

SEC clears Philex Mining's P3-B stock rights offering

THE Securities and Exchange Commission (SEC) "has considered favorably" Philex Mining Corp.'s stock rights offering (SRO) that could reach up to P3.15 billion as the company set the maximum offer price to P4.81 apiece.

"In its meeting on Jan. 27, the Commission En Banc resolved to render effective the registration statement filed by Philex Mining for a stock rights offering covering up to 842 million common shares, subject to certain remaining requirements," the SEC said in a statement.

The final number of shares issued is dependent on the final offer price, the SEC said. Shares will be offered to eligible shareholders.

According to the latest schedule submitted to the SEC, Philex Mining plans to conduct the offer from Feb. 28 to March 10, while the listing of the offer shares at the stock market is tentatively set to March 21.

Net proceeds from the offer will be used for the company's investment in Silangan Mindanao Mining Co., Inc. via Silangan Mindanao Exploration Co., Inc. The funds will be used to finance the mine development and the construction of the mill plant and support facilities, as well as storage tailings of its subsidiary's Silangan mining project.

Philex Mining tapped BDO Capital & Investment Corp. to be the issue manager and lead underwriter of the offer.

Philex is one of three Philippine units of Hong Kong-based First Pacific Co. Ltd., the others being Metro Pacific Investments Corp. and PLDT, Inc.

Hastings Holdings, Inc., a unit of PLDT Beneficial Trust Fund subsidiary MediaQuest Holdings, Inc., has interest in *BusinessWorld* through the Philippine Star Group, which it controls. — **Keren Concepcion G. Valmonte**

CREIT cuts IPO size to P6B; shares priced at P2.55 each

By Keren Concepcion G. Valmonte
Reporter

CITICORE Energy REIT Corp. (CREIT) cut the size of its initial public offering (IPO) to P6.398 billion from P10.1 billion, while its IPO shares were priced 19% lower at P2.55 each.

CREIT will be the first energy-focused real estate investment trust (REIT) to debut at the Philippine Stock Exchange (PSE). All five listed REITs have portfolios centered on office and mixed-use spaces.

In a listing notice on Thursday, the company said it will be offering nearly 2.51 billion common shares, 1.047 billion of which are primary shares.

Meanwhile, 1.135 billion secondary shares will be offered by sponsor Citicore Renewable Energy Corp. (CREC), along with an overallotment of 327.273 million common shares. CREIT will not receive proceeds from the shares sold by CREC.

Without the overallotment option, CREC will have a 66% stake in CREIT from a previ-

ously expected 57.4% now that the offer size has been reduced.

"[CREC] has decided to increase its stake in the company post-IPO," CREIT said in a separate statement, adding that "the sponsor believes in the long-term value creation of the company."

Meanwhile, CREIT's IPO shares were priced at a 19% discount from the P3.15 per share price ceiling it set. The company said the P2.55 per share tag would "provide more upside to public investors who will be its long-term partners in the journey to [a] net-zero carbon future."

Analysts said the demand remains "attractive" considering the company's implied 7% yield of its projected 2022 earnings.

COL Financial Group, Inc. First Vice-President April Lynn C. Lee-Tan said in a text message that "demand should still be okay given the attractive yield... this year, and 7.4% next year."

According to its preliminary prospectus dated Jan. 19, the company plans to use net proceeds from its primary offer to acquire properties owned by Citicore Solar Bulacan,

Inc. (Citicore Bulacan), Philippines Solar Energy One, Inc. (Citicore South Cotabato), or other properties owned by its sponsors.

Citicore Bulacan and Citicore South Cotabato both operate solar plants on the properties.

"Following the planned acquisition of the Bulacan property and the South Cotabato property, estimated dividend declaration for this year and next would be 18 centavos per share and 19 centavos per share, respectively," Regina Capital Development Corp. Head of Sales Luis A. Limlingan said in a Viber message.

