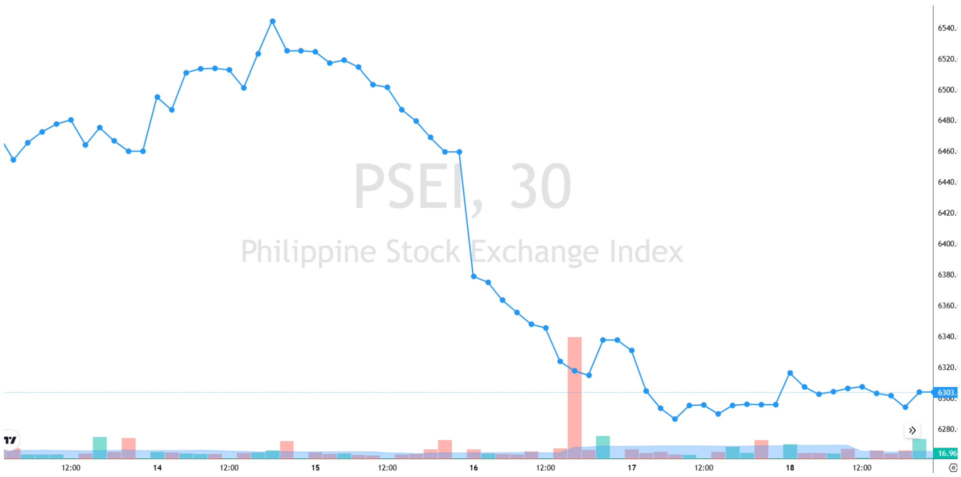
WEEKLY REPORT

MANDARIN SECURITIES CORPORATION

July 21, 2025



INDICES

Index	Prev	Last	% Chg
PSEi	6,459.88	6303.72	-2.42%
All Shares	3,812.53	3736.28	-2.00%
Financial	2,238.25	2218.28	-0.89%
Industrial	9,225.49	9084.03	-1.53%
Holding Firms	5,621.11	5381.22	-4.27%
Property	2,453.02	2366	-3.55%
Services	2,195.14	2129.69	-2.98%
Mining & Oil	9,466.73	9140.91	-3.44%

Market Commentary

⇒ **<u>The View.</u>** The PSEi plunged by 156.16 points or 2.42% and finished a rough week at 6,303.72. In the US, stocks were mostly positive last week as retail sales rebounded while Trump denied reports that he is trying to fire Fed Chair Powell. Locally, sector results were red across the board, led by Holding Firms (-4.27%), Property (-3.55%), and Mining & Oil (-3.44%). In the PSEi, EMI (+3.18%), TEL (+2.12%), and PGOLD (+1.53%) were the best performers, while SM (-7.87%), AGI (-7.37%) and BLOOM (-6.32%) were the main laggards. Meanwhile, foreigners posted net outflow of 3.43 billion, while the local currency depreciated WoW to ₱57.145 from ₱56.47 against the US dollar. Meanwhile, some developments last week were:

- Cash remittances coursed through banks rose 2.9% year-on-year to $2.66 billion in May 2025 from $2.58 billion, driven by higher inflows from both land-based (2.8%) and sea-based workers (3.1%). From January to May, remittances reached $13.77 billion, up 3%, mainly due to increased flows from the US, Singapore, and Saudi Arabia. The US remained the top source, accounting for 40.2% of total remittances, followed by Singapore, Saudi Arabia, Japan, and the UK. Personal remittances grew 3% to $2.97 billion in May, bringing the five-month total to $15.34 billion.

- The Philippines posted a $226 million BOP surplus in June 2025, reversing a $155 million deficit from a year earlier. The surplus was driven by foreign currency deposits from the national government and BSP investment income. This narrowed the year-to-date deficit to $5.6 billion from $5.8 billion in January–May. The deficit was mainly due to the trade in goods shortfall, partly offset by steady inflows from remittances, foreign borrowings, and portfolio investments. Gross international reserves rose to $106.0 billion, covering 7.2 months of imports and 3.4 times short-term external debt.

