SPNEC readies joint ventures for 10-GW solar farms

SOLAR Philippines Nueva Ecija Corp. (SPNEC) on Tuesday said it plans to complete forming joint ventures this year to develop 10 gigawatts (GW) of solar energy projects.

In an e-mailed statement, SPNEC said the solar projects would represent an almost 10-fold increase in the country's grid-connected solar capacity. It also said these developments would be though potential asset-for-share swaps with its parent company, Solar Philippines Power Project Holdings, Inc.

It cited data from the Energy department, which recorded 1.021 GW of solar energy in the country's power mix in 2020.

The listed renewable energy firm is also eyeing a stock rights offering and partnerships with the country's leading power companies to reach the target capacity.

"Our aim is not to compete with the country's power companies, but to make it easier for them to build solar projects, so that together, we can make solar the largest source of energy in the Philippines," said Leandro L. Leviste, founder of Solar Philippines.

On Sunday, Manila Electric Co. called for competitive bids to challenge an unsolicited proposal of Terra Solar Philippines, Inc. for the supply of 850 megawatts of mid-merit capacity for a contract beginning in 2026.

Terra Solar is a joint venture between Solar Philippines and Razon-led Prime Infrastructure Capital Inc.

At the local bourse, SPNEC on Tuesday rose six centavos or 3.06%, closing at P2.02 apiece. — **M.C. Lucenio**

SEC sets rules for sustainability, ESG-focused investment funds

THE Securities and Exchange Commission (SEC) drafted guidelines for investment companies aiming to qualify as sustainable and responsible investment (SRI) funds or for any financing firms that consider environmental, social, and governance (ESG) factors for investments.

In a draft memorandum circular published on Jan. 19, the SEC said the rules aim to "provide guidance on the disclosures and reporting of investment companies classified as [SRI] funds and their fund managers."

The regulator added that it also took note of other regulators' initiatives to protect against greenwashing, which happens when investors or customers are misled to believe that products or services are more sustainable or environment-friendly.

To qualify as an SRI fund, investment companies as well as their sub-fund should state one or more "sustainability principles or considerations or ESG factors" in their registration statement. The fund's ESG-related investments should also account for at least 70% of its net asset value (NAV) at all times.

The "sustainability considerations," principles, or factors that may be considered by funds are: the United Nations (UN) Sustainable Development Goals, UN Global Compact Principles, Common Principles for Climate Mitigation Finance Tracking, Green Bond Principles of the International Capital Market Association, Climate Bonds Taxonomy of the Climate Bonds Initiative, and other "globally acceptable ESG or sustainability principles or criteria."

SRI funds may also adopt one or multiple ESG strategies to achieve their ESG or sustainability-related investment objectives. This includes negative or exclusionary screening, best in class or positive screening, ESG integration, active ownership, thematic investment, impact investing, among others.

The SRI fund's fund manager will be required to notify the SEC within five days if the 70% NAV investment threshold is breached or if the fund's investments become inconsistent with its ESG focus.

The fund manager will also be given 30 business days to rectify the breach or the inconsistency since it was detected. The commission must also be notified within five days once everything has been resolved.

Meanwhile, the SEC also suggested guidelines on naming the SRI fund, which should have a name "proportionate" to its ESG features as stated in its overall investment objective. No other investment companies are allowed to use "ESG," "sustainability," and similar terms in their names and/or marketing posters aside from SRI funds, unless the commission allows it.

The SEC is proposing that SRI Funds must include the following in their prospectus or sub-fund supplement, and their product highlight sheet: name of fund, notification to the public on their qualification, key ESG investments or focus, ESG criteria and investment selection process, asset allocation, ESG strategy, ESG focus and strategy-related risks, investment policies and procedures that would be inconsistent with its ESG focus, among others.

The SRI fund and its fund manager will be required to check how the fund has been attaining its ESG focus. The fund manager will evaluate its investments to ensure that these meet its ESG focus and other requirements, while an independent oversight entity will ensure that the fund is compliant with regulatory requirements.

The memorandum also details an SRI fund's reportorial requirements, which should be included in the fund's annual or quarterly reports.

Meanwhile, the regulator is proposing that existing investment companies interested to qualify as an SRI fund should revise their registration statement or their main prospectus and sub-fund supplement to comply with the SRI fund guidelines.

"When a feeder fund seeks to qualify as an SRI Fund, the target fund must be aligned with the ESG focus of the SRI Fund, and the total ESG investments of the target fund should account for at least 70% of its NAV," the commission said. Funds that already comply with this rule no longer need to reapply as an SRI fund.

However, feeder funds with a new target fund must report to the commission within five business days upon the approval of its board of directors.

"The notification must explain the change in the target fund," the regulator said. "Such information must also be provided on the SRI Fund's website to inform the investing public within the same period."