CREIT plans to conduct its offer period from Feb. 2 to 8, while its tentatively scheduled to list at the PSE's main board on Feb. 17 under ticker symbol "CREIT." The company has yet to publish its final prospectus as of press time.

CREIT engaged Unicapital, Inc., BDO Capital & Investment Corp., PNB Capital and Investment Corp., CIMB Investment Bank Bhd, CLSA Ltd., Investment & Capital Corp. of the Philippines to be part of the underwriting syndicate.

The company has yet to publish its final prospectus as of press time.

Fed likely to hike rates in March as Powell vows sustained inflation fight

WASHINGTON — The Federal Reserve on Wednesday said it is likely to hike interest rates in March and reaffirmed plans to end its bond purchases that month in what US central bank chief Jerome Powell pledged will be a sustained battle to tame inflation.

"The committee is of a mind to raise the federal funds rate at the March meeting assuming that the conditions are appropriate for doing so," Mr. Powell said in a news conference, pinning down a policy statement from the central bank's Federal Open Market Committee (FOMC) that only said rates would rise "soon."

Subsequent interest rate increases and an eventual reduction in the Fed's asset holdings would follow as needed, Mr. Powell said, while officials monitor how quickly inflation falls from current multi-decade highs back to the central bank's 2% target.

Much was left undecided, he told reporters after the end of the Fed's latest two-day policy meeting, including the pace of subsequent rate hikes or how quickly officials will let its massive balance sheet decline.

But Mr. Powell was explicit on one key point: that with inflation high and for now apparently getting worse, the Fed this year plans to steadily clamp down on credit and end the extraordinary support it has provided to the U.S. economy during the coronavirus pandemic.

Since the Fed's last policy meeting in December, Mr. Powell said, inflation "has not gotten better. It has probably gotten a bit worse ... To the extent that situation deteriorates further, our policy will have to reflect that."

"This is going to be a year in which we move steadily away from the very highly accommodative monetary policy we put in place to deal with the economic effects of the pandemic," he added.

STOCKS FALL AGAIN

US stocks, pummeled to start the year on worries about how fast the Fed may move to contain inflation, slid as Mr. Powell repeatedly emphasized the economy's underlying strength and inflation's persistence, and refused to rule out more aggressive tightening as needed.

The S&P 500 index, at one point in the day up by more than 2%, sold off sharply through the course of Mr. Powell's news conference to close 0.15% lower. The Nasdaq Composite, which had taken a hard blow in this month's sell-off, ended the day little changed.

Yields on longer-dated Treasury securities, sensitive to the Fed's balance sheet policy, rose as Mr. Powell signaled that a decision would be made soon on when to start shrinking the central bank's more than \$8-trillion portfolio of US government bonds and mortgage-backed securities (MBS). The dollar surged 0.5% to its highest level in a month against a basket of key trading partners' currencies.

Mr. Powell was "trying to balance the fear factor but at the same time he's talking about inflation might get worse, he's talking about the Fed might have to use more tools, he's talking about the balance sheet reduction," said Peter Cardillo, chief market economist with Spartan Capital Securities in New York.

"The bottom line is his response is causing the market to fear the uncertainty."

The extent of the Fed's policy pivot away from battling the economic fallout from the pandemic and towards an inflation fight will take more shape in coming weeks.

It will be contingent on how inflation itself behaves, and Mr. Powell said officials still hope much of the improvement will come as the aftershocks of the pandemic ease, perhaps allowing them to do less of the work through tighter monetary policy.

A myriad of risks remain, from a pandemic that is still underway to a potential Russia-Ukraine military.

But Mr. Powell said policymakers at this point feel they have "quite a bit of room to raise interest rates" without threatening progress on jobs or slowing an economic recovery they want to keep underway.

In a refrain that has become common, he noted "the economy is quite different" than when the Fed last began raising interest rates in 2015, with higher inflation, lower unemployment, and what Mr. Powell regards as enough momentum to make its way without the Fed's help.

In that shift to tighter policy the Fed moved at an initially glacial pace, with one quarter-percentage-point rate increase in 2015 and only an additional one in 2016.