PSEi

TOP 10		BOTTOM 10	
EMI	3.18%	SM	-7.87%
TEL	2.12%	AGI	-7.37%
PGOLD	1.53%	BLOOM	-6.32%
AC	1.53%	SMPH	-6.09%
MER	0.65%	CBC	-5.30%
SCC	0.15%	URC	-5.05%
BDO	0.13%	CNVRG	-4.95%
MBT	-0.21%	ALI	-4.60%
ICT	-0.45%	ACEN	-4.58%
AREIT	-0.61%	JFC	-3.44%

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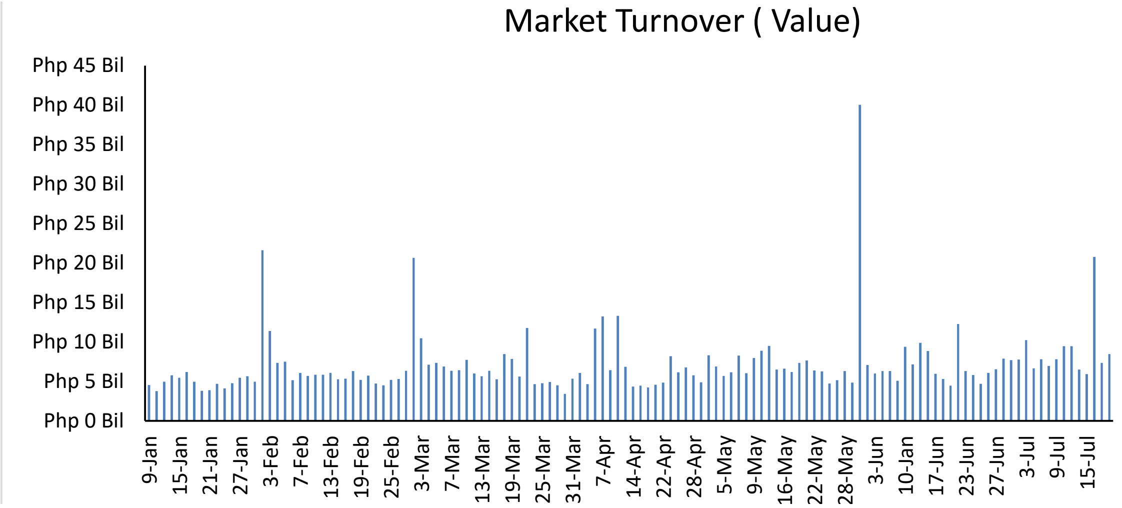
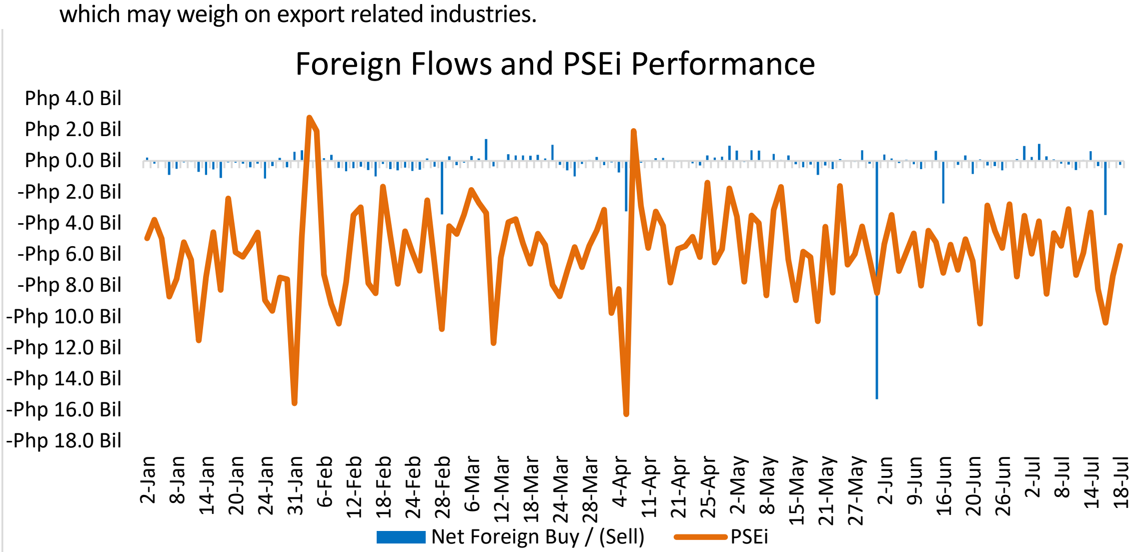
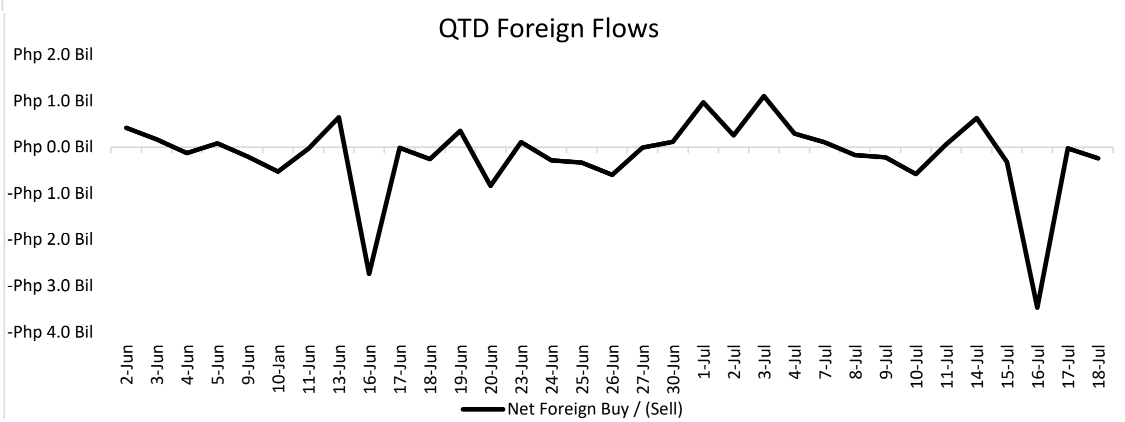
⇒ Market turnover averaged ₱9.79 billion last week, higher than the ₱8.29 billion recorded in the previous week.



