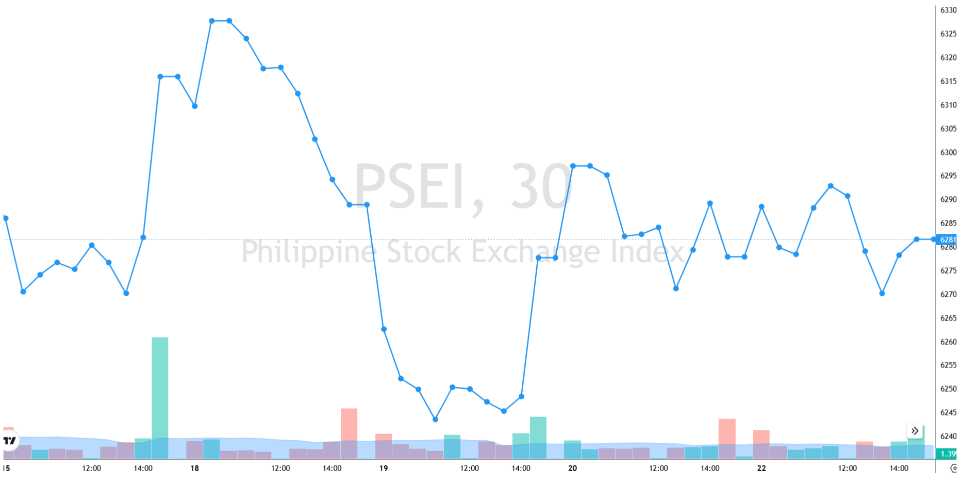
WEEKLY REPORT

MANDARIN SECURITIES CORPORATION

August 26, 2025



INDICES

Index	Prev	Last	% Chg
PSEi	6315.93	6281.58	-0.54%
All Shares	3751.23	3737.58	-0.36%
Financial	2153.76	2116.45	-1.73%
Industrial	9051.91	9112.92	0.67%
Holding Firms	5302.49	5205.46	-1.83%
Property	2416.82	2444.46	1.14%
Services	2271.36	2276.18	0.21%
Mining & Oil	9272.39	9489.24	2.34%

Market Commentary

⇒ **The View.** The PSEi decreased by 34.35 points or 0.54% and finished a poor week at 6,281.58. In the US, stocks were mostly positive last week after Fed Chair Powell stated that rate cut may start next month. Locally, sector results were mostly positive, led by Mining & Oil (+2.34%), Property (+1.14%), and Industrial (+0.67%). In the PSEi, SMC (+14.31%), JFC (+7.23%), and PLUS (+3.46%) were the best performers, while AC (-4.29%), JGS (-4.03%) and GLO (-3.89%) were the main laggards. Meanwhile, foreigners posted a net outflow of 1.53 billion, while the local currency appreciated WoW to ₱56.95 from ₱57.065 against the US dollar. Meanwhile, some developments last week were:

- The Philippines posted a balance of payments (BOP) deficit of $167 million in July 2025, reversing a $62 million surplus a year earlier, the Bangko Sentral ng Pilipinas (BSP) reported. The shortfall was mainly due to the national government's withdrawals from foreign deposits to service external debt. This brought the year-to-date deficit to $5.8 billion, driven by the persistent trade gap, which narrowed slightly to $24 billion in the first half from $25.1 billion last year. The BSP noted that remittances, foreign borrowings, and portfolio inflows partly offset the deficit. Gross international reserves slipped to $105.4 billion from $106 billion in June but remain adequate, covering 7.2 months of imports and 3.4 times the country's short-term external debt.