Investors are expecting much more this time, with pricing in federal funds future contracts anticipating four rate increases this year. The Fed's benchmark overnight interest rate is currently set at the near-zero level.

FOMC members also agreed at this week's meeting on a set of principles for "significantly reducing" the size of the Fed's asset holdings. Officials said they will shrink holdings "primarily" by limiting how much of the principal from maturing bonds the Fed would reinvest each month. That plan would start after the liftoff in interest rates, the central bank said, without yet setting a specific date, pace or final size.

Over time the Fed's balance sheet would not only be pared down, but shifted away from MBS and weighted towards US Treasuries, "thereby minimizing the effect of Federal Reserve holdings on the allocation of credit across sectors of the economy," the central bank said.

The Fed's statement, in moving ahead with a plan to tighten monetary policy, cited "solid" recent job gains that continued even as the outbreak of the Omicron variant of the coronavirus pushed daily case numbers to record levels. While the Fed has stopped trying to assess when inflation might ease, the statement said officials continue to expect improvements in global supply chains will ease the pace of price increases.

"Supply and demand imbalances related to the pandemic and the reopening of the economy have continued to contribute to elevated levels of inflation," the Fed said, with consumer prices increasing at a 7% annual rate, the highest level since the 1980s.

Policymakers did not release new economic and interest rate projections on Wednesday. — **Reuters**

Apple to turn iPhones into payment terminals

APPLE, Inc. is planning a new service that will let small businesses accept payments directly on their iPhones without any extra hardware, according to people with knowledge of the matter.

The company has been working on the new feature since around 2020, when it paid about \$100 million for a Canadian startup called Mobeewave that developed technology for smartphones to accept payments with the tap of a credit card. The system will likely use the iPhone's near field communications, or NFC, chip that is currently used for Apple Pay.

In order to accept payments on an iPhone today, merchants need to use payment terminals that plug in or communicate with the phone via Bluetooth, such as Block, Inc.'s Square, which dominates the market. The upcoming feature will instead turn the iPhone into a payment terminal, letting users such as food



trucks and hair stylists accept payments with the tap of a credit card or another iPhone onto the back of their device.

It's unclear whether the payment acceptance option will be branded as part of Apple Pay, though the team working on the feature has been working within Apple's payments division since being brought over from Mobeewave, the people said. It's also not known if Ap-


ple intends to partner with an existing payment network for the feature or launch it alone.

Apple may begin rolling out the feature via a software update in the coming months, the people said. The company is expected to release the first beta version of iOS 15.4 in the near future, which is likely to see a final release for consumers as early as the spring. An Apple spokeswoman declined to comment.

That would put the debut near a few other announcements; Apple plans to launch an iPhone SE and iPad Air with 5G as early as March or April, in addition to a new Mac running an Apple custom processor, Bloomberg News has reported.

Apple has been escalating its push in payments in recent years, launching the Apple Card in the US in 2019 and rolling out Apple device installment plans on the credit card later that year. It also offers the Apple Cash card for digital peer-to-peer payments and is working on a service for Apple Pay that would let people buy things and pay them off later in installments, Bloomberg News reported last year.

The iPhone won't be the first device to have Mobeewave's payment acceptance technology. Samsung, which backed the startup before it was sold to Apple, implemented credit card acceptance with a tap on its devices in 2019. — **Bloomberg**



Power Maintenance Updates

by MERALCO ADVISORY

The following are scheduled power interruptions necessary for the regular maintenance and upgrade of our power distribution facilities, to ensure the delivery of safe and reliable electricity to your areas. Rest assured that Meralco is doing everything to quickly restore your electricity according to schedule.