⇒ Foreigners posted a net outflow of 3.43 billion, higher than the net outflow of 799.66 million in the week before. Foreign outflows is likely to persist as tariff on Indonesia is now lower than Philippines, which may weigh on export related industries.





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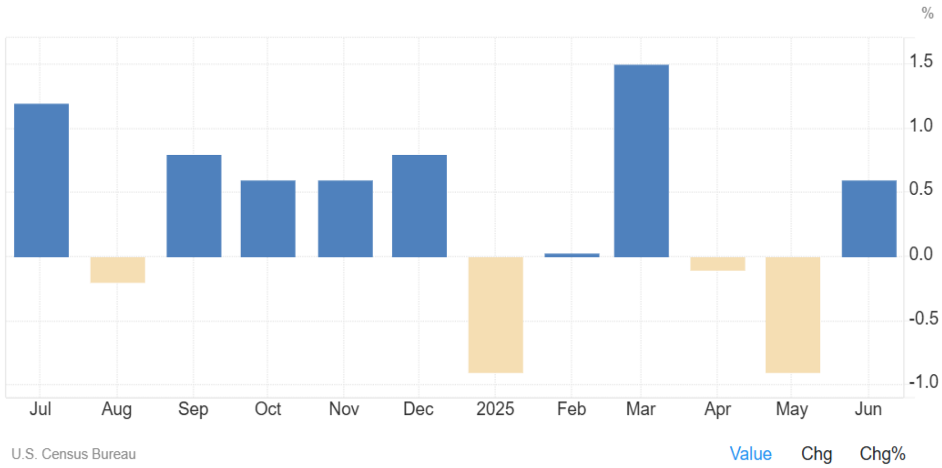
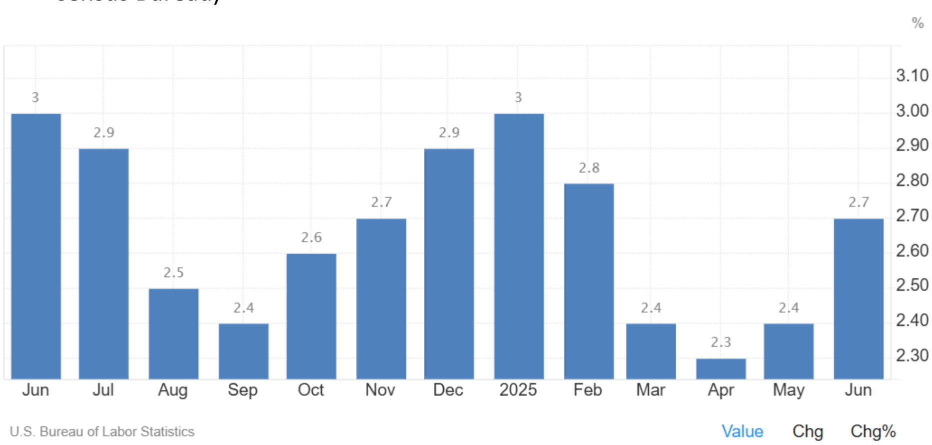