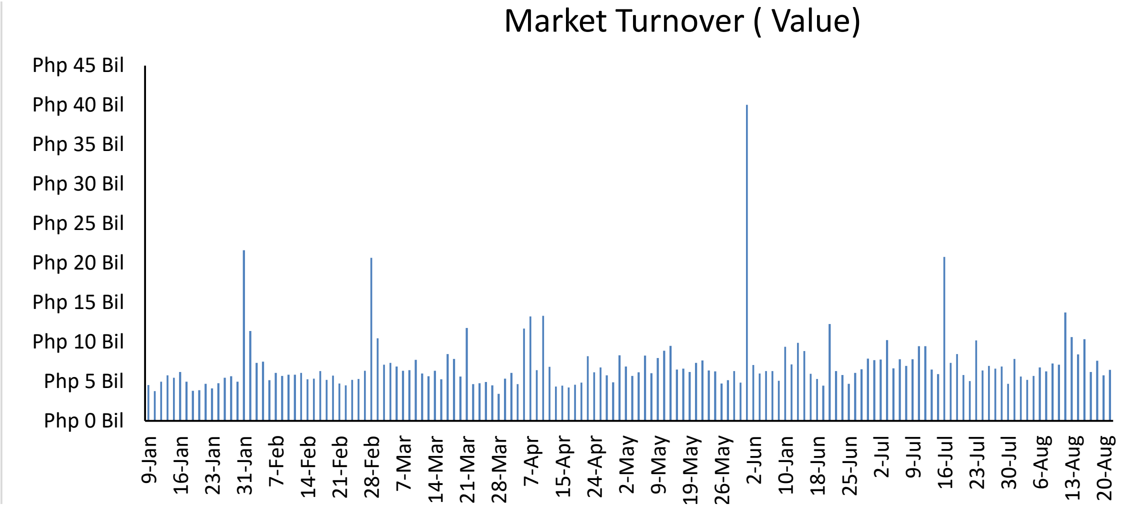
- Infrastructure spending rose 6.5% in June to ₱148.8 billion from ₱139.7 billion last year, rebounding from May's drop as DPWH resumed payments after the election ban. First-half outlays grew 1.4% to ₱620.2 billion, just below the ₱621-billion program, while total infrastructure disbursements including subsidies and LGU transfers were flat at ₱720.3 billion but above plan. DBM expects larger releases in the second half. Economists said higher spending will aid productivity, tourism, and investment, with infrastructure outlays steady at 5.3% of GDP.

PSEi

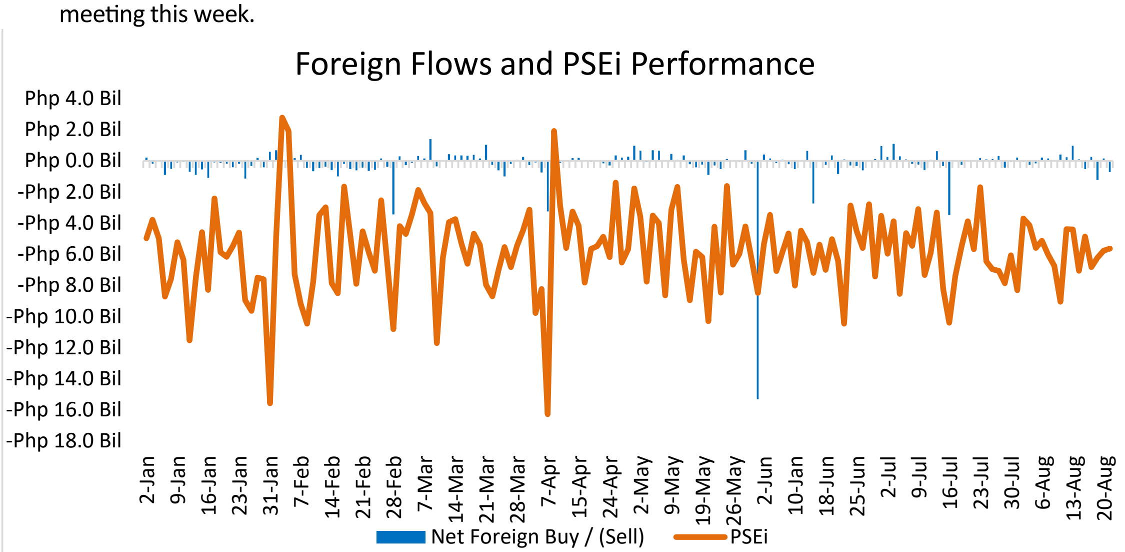
TOP 10		BOTTOM 10	
SMC	14.31%	AC	-4.29%
JFC	7.23%	JGS	-4.03%
PLUS	3.46%	GLO	-3.89%
AEV	3.26%	BPI	-3.54%
ALI	2.85%	GTCAP	-2.85%
AREIT	2.35%	ACEN	-2.61%
LTG	2.21%	SM	-2.51%
CNPF	1.47%	MER	-2.32%
ICT	0.99%	BDO	-1.66%
URC	0.85%	EMI	-1.55%

