/09/24	01/07/25

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

CASH DIVIDEND SCHEDULE

*Arranged by ex-date

Ticker	Company	Amount/ Rate	Dividend Type	Share	Ex-date	Record Date	Payment Date
PRF4B	Petron Corporation	Php16.99300	Cash	Preferred	12/06/24	12/09/24	01/07/25
PRF4C	Petron Corporation	Php17.71525	Cash	Preferred	12/06/24	12/09/24	01/07/25
FGEN	First Gen Corporation	Php0.45	Cash	Common	12/11/24	12/12/24	12/23/24
BDO	BDO Unibank, Inc.	Php1.00	Cash	Common	12/12/24	12/13/24	12/27/24
PREIT	Premiere Island Power REIT Corporation	Php0.0325	Cash	Common	12/12/24	12/13/24	12/27/24
VREIT	VistaREIT, Inc.	Php0.04667	Cash	Common	12/12/24	12/13/24	01/10/25
SMC2F	San Miguel Corporation	Php1.27635	Cash	Preferred	12/19/24	12/20/24	01/03/25
SMC2O	San Miguel Corporation	Php1.611300	Cash	Preferred	12/19/24	12/20/24	01/03/25
SMC2N	San Miguel Corporation	Php1.5649875	Cash	Preferred	12/19/24	12/20/24	01/03/25
SMC2M	San Miguel Corporation	Php1.5703125	Cash	Preferred	12/19/24	12/20/24	01/03/25
SMC2L	San Miguel Corporation	Php1.48396875	Cash	Preferred	12/19/24	12/20/24	01/03/25
SMC2K	San Miguel Corporation	Php0.84375	Cash	Preferred	12/19/24	12/20/24	01/03/25
SMC2J	San Miguel Corporation	Php0.890625	Cash	Preferred	12/19/24	12/20/24	01/03/25
SMC2I	San Miguel Corporation	Php1.18790625	Cash	Preferred	12/19/24	12/20/24	01/03/25
CLIA1	Cebu Landmasters, Inc.	Php18.9625	Cash	Preferred	12/27/24	01/02/25	01/12/25
CLIA2	Cebu Landmasters, Inc.	Php20.625	Cash	Preferred	12/27/24	01/02/25	01/12/25
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
PRF4D	Petron Corporation	Php17.09100	Cash	Preferred	02/27/25	02/28/25	03/24/25
PRF4E	Petron Corporation	Php17.75800	Cash	Preferred	02/27/25	02/28/25	03/24/25
PRF3B	Petron Corporation	Php17.84575	Cash	Preferred	02/28/25	03/03/25	03/25/25
PRF4A	Petron Corporation	Php16.76975	Cash	Preferred	03/12/25	03/13/25	04/07/25
PRF4B	Petron Corporation	Php16.99300	Cash	Preferred	03/12/25	03/13/25	04/07/25
PRF4C	Petron Corporation	Php17.71525	Cash	Preferred	03/12/25	03/13/25	04/07/25
CLIA1	Cebu Landmasters, Inc.	Php18.9625	Cash	Preferred	04/01/25	04/02/25	04/12/25
CLIA2	Cebu Landmasters, Inc.	Php20.625	Cash	Preferred	04/01/25	04/02/25	04/12/25
CLIA1	Cebu Landmasters, Inc.	Php18.9625	Cash	Preferred	07/01/25	07/02/25	07/12/25
CLIA2	Cebu Landmasters, Inc.	Php20.625	Cash	Preferred	07/01/25	07/02/25	07/12/25
CLIA1	Cebu Landmasters, Inc.	Php18.9625	Cash	Preferred	10/01/25	10/02/25	10/12/25
CLIA2	Cebu Landmasters, Inc.	Php20.625	Cash	Preferred	10/01/25	10/02/25	10/12/25

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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
CEU	Centro Escolar University	20%	Stock	Common	TBA	TBA	TBA

Note: AC
Scripless 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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