⇒ **US Retail Sales.** US retail sales rose 0.6% in June 2025, ending two months of declines and beating the 0.1% forecast. Gains were led by miscellaneous retailers (1.8%), autos (1.2%), building materials and clothing (0.9%). Sales also increased at restaurants, groceries, health and personal care, and general merchandise (all up 0.5% or more). Gas station sales were flat, while furniture and electronics slipped 0.1%. Core retail sales, used to calculate GDP, rose 0.5%, topping expectations. (U.S. Census Bureau)



⇒ **US Inflation Rate.** US annual inflation rose to 2.7% in June 2025 from 2.4% in May, the highest since February and in line with expectations. Food, transport services, and used car prices saw faster increases, while energy costs fell less sharply. Gasoline and fuel oil prices continued to decline, though at a slower pace, while natural gas remained elevated. Inflation eased slightly for shelter and new vehicles. Monthly CPI rose 0.3%, the biggest gain in five months. Core inflation edged up to 2.9% annually but stayed below the 3% forecast. Monthly core CPI rose 0.2%, less than the expected 0.3%. (U.S. Bureau of Labor Statistics)

For the Week

TOP GAINERS		TOP LOSERS	
TOP	31.46%	PLUS	-40.21%
HOUSE	10.97%	TECH	-11.11%
LPC	8.57%	SM	-7.87%
ROCK	6.60%	DITO	-7.48%
SSI	4.92%	LPZ	-7.41%
PIZZA	4.35%	AGI	-7.37%
PCOR	3.31%	DD	-6.70%
EMI	3.18%	IMI	-6.38%
CLI	2.80%	BLOOM	-6.32%
SHNG	2.45%	SMPH	-6.09%
FNI	2.40%	PX	-5.88%
TEL	2.12%	APX	-5.43%
PGOLD	1.53%	CBC	-5.30%
AC	1.53%	FGEN	-5.18%
COSCO	1.14%	URC	-5.05%
DMW	0.95%	CNVRG	-4.95%
SPC	0.93%	FLI	-4.65%
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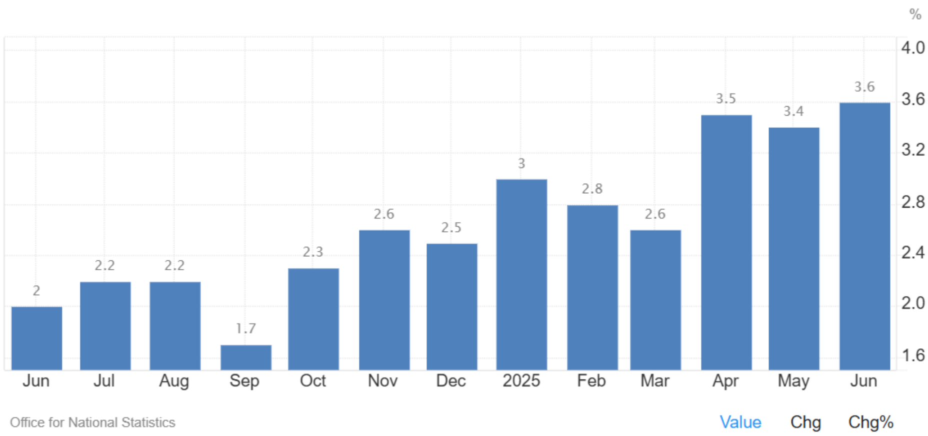
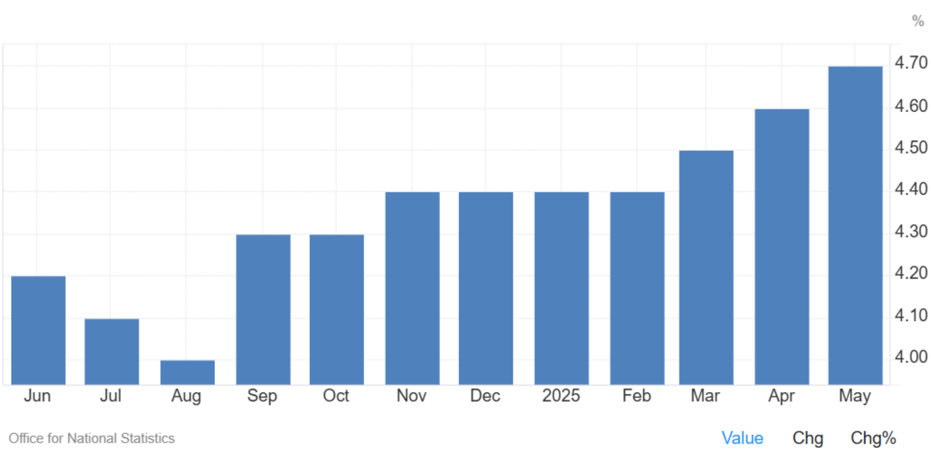


⇒ **UK Inflation Rate.** UK inflation rose to 3.6% in June 2025 from 3.4% in May, the highest since January 2024 and above expectations. The increase was driven by transport costs, especially fuel and airfares, as well as higher food, clothing, and footwear prices. Services inflation stayed at 4.7%, while housing and household services eased slightly. Monthly CPI rose 0.3%, and core inflation accelerated to 3.7% annually and 0.4% monthly. (Office for National Statistics)



⇒ **UK Unemployment Rate.** The UK unemployment rate rose to 4.7% in the three months to May 2025, well above the expected 2.6% and the highest since July 2021. Joblessness increased across all duration categories. Despite the rise, employment grew by 134,000 to 34.13 million, the highest since February, with gains in both full-time and part-time roles. The share of workers holding second jobs rose to 3.9%, while the economic inactivity rate fell to 21%. (Office for National Statistics)