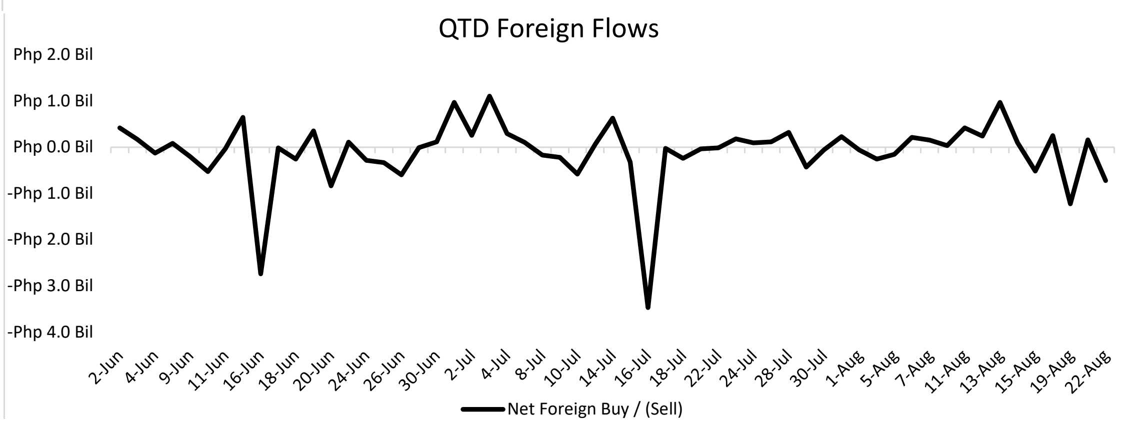
Mandarin Securities Corp.
Czar Rana
+63 (96) 5559-9127
czar.rana@mandarinsecurities.com

⇒ Market turnover averaged ₱6.49 billion last week, lower than the ₱10.04 billion recorded in the previous week.



⇒ Foreigners posted a net outflow of 1.53 billion, reversing the net inflow of 1.22 billion posted in the week before. Foreign flows is likely to see an inflow as investors expect BSP to cut rates in policy meeting this week.





Mandarin Securities Corp.

