

## Philippine Stock Exchange index (PSEi)

7,372.25

▼ 46.54 PTS.

▼ 0.62%

MONDAY, FEBRUARY 21, 2022

BusinessWorld

## PSEi MEMBER STOCKS

<b>AC</b> Ayala Corp. P860.00 ---	<b>ACEN</b> AC Energy Corp. P8.59 -P0.26 -2.94%	<b>AEV</b> Aboitiz Equity Ventures, Inc. P61.20 ---	<b>AGI</b> Alliance Global Group, Inc. P12.90 +P0.10 +0.78%	<b>ALI</b> Ayala Land, Inc. P39.70 +P0.05 +0.13%	<b>AP</b> Aboitiz Power Corp. P36.50 ---	<b>BDO</b> BDO Unibank, Inc. P135.00 +P0.50 +0.37%	<b>BPI</b> Bank of the Philippine Islands P99.70 +P0.30 +0.30%	<b>CNVRG</b> Converge ICT Solutions, Inc. P26.90 -P0.90 -3.24%	<b>EMP</b> Emperador, Inc. P20.10 -P0.10 -0.50%
<b>GLO</b> Globe Telecom, Inc. P2,700.00 ---	<b>GTCAP</b> GT Capital Holdings, Inc. P596.00 +P7.00 +1.19%	<b>ICT</b> International Container Terminal Services, Inc. P212.00 -P5.00 -2.30%	<b>JFC</b> Jollibee Foods Corp. P248.00 +P1.00 +0.40%	<b>JGS</b> JG Summit Holdings, Inc. P62.80 +P0.65 +1.05%	<b>LTG</b> LT Group, Inc. P9.25 -P0.22 -2.32%	<b>MBT</b> Metropolitan Bank & Trust Co. P60.00 -P0.30 -0.50%	<b>MEG</b> Megaworld Corp. P3.29 -P0.04 -1.20%	<b>MER</b> Manila Electric Co. P365.00 +P1.40 +0.39%	<b>MPI</b> Metro Pacific Investments Corp. P3.82 -P0.04 -1.04%
<b>PGOLD</b> Puregold Price Club, Inc. P36.65 +P0.70 +1.95%	<b>RLC</b> Robinsons Land Corp. P19.44 -P0.06 -0.31%	<b>RRHI</b> Robinsons Retail Holdings, Inc. P59.75 -P1.30 -2.13%	<b>SECB</b> Security Bank Corp. P117.40 -P0.10 -0.09%	<b>SM</b> SM Investments Corp. P860.00 -P61.00 -6.62%	<b>SMC</b> San Miguel Corp. P110.20 +P2.30 +2.13%	<b>SMPH</b> SM Prime Holdings, Inc. P39.90 +P1.70 +4.45%	<b>TEL</b> PLDT, Inc. P1,782.00 ---	<b>URC</b> Universal Robina Corp. P124.70 -P1.90 -1.50%	<b>WLCON</b> Wilcon Depot, Inc. P28.20 +P0.70 +2.55%

## SFA Semicon earmarks \$65M for five-year capex program

SFA Semicon Philippines Corp. (SSP) is allocating \$65 million for its capital expenditure (capex) spending in the next five years "to help SSP take advantage of new opportunities in the global semiconductor market."

"The CAPEX program aims to replace some of the fully depreciated machineries and equipment in its Phase 1 facility

and to upgrade, as well as purchase, new machineries and equipment in both SSP's Phase 1 and Phase 2 manufacturing facilities in Clark Freeport Zone," the company said in a disclosure on Monday.

SSP President Joon Sang Kang said the company will be maximizing the opportunities in the global semiconduc-

tor market "in light of the accelerated digitalization of homes, businesses, consumer markets, education, and other sectors due to the global pandemic."

The company said \$10.19 million of its unrestricted retained earnings as of Dec. 31, 2021 will be used for its capex program.

SSP's audited financial statements as of Dec. 31, 2021 show the company logged a net income after tax jump to \$12.74 million in 2021, 130% higher than the \$5.54 million generated the previous year.

SSP shares on Monday went up 3.42% or four centavos to close at P1.21 apiece.

— **Keren Concepcion G. Valmonte**

## ACEN switches on 40-MW solar power storage in Laguna

AYALA-LED AC Energy Corp. (ACEN) on Monday said it had energized two units of 20-megawatt (MW) battery energy storage system (BESS) in Alaminos, Laguna.

"The pilot 40-MW energy storage will allow the company to evaluate opportunities to store energy more effectively across [its] portfolio, with the aim to provide a sustainable and reliable energy source for the country," ACEN said in a media release.

The energy storage project was built adjacent to ACEN's 120-MW Alaminos solar farm to help store unused electricity from the solar project and to provide fast power charging when electricity demand is high.

The facility houses 24 battery containers with 2.5 megawatt-hour (MWh) Saft lithium-ion batteries, enough to power about 20,000 homes and avoid 35.87 metric tons of carbon dioxide emissions per year, the company said.

It also has a sustainability hub, which is surrounded by Ayala Land's carbon forest that traps carbon and a plastic recycling amenity that turns plastic waste into eco-bricks.

"With the Alaminos Energy Storage project, we can harness renewable energy more effectively amidst its variability while improving the operating capabilities of the grid and ensuring high reliability," ACEN Chief Development Officer Jose Maria P. Zabaleta said.

ACEN President and CEO Eric T. Francia said the company would invest more in storage as the technology increases the viability and competitiveness of the BESS.

The newly powered BESS, which is said to be the country's first hybrid solar and energy storage project, will also provide ancillary services to the national grid.

The company said the Alaminos energy storage is vital for the company to achieve two goals by 2050: reaching net-zero greenhouse gas emission and becoming the biggest listed energy platform in Southeast Asia by installing 5,000 MW of renewable energy capacity.