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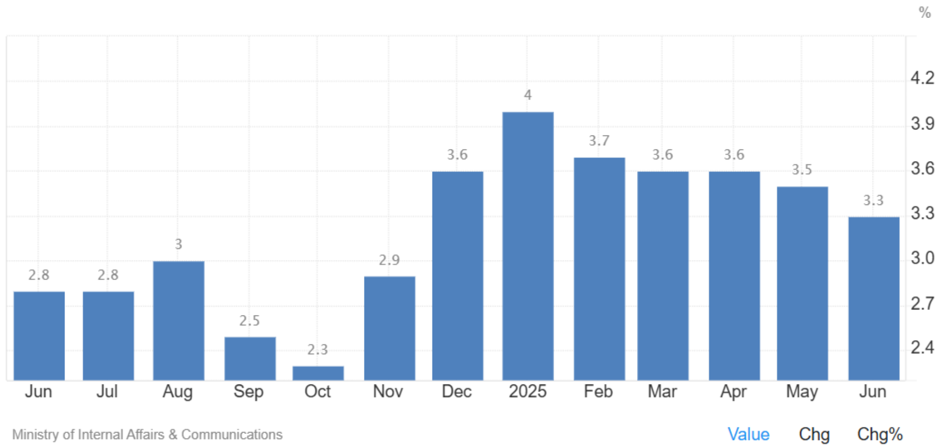
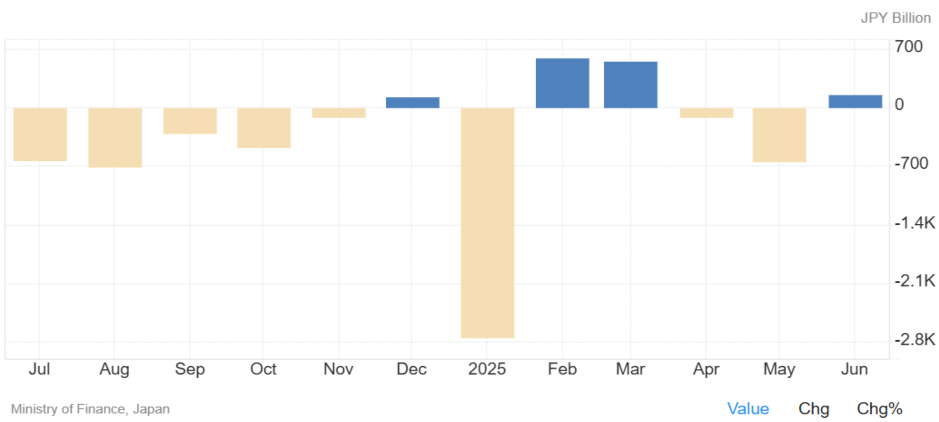


⇒ **Japan Inflation Rate.** Japan's annual inflation eased to 3.3% in June 2025 from 3.5% in May, the lowest since November. Electricity and gas price increases slowed, and inflation moderated across housing, transport, healthcare, and recreation. Education costs continued to fall, while inflation stayed steady for clothing and jumped for communications. Food prices surged 7.2%, driven by a 100.2% spike in rice costs. Core inflation also fell to 3.3%, a three-month low. Monthly CPI rose 0.1%, down from 0.3% in May. (Ministry of Internal Affairs & Communications)



⇒ **Japan Balance of Trade.** Japan's trade surplus narrowed to ¥153.1 billion in June 2025 from ¥221.3 billion a year earlier, missing expectations for ¥353.9 billion. Exports fell 0.5% to ¥9.16 trillion, the second straight drop, as higher US tariffs hurt demand. Imports rose 0.2% to ¥9.01 trillion, the first increase in three months, defying forecasts of a decline. (Ministry of Finance, Japan)