Czar Rana

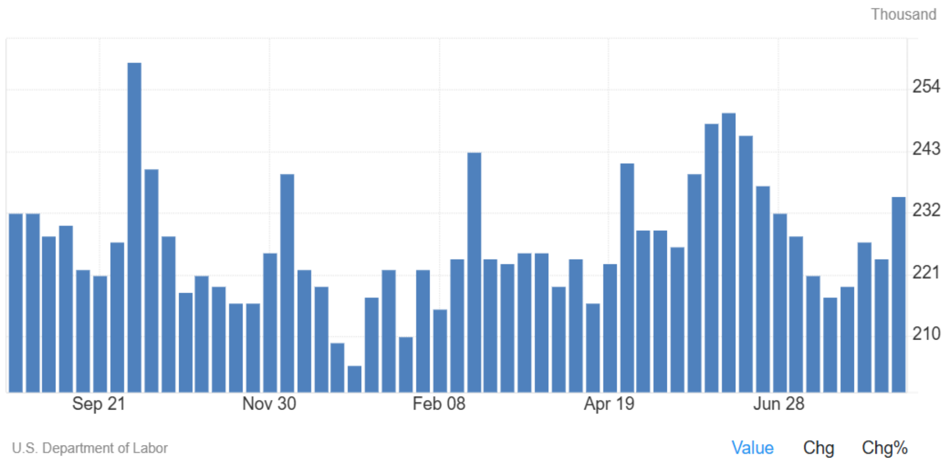
+63 (96) 5559-9127

czar.rana@mandarinsecurities.com

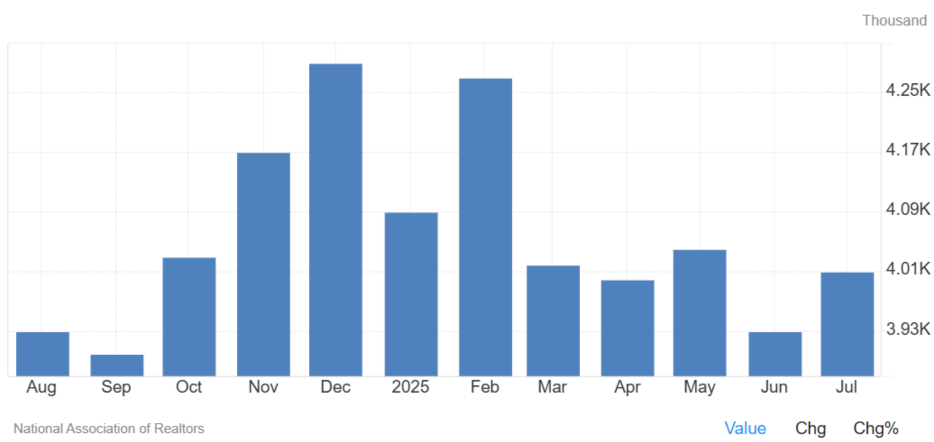
MANDARIN SECURITIES CORPORATION

August 26, 2025

Key Economic Figures



⇒ **<u>US Initial Jobless Claims.</u>** US initial jobless claims rose by 11,000 to 235,000 in the second week of August, above expectations of 225,000 and the highest in eight weeks. Continuing claims increased by 30,000 to 1,972,000 in the first week of August, also above forecasts and the highest since late 2021, underscoring a cooling labor market amid muted hiring. (U.S. Department of Labor)



⇒ **<u>US Existing Home Sales.</u>** US existing home sales rose 2% in July to an annualized 4.01 million, the strongest gain since February and above the 3.92 million forecast. Inventory climbed 0.6% to 1.55 million units, equal to 4.6 months of supply, while the median price edged up 0.2% year-on-year to $422,400. Condominium sales picked up in the South, where prices had been falling over the past year. (National Association of Realtors)

For the Week

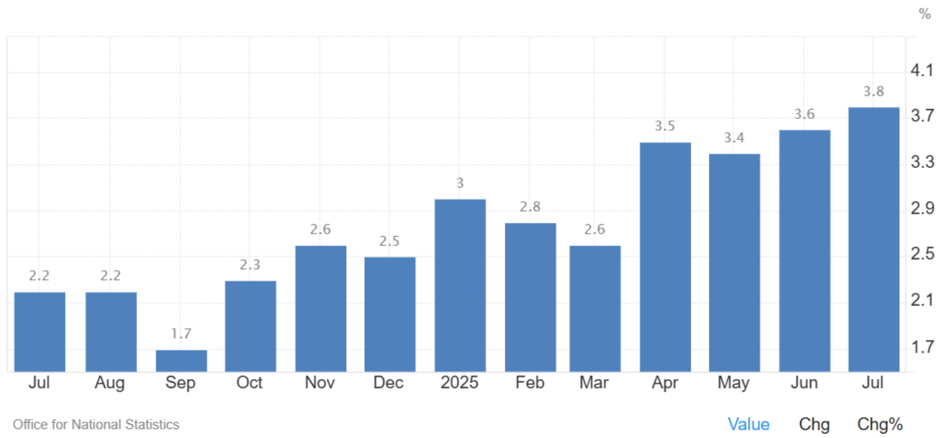
TOP GAINERS		TOP LOSERS	
SMC	14.31%	WLCON	-7.03%
PX	8.97%	IMI	-6.98%
NIKL	8.02%	SHLPH	-4.95%
JFC	7.23%	AC	-4.29%
TECH	6.25%	JGS	-4.03%
SGP	5.56%	GLO	-3.89%
EEI	4.71%	SEVN	-3.77%
MWIDE	3.90%	APX	-3.58%
PLUS	3.46%	BPI	-3.54%
TUGS	3.45%	EW	-3.38%
AEV	3.26%	GTCAP	-2.85%
ALI	2.85%	RRHI	-2.63%
PAL	2.56%	ACEN	-2.61%
AREIT	2.35%	UBP	-2.54%
LTG	2.21%	SM	-2.51%
FGEN	2.20%	MER	-2.32%
DITO	1.96%	GMA7	-2.21%
ABS	1.50%	PCOR	-2.04%
CNPF	1.47%	SPC	-2.02%
VLL	1.47%	AB	-2.01%