Investment companies that have ESG or sustainability-focused investments, but are not SRI funds, are subjected to additional disclosures on their registration statement as well as more information in their annual or quarterly reports.

The draft memorandum also includes penalties for investment companies and/or their fund managers should they violate rules set by the commission. — **Keren Concepcion G. Valmonte**

Cemex says co-processing boosts climate initiatives

LISTED construction firm Cemex Holdings Philippines, Inc. achieved a six-time net waste reduction record through co-processing, which is in line with its climate change initiatives.

In a statement on Tuesday, Cemex said it now co-processes six kilograms of waste for every kilogram it generates. It was able to co-process 214,772 tons of carbon dioxide or CO_2 emissions, nearly six times the 35,850 tons of waste Cemex facilities generated from 2016 to 2020.

"Co-processing more than the waste we generate is proof-positive of our solid commitment in ensuring we are drivers of the circular economy, helping increase the use of waste as alternative fuels, reducing greenhouse gas emissions as these wastes provide replacement for fossil fuels," Cemex President and Chief Executive Officer Ignacio Alejandro Mijares Elizondo said.

In a statement last year, Cemex said its co-processing procedure involves taking the plastic and rubber-based parts of waste materials, which will then undergo a pre-treatment process before being used to manufacture cement.

Meanwhile, the non-recyclable waste is converted into "usable heat to help power the cement kiln."

"Co-processing helps divert these wastes which otherwise would end up in landfills and waterways," Mr. Mijares said in the statement on Tuesday.

With the 214,772 tons of waste co-processed within the 2016 to 2020 period, the company said it was able to avoid 327,742 tons of CO_2 emissions. That translates to cutting emissions produced by 71,278 passenger vehicles in a year or 362,248 tons of coal burned.

In 2020, global Cemex said 91% of its plants collectively co-processed 2.7 million tons of waste to alternative fuels, which is equivalent to a 25.3% substitution rate and 1.6 million tons of coal replaced.

"We take earnest steps in making sure that we maximize environmental opportunities in our operations, including [the] use of alternative fuels through co-processing," Mr. Mijares said.

The company has a "Future in Action" agenda that focuses on addressing climate change via cutting down CO_2 emissions by 35% and aims to reduce its emissions by 40% come 2030. The company hopes to invest $60 million every year for the program.

Cemex is also trying to improve its production efficiency as part of its climate action initiatives, such as investing in energy efficiency, using alternative fuels, expanding its use of renewable energy, and increasing its use of clinker substitution.

On Tuesday, shares of Cemex Holdings went up 0.93% or one centavo to close at P1.08 apiece. — **Keren Concepcion G. Valmonte**

SPOT PRICES

MONDAY, JANUARY 24, 2022

METAL	
PALLADIUM free $/troy oz	2,122.92
PALLADIUM JMI base, $/troy oz	2,153.00
PLATINUM free $/troy oz	1,011.11
PLATINUM JMI base $/troy oz	1,025.00
KRUGGERAND, fob $/troy oz	1,830.00
IRIDIUM, whs rot, $/troy oz	3,940.00
RHODIUM, whs rot, $/troy oz	16,640.00
FOOD	
COCOA ICCO Dly (SDR/mt)	1,785.89
COCOA ICCO $/mt	2,503.86
COFFEE ICA comp '2001 cts/lb	204.28
SUGAR ISA FOB Daily Price, Carib. port cts/lb	18.62
SUGAR ISA 15-day ave.	18.23
GRAINS (JANUARY 20, 2022)	
(FOB Bangkok basis at every Thursday)	
FRAGRANT (100%) 1st Class, $/ton	796.00
FRAGRANT (100%) 2nd Class, $/ton	750.00
RICE (5%) White Thai- $/ton	426.00
RICE (10%) White Thai- $/ton	423.00
RICE (15%) White Thai- $/ton	422.00
RICE (25%) White Thai- $/ton (Super)	422.00
BROKER RICE A-1 Super $/ton	395.00

LIFFE COFFEE

New Robusta 10 MT - $/ton

	High	Low	Sett	Psett
Jan.	2166	2152	2155	2167
Mar.	2213	2186	2197	2213
May	2178	2159	2166	2179
July	2169	2152	2156	2170

LIFFE COCOA

(Ldn)-10 MT-£/ton

	High	Low	Sett	Psett
Mar.	1735	1695	1698	1737
May	1771	1731	1733	1773
July	1787	1745	1747	1779
Sept.	1766	1739	1742	1771