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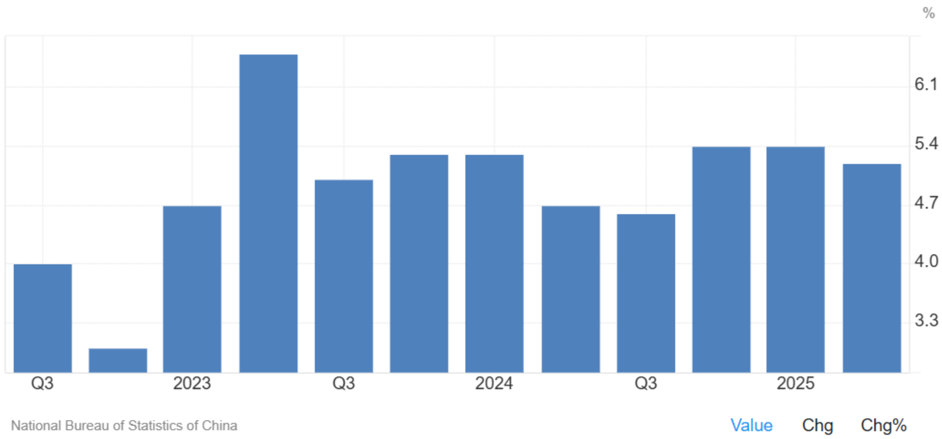
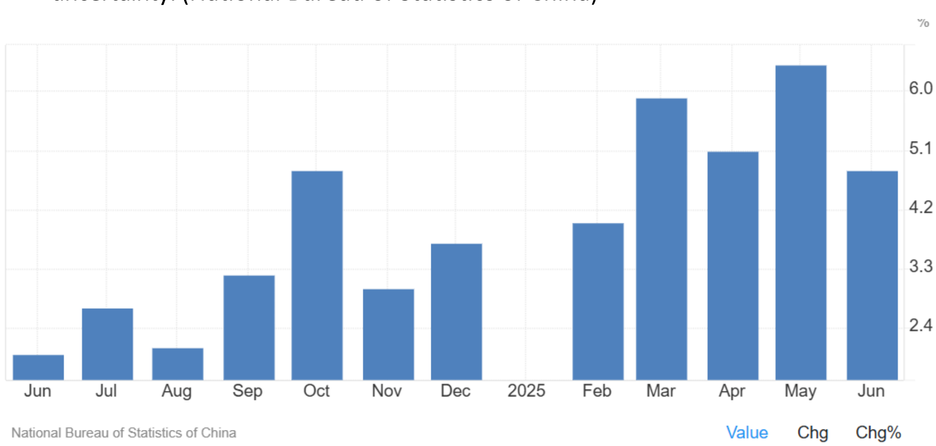


⇒ **China GDP Annual Growth rate.** China's economy grew 5.2% in the second quarter of 2025, easing from 5.4% but slightly beating the 5.1% forecast. Growth was supported by policy measures and a fragile trade truce. Industrial output picked up, unemployment held steady, but retail sales slowed despite subsidies. Exports surged while imports rose for the first time this year. First-half growth reached 5.3%, though momentum may weaken in the second half amid trade tensions, deflation risks, and a sluggish property sector. Authorities flagged weak domestic demand and external uncertainty. (National Bureau of Statistics of China)



⇒ **China Retail Sales.** China's retail sales rose 4.8% year-on-year in June 2025, down from 6.4% in May and below the 5.6% forecast, marking the slowest pace since February. Growth weakened sharply across several categories including jewelry, appliances, and food, while sales declined for beverages, cosmetics, and medicine. Auto sales improved, rising 4.6% from 1.1%. Month-on-month, retail sales fell 0.16%, following a 0.69% gain. For the first half of 2025, retail sales rose 5% year-on-year. (National Bureau of Statistics of China)

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Market Outlook

What you need to know

⇒ This coming week will highlight key economic data from the US, including Fed Chair Powell's speech, existing home sales, initial jobless claims, and durable goods orders, all of which will guide expectations on the Federal Reserve's policy direction. In the euro area, markets will look toward the HCOB Composite PMI flash and the European Central Bank's interest rate and deposit facility decisions, alongside Germany's consumer confidence and business climate, Spain's unemployment rate, and the United Kingdom's PMI, retail sales, and car production. In Asia-Pacific, focus will turn to South Korea's PPI, consumer confidence, and GDP growth rate, Singapore's inflation rate, and Japan's manufacturing and services PMI.

⇒ The PSEi's sentiment likely depends on how trade negotiations between the Philippines and the US unfold ahead of the August 1 deadline, when higher US tariffs on several trading partners are set to take effect. Investors will monitor whether the Philippines can secure a lower reciprocal tariff, with BMI of Fitch Solutions suggesting it may be negotiated down to 10% by offering defense-related concessions. While President Donald Trump raised the tariff on Philippine goods from 17% to 20% without a stated reason, the country still enjoys among the lowest rates in Asia. The Philippine government has said it is pursuing better terms, and BMI expects defense spending to play a key role in upcoming talks, noting that Trump has prioritized encouraging allies to contribute more in that area. The outcome of these negotiations may guide near-term sentiment on the PSEi, as investors weigh the potential trade-off between defense commitments and tariff relief. Lastly, investors are eyeing the budget balance data for further economic cue.

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