Mandarin Securities Corp.
Czar Rana
+63 (96) 5559-9127
czar.rana@mandarinsecurities.com

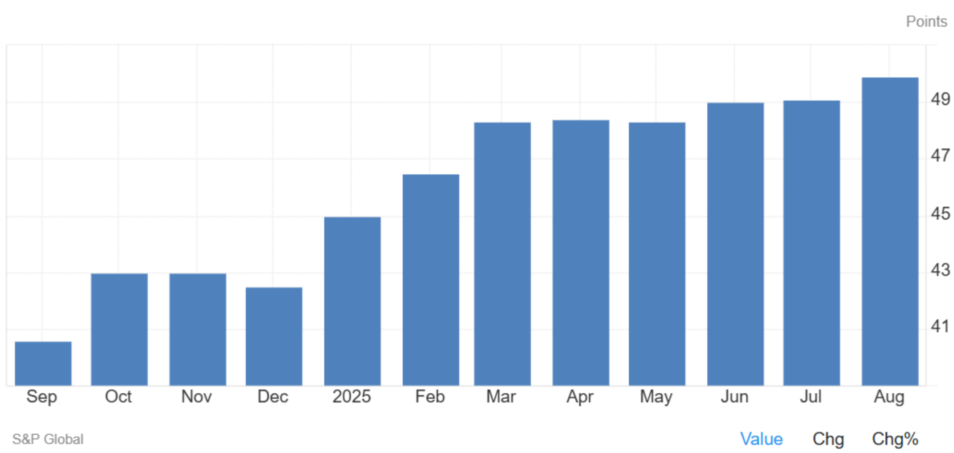
MANDARIN SECURITIES CORPORATION

August 26, 2025

Key Economic Figures



⇒ **United Kingdom Inflation Rate.** UK inflation rose to 3.8% in July 2025, the highest since January 2024, up from 3.6% in June and above forecasts of 3.7%. The increase was driven by a 30.2% jump in airfares during school holidays, along with higher motor fuel, sea fares, and roadside recovery costs. Inflation also picked up in restaurants and hotels (3.4% vs 2.6%) and in food and non-alcoholic beverages (4.9% vs 4.5%). Housing and household services offset some gains, easing to 6.2% from 6.7% on softer rents and owner-occupiers' costs. (Office for National Statistics)



⇒ **Germany Manufacturing PMI.** Germany's HCOB Manufacturing PMI rose to 49.9 in August from 49.1 in July, beating forecasts of 48.8 and hitting its highest since June 2022, signaling the sector is nearing stabilization. Output grew at a faster pace, driven by the strongest rise in new orders since March 2022, though export sales slipped slightly for the first time in five months. Employment declined more sharply, while input cost inflation eased on lower oil prices and a firm euro. Business confidence improved modestly, contrasting with weaker sentiment in services. (S&P Global)