COCONUT

MANILA COPRA (based on 6% moisture)	
Peso/100kg	Buyer/Seller
Lag/Qzn/Luc	5,450.00/5,500.00
Philippine Coconut Oil - Crude	
CIF NY/NOLA	95.50
FOB RAIL/NOLA	98.00
COCONUT OIL (PHIL/IDN),$ per ton, CIF Europe	
Jan./Feb.'22	0.00/2,200.00
Feb./Mar.'22	1,950.00/2,080.00
Mar./Apr.'22	1,920.00/2,000.00
Apr./May'22	1,902.50/1,980.00

LONDON METAL EXCHANGE

LME FINAL CLOSING PRICES, US$/MT

	3 MOS
ALUMINUM H.G.	3,028.50
ALUMINUM Alloy	2,500.00
COPPER	9,728.00
LEAD	2,358.00
NICKEL	22,404.00
TIN	42,555.00
ZINC	3,595.50

Oil falls as Fed rate hike talk spooks risk markets

NEW YORK — Oil prices fell about 2% on Monday, hit by investor concerns over the possibility of quicker than expected interest-rate hikes by the US Federal Reserve that took down risk markets such as equities while the dollar rallied.

Wall Street stocks slumped, after last week posting their worst week since 2020, pulling down other risk assets like crude.

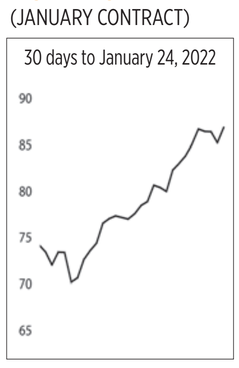
"Everything is being taken out to the wood shed and the wood shed is a pretty crowded place," said John Kilduff, a partner at Again Capital Management.

Brent crude fell $1.62 or 1.8% to $86.27 a barrel, while US West Texas Intermediate (WTI) crude settled down $1.83 or 2.2% to $83.31.

Both benchmarks rose for a fifth week in a row last week, gaining about 2% to reach their highest since October 2014.

Oil prices are up more than 10% this year on the concerns over tightening supplies and OPEC+ now struggling to hit a targeted monthly output increase of 400,000 barrels per day.

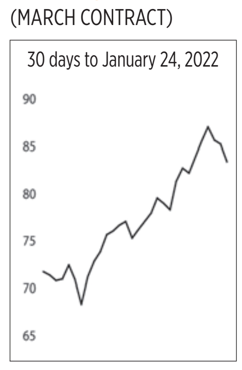
ASIA-DUBAI
(JANUARY CONTRACT)



DOLLARS PER BBL

Jan.	18	19	20	21	24
$/bbl	86.60	86.35	86.29	85.10	86.74
Average (Jan. 3-24)					**$82.33**
Average (Dec. 1-31)					**$73.18**

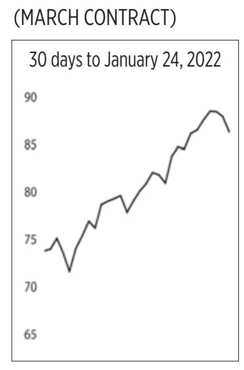
NEW YORK-WTI
(MARCH CONTRACT)



DOLLARS PER BBL

Jan.	18	19	20	21	24
$/bbl	85.43	86.96	85.55	85.14	83.31
Average (Jan. 3-24)					**$81.58**
Average (Dec. 1-31)					**$71.69**

LONDON-BRENT
(MARCH CONTRACT)



DOLLARS PER BBL

Jan.	18	19	20	21	24
$/bbl	87.51	88.44	88.38	87.89	86.27
Average (Jan. 3-24)					**$84.27**
Average (Dec. 1-31)					**$74.81**

Source: REUTERS

The Relative Strength Index, a measure of short-term market sentiment, had until Monday been trading at levels considered indicative of a near-term correction in oil.

"Big picture, we believe oil is going higher over the long run, but short-term we've gotten overbought and juiced up on geopolitical risk," said Phil Flynn, senior analyst at Price Futures Group.

Stocks fell while the dollar rose to a two-week high on Monday against a basket of currencies, lifted by the tension between Russia and the West over Ukraine and the possibility of a more hawkish stance from the Fed this week.

Tensions in Ukraine have been increasing for months after Russia massed troops near its borders, fueling fears of supply disruption in Eastern Europe.

In the Middle East, the United Arab Emirates intercepted and destroyed two Houthi ballistic missiles targeting the Gulf country on Monday after a deadly attack a week earlier.

Further escalation of the situation in both Ukraine and the Middle East "justify a risk premium on the oil price because the countries involved — Russia and the UAE — are important members of OPEC+ (Organization of the Petroleum Exporting Countries Plus)," said Commerzbank analyst Carsten Fritsch.

Chiefs of major US oil companies Occidental Petroleum Corp. and ConocoPhillips offered differing outlooks on the growth of US oil output at a conference on Monday.