SUNDAY TO MONDAY, JANUARY 30 – 31, 2022	AND 7:00AM (THU., 02/03/22) – THE WHOLE OF CIRCUIT SILANG 423WS, AND PORTION OF CIRCUIT SILANG 34WS
<p>BULACAN (ANGAT AND PANDI)</p> <p>BETWEEN 11:30PM AND 11:59PM (SUN., 01/30/22) AND THEN BETWEEN 7:00AM AND 7:30AM (MON., 01/31/22) – THE WHOLE OF CIRCUIT ANGAT 36YT</p> <p>Portion of Pandi – Angat Road and Pundicion St. from Cacarong Road in Bgy. Siling Bata, Pandi to Angat – Norzagaray Road including portion of Bgys. Encanto, Paltok, San Roque, Santa Cruz and Taboc in Angat, Bgys. Bagong Barrio, Cacarong Bata, Cacarong Matanda, Pinagkuartelan, Poblacion, Real De Cacarong, Siling Bata and Siling Matanda in Pandi.</p> <p>REASON: Preventive maintenance and testing work inside Meralco - Angat substation.</p>	<p>Portion of Gen. Emilio Aguinaldo Highway from International Institute of Rural Reconstruction Compound in Bgy. Biga II, Silang to and including Metrogate Dasmariñas Estate Subd., Don Gregorio Heights Subd., Greenfield Heights Subd., New Era Village, Washington Place Subd., Regency Executive Town Homes Subd. and Blessed Ville Subd., Philippine Christian University - Dasmariñas, Hella Phils., Clean Fuel Autogas, Iglesia Ni Cristo, New Era High School and New Era Elementary School in Bgys. Sampaloc I & II, Dasmariñas City.</p> <p>Portion of NIA Road (Silang – Paliparan Road) from near Juanito Remulla Sr. Road (Governor's Drive) in Dasmariñas City to and including Kohana Grove Subd. in Bgy. Sabutan, Silang; Greenwoods Subd., Norfolk Ridge Subd. and Terra Alta Subd. in Dasmariñas City proper, Dasmariñas City.</p> <p>REASON: Maintenance work inside Meralco – Silang substation.</p>
WEDNESDAY TO THURSDAY, FEBRUARY 2 – 3, 2022	THURSDAY, FEBRUARY 3, 2022
<p>PARAÑAQUE CITY (SAN DIONISIO)</p> <p>BETWEEN 11:00PM (WED., 02/02/22) AND 4:00AM (THU., 02/03/22) – PORTION OF CIRCUIT BF-PARA NAQUE 42WU</p> <p>Portion of Amvel Business Park Phase 2 Access Road from Dr. A. Santos Ave. (Sucat Road) to and including Amvel Mansions, El Shaddai International House of Prayer, College of Divine Wisdom and The Premier Medical Center in Amvel Business Park Phase 2.</p> <p>REASON: Installation of new poles and facilities inside Amvel Business Park in Bgy. San Dionisio, Parañaque City.</p>	<p>QUEZON CITY (NOVALICHES)</p> <p>BETWEEN 8:00AM AND 3:00PM – PORTION OF CIRCUIT NOVALICHES 43YJ</p> <p>Portion of Int. Masaya St. from Nitang Ave. to and including Golden HOA in Bgy. Gulod.</p> <p>REASON: Line reconstruction work along Int. Masaya St. in Bgy. Gulod, Novaliches, Quezon City.</p>
FRIDAY, FEBRUARY 4, 2022	RIZAL PROVINCE (SAN MATEO)
<p>CAVITE (DASMARIÑAS CITY AND SILANG)</p> <p>BETWEEN 11:00PM AND 11:59PM (WED., 02/02/22) AND THEN BETWEEN 6:01AM</p>	<p>BETWEEN 10:00AM AND 2:00PM – PORTION OF CIRCUIT SAN MATEO 415SMA</p> <p>The whole of Greenland Newtown Phases I & II Subds. in Bgys. Ampid I and Banaba.</p> <p>REASON: Relocation of facilities affected by DPWH road widening project along Newton Ave. in Greenland Newtown Phase I & II Subds., Bgys. Ampid I and Banaba, San Mateo, Rizal Province.</p>

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