For the Week

TOP GAINERS		TOP LOSERS	
SMC	14.31%	WLCON	-7.03%
PX	8.97%	IMI	-6.98%
NIKL	8.02%	SHLPH	-4.95%
JFC	7.23%	AC	-4.29%
TECH	6.25%	JGS	-4.03%
SGP	5.56%	GLO	-3.89%
EEI	4.71%	SEVN	-3.77%
MWIDE	3.90%	APX	-3.58%
PLUS	3.46%	BPI	-3.54%
TUGS	3.45%	EW	-3.38%
AEV	3.26%	GTCAP	-2.85%
ALI	2.85%	RRHI	-2.63%
PAL	2.56%	ACEN	-2.61%
AREIT	2.35%	UBP	-2.54%
LTG	2.21%	SM	-2.51%
FGEN	2.20%	MER	-2.32%
DITO	1.96%	GMA7	-2.21%
ABS	1.50%	PCOR	-2.04%
CNPF	1.47%	SPC	-2.02%
VLL	1.47%	AB	-2.01%

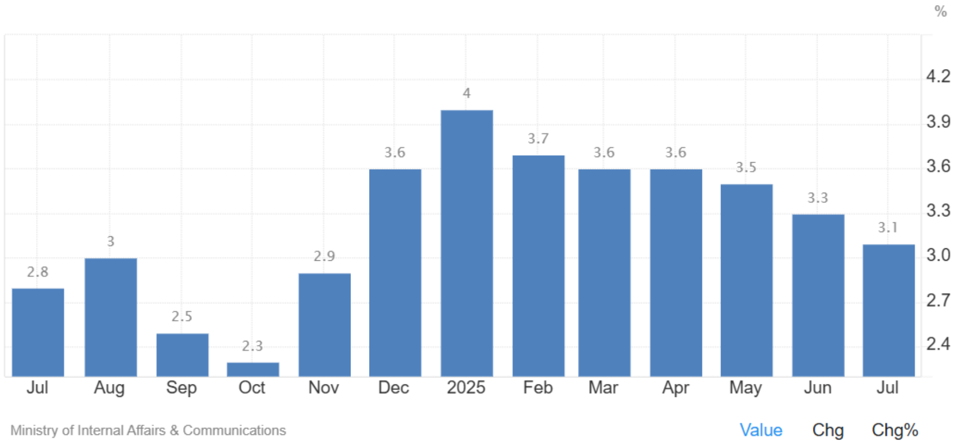
Mandarin Securities Corp.
Czar Rana
+63 (96) 5559-9127
czar.rana@mandarinsecurities.com

WEEKLY REPORT

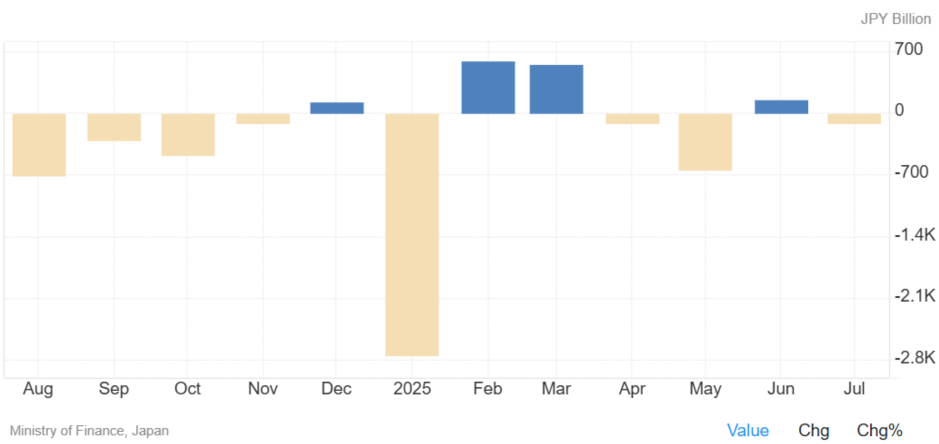
MANDARIN SECURITIES CORPORATION

August 26, 2025

Key Economic Figures



⇒ **Japan Inflation Rate.** Japan's inflation eased to 3.1% in July 2025 from 3.3% in June, the lowest since November 2024. Electricity prices fell for the first time since April 2024 at -0.7%, while gas was flat after a 2.7% rise. Food inflation accelerated to 7.6% from 7.2%, the fastest since February, with rice surging 90.7% despite government measures. Price gains slowed for household items at 2.5% and recreation at 2.6%, but picked up for clothing at 2.8%, transport at 2.6%, and communications at 6.4%. Core inflation matched the headline at 3.1%, a 5-month low. (Ministry of Internal Affairs & Communications)