ConocoPhillips CEO Ryan Lance said he was bullish about markets as high oil prices "will persist for a while," whereas Occidental CEO Vicki Hollub forecast US production to grow, but fall short of its all-time record.

Barclays raised its average oil price forecasts by $5 a barrel for this year, citing shrinking spare capacity and elevated political risks. The bank follows a similar move by Morgan Stanley last week, which expects to see $100-a-barrel oil by the third quarter. — ***Reuters***

Wall Street reverses, ends higher in late session rally

NEW YORK — Wall Street bounced back from a steep sell-off late in the session to close higher on Monday, with bargain hunters pushing the indexes into positive territory by closing bell.

The S&P 500 earlier came close to confirming a correction by appearing on track to close more than 10% down from its most recent all-time high reached on Jan. 3 as investors focused on concerns about an increasingly hawkish Federal Reserve and geopolitical tensions.

The S&P 500 recovered 4.3 percentage points from its session low to it closing level, the largest such swing since March 26, 2020, when Wall Street was bouncing back from the global slump caused by the coronavirus pandemic.

Earlier in the day, the indexes were all more than 2% lower. The S&P appeared to be on course to confirm a correction, and the Russell 2000 looked as if it would confirm it was in a bear market.

This abrupt, late-session U-turn came in the wake of S&P 500 and the Nasdaq suffering their largest weekly percentage plunge since March 2020, when shutdowns to contain the pandemic sent the economy spiraling into its steepest and most abrupt recession on record.

The US Federal Reserve is due to convene its two-day monetary policy meeting on Tuesday, and market participants will be parsing its concluding statement and Chairman Jerome Powell's subsequent Q&A session for clues as to the central bank's timeline for hiking key interest rates to combat inflation.

In a sign that geopolitical tensions are heating up, NATO announced it was putting forces on standby to prepare for a potential Russian invasion of Ukraine.

The threat of potential conflict in that region helped US Treasury yields dip, pausing their recent upward climb, which has pressured stocks in recent months.

The Dow Jones Industrial Average rose 99.13 points or 0.29% to 34,364.50; the S&P 500 gained 12.19 points or 0.28% to 4,410.13; and the Nasdaq Composite added 86.21 points or 0.63% to 13,855.13.

All 11 major sectors of the S&P 500 spent most of the trading day deep in red territory, but by market close all but three were green. Consumer discretionary enjoyed the largest percentage gain.

Fourth-quarter reporting season is in full swing, with 65 of the companies in the S&P 500 having posted results. Of those, 77% have come in above expectations, according to data from Refinitiv.

On aggregate, analysts now see S&P 500 annual EPS growth of 23.7%, per Refinitiv.

Declining issues outnumbered advancing ones on the NYSE by a 1.49-to-1 ratio; on Nasdaq, a 1.08-to-1 ratio favored decliners.

The S&P 500 posted 1 new 52-week high and 31 new lows; the Nasdaq Composite recorded four new highs and 1,319 new lows.

Volume on US exchanges was 18.42 billion shares, compared with the 10.95 billion average over the last 20 trading days. — ***Reuters***

Gold gains as Ukraine tensions buoy safe-haven appeal of bullion

GOLD advanced on Monday as a sell-off in Wall Street driven by geopolitical tensions over Ukraine bolstered its safe-haven appeal, while investors prepared for the Federal Reserve's rate hike decision.

Spot gold rose 0.4% to $1,840.16 per ounce by 14:39 p.m. EST (1939 GMT). US gold futures settled up 0.5% at $1,841.70.

NATO said it was putting forces on standby in eastern Europe in response to Russia's military buildup at Ukraine's borders.

"The Ukraine story is positive for gold and the Fed policy will eventually evolve into a little bit more conservative tapering since the Fed still believes a lot of this is going to be transitory," said Edward Moya, senior market analyst at brokerage OANDA.

The sell-off on Wall Street worsened on the Ukraine-Russia tensions and expectations that the Fed would tighten monetary policy at a much faster pace to tame high inflation.

But CMC Markets UK chief market analyst Michael Hewson said the Fed was unlikely to have a big impact on gold at present "because the markets are more concerned about what's going on in eastern Europe," especially considering a March interest rate hike has been priced in.

Gold also seemed to shake off, to some extent, pressure from inflows into rival safe-haven dollar.

"Assuming that the current wave of risk aversion ebbs away eventually as the Fed addresses these fears, and barring a deterioration of the economic outlook, we thus believe that the gold and silver markets are again experiencing a temporary but no lasting rebound," Julius Baer analyst Carsten Menke said.

Spot silver dropped 1.9% to $23.78 an ounce and platinum slipped 1.1% to $1,017.81, while palladium rose 2% to $2,149.35. — ***Reuters***