⇒ **Japan Balance of Trade.** Japan's trade deficit narrowed to ¥117.6 billion in July 2025 from ¥628.3 billion a year earlier but missed expectations for a ¥196.2 billion surplus. Exports fell 2.6%, the third straight monthly drop and steepest since February 2021, as US tariffs weighed on demand. Imports declined 7.5%, less than the forecast 10.4% fall, after a slight 0.3% rise in June. (Reserve Bank of Australia)

For the Week

TOP GAINERS		TOP LOSERS	
SMC	14.31%	WLCON	-7.03%
PX	8.97%	IMI	-6.98%
NIKL	8.02%	SHLPH	-4.95%
JFC	7.23%	AC	-4.29%
TECH	6.25%	JGS	-4.03%
SGP	5.56%	GLO	-3.89%
EEI	4.71%	SEVN	-3.77%
MWIDE	3.90%	APX	-3.58%
PLUS	3.46%	BPI	-3.54%
TUGS	3.45%	EW	-3.38%
AEV	3.26%	GTCAP	-2.85%
ALI	2.85%	RRHI	-2.63%
PAL	2.56%	ACEN	-2.61%
AREIT	2.35%	UBP	-2.54%
LTG	2.21%	SM	-2.51%
FGEN	2.20%	MER	-2.32%
DITO	1.96%	GMA7	-2.21%
ABS	1.50%	PCOR	-2.04%
CNPF	1.47%	SPC	-2.02%
VLL	1.47%	AB	-2.01%

Mandarin Securities Corp.
Czar Rana
+63 (96) 5559-9127
czar.rana@mandarinsecurities.com

WEEKLY REPORT

MANDARIN SECURITIES CORPORATION

August 26, 2025

Market Outlook

What you need to know

⇒ This week will highlight key US indicators including durable goods orders, MBA 30-year mortgage rate, GDP growth rate quarter-on-quarter second estimate, corporate profits preliminary, initial jobless claims, and personal spending, providing a view on business activity, labor conditions, and household demand. In the Euro area, focus will be on Germany's business climate, consumer confidence, unemployment rate, inflation rate, and retail sales, while France will release inflation, nonfarm payrolls, and consumer confidence, Spain will publish inflation, and Italy will report inflation, offering updates on growth and price trends across the bloc. In APAC, South Korea will announce consumer and business confidence and its interest rate decision, Japan will release unemployment, industrial production, retail sales, and consumer confidence, while India will publish industrial and manufacturing production, giving signals on regional demand and monetary policy paths.

⇒ The PSEi is likely to see positive sentiment as positive sentiment as the BSP is widely expected to deliver another 25 basis point cut in policy rates this week, marking its third consecutive reduction this year and lowering the benchmark rate to 5% from 5.25%. Analysts point to easing inflation and sluggish economic growth as the main drivers of further monetary easing, with headline inflation dropping to just 0.9% in July, the lowest since November 2019 and bringing the year-to-date average to 1.7%, which is lower than the BSP's 2 to 4% target. At the same time, GDP grew by 5.4% in the first half, slightly short of the government's 5.5% to 6.5% goal, highlighting the need for continued policy support. Global sentiment could also turn more supportive as the US Federal Reserve is expected to begin its own rate cuts in the second half of 2025, which would help maintain a favorable interest rate differential, support the peso, and provide the BSP greater space to continue easing without fueling capital outflows.

Mandarin Securities Corp.

Czar Rana

+63 (96) 5559-9127

czar.rana@mandarinsecurities.com