On Monday, ACEN shares slipped 26 centavos or 2.94% to close at P8.59 apiece. — **Marielle C. Lucenio**

## SEC plans 'umbrella fund' rules

THE Securities and Exchange Commission (SEC) has drafted guidelines that will allow investment companies to be formed as "umbrella funds" which can create sub-funds with segregated assets and liabilities.

In a statement on Monday, the regulator said the move would offer fund managers "greater operational flexibility and cost savings."

An umbrella fund is a registered, open-end investment firm with two or more sub-funds that have different investment objectives, policies, and strategies. The SEC wants all sub-funds to include the phrase "Umbrella Fund" in their names.

Meanwhile, sub-funds of an umbrella fund should include their classification under their names. Sub-funds should identify if it is an equity fund, bond or fixed-income fund, a balanced fund, money market fund, index fund, feeder fund, fund-of-funds, co-managed fund, or multi-asset/asset allocation fund.

Both new and existing open-end investment companies in-

terested in adopting an umbrella fund structure will be covered by the drafted rules.

To convert into an umbrella fund, existing companies would need to revise their Articles of Incorporation (AOD) and Registration Statement (RS) to conform with the requirements under the proposed guidelines.

An umbrella fund must maintain at least two sub-funds at all times. Firms will be given a six-month period to comply from the approval of the first or from the approval of the termination of a sub-fund that led to its noncompliance.

The draft memorandum also covers rules on the termination of a sub-fund.

"Failure to meet the continuing requirement on the minimum number of sub-funds will constitute a ground for suspension of the secondary license of the umbrella fund," the SEC said.

"The suspension order may be lifted upon approval of the second sub-fund registration, or upon filing of an application to amend the

AOI and RS to convert to a regular investment company," it added.

The umbrella funds need to be licensed to act as an investment firm to offer securities to the public. The funds may also register the securities of its first sub-fund and have additional securities registered afterward or have them registered all at once.

"In addition, an umbrella fund will not be allowed to establish and offer the securities of a new sub-fund unless the Commission has approved the securities and the relevant Sub-Fund Supplement," the SEC said.

Umbrella funds will be the issuer or registrant of all the securities issued by their sub-funds. However, it will not be issued under the umbrella funds' name unless it is in connection with any of its sub-funds.

"A sub-fund will only be allowed to issue a single type of security. The offering of both shares and units in a single sub-fund will be prohibited," the SEC said.

The SEC's draft regulations also cover requirements on the

offering documents, such as the main prospectus and the sub-fund supplement.

Meanwhile, the draft memorandum also details the segregation of assets and liabilities of sub-funds. The fund manager and an independent entity tapped by the umbrella fund are tasked to ensure that the net asset value of each sub-fund is computed separately.

The fund manager will be required to submit reports on behalf of the umbrella fund as required under the Securities Regulation Code.

Umbrella funds will need to file separate quarterly and annual financial statements for each of their sub-funds to show the clear segregation of assets and liabilities.

"The umbrella fund may also choose to prepare a consolidated report, as long as the assets and liabilities of each sub-fund are clearly segregated and disclosed in the Notes to Financial Statements," the SEC said. — **Keren Concepcion G. Valmonte**

BSP,  
from SI/1

## CELEBRATING 50 YEARS: AVIS LAUNCHES APP FOR PREMIUM CHAUFFEUR BOOKING SERVICES

As Avis Philippines head into its 50th year, it does so with much pride and joy! - as it marks a new chapter of dynamic leadership under CEO and President, Celia G. Lazaro, the second-generation franchisee of the country's most trusted transportation service provider. (The Guevaras, under Domingo M. Guevara, first secured the franchise in 1972.)

"For decades, Avis Philippines has been going the extra mile to deliver service that's beyond expectation. And now, we're so excited to develop new practices and systems in line with digitalization," says Lazaro. "As we head into a more competitive digital future, we're committed to innovating and creating new products and services that will make us more accessible to a younger generation!"

The company has endured for decades due to its ability to adapt to the ever-changing market and consumers. "Our services reflect our commitment to our customers. We will continue to evolve, adjust, and innovate to meet the demands of our discerning clientele," shares Marketing Head Tatyana Guevara-Hipolito.

Now, as it celebrates its golden anniversary, Avis is taking the rider experience to newer heights with its latest innovation - the Avis Mobile App - which brings premium chauffeur services to your fingertips. Be driven in style wherever you want to be!

Designed with improved user accessibility, the app allows you to conveniently pre-book your own premium ride - with choice of sedan, van, and premium vehicles. Ride in style point-to-point or on an hourly car rental basis to enjoy your own personal chauffeur services. Just book at least four hours before pick-up. With the latter option, your chauffeur can even help you with errands and shuttle you to and from all your destinations. This is service at its best!

All Avis vehicles are fully equipped with COVID-19 amenities, and are disinfected for every ride. In addition, their roster of chauffeurs are all fully vaccinated and are well-trained on safety and security protocols.



What sets Avis apart is their premium service at reasonable rates and the unmatched expertise of their chauffeurs. "Proudly, we've been the longstanding partners of our clients for years, because they trust us with the big and small responsibilities. We take pride in the fact that for decades, we've been the one they can rely on and whom they call on to help make their daily lives better and easier - whether it's picking up loved ones from the airport or hospital, ensuring the safety of their children with rides to and from school and other destinations, or even just making their daily commute a little more luxurious and hassle-free. We're happy to be of service," adds Guevara-Hipolito.

Through the app, Avis expands its offerings and is now able to cater to the wider, more digitally savvy crowd. Though, loyal patrons can still book via Facebook and their hotlines.

"This year, we have so many initiatives lined up to mark our 50th milestone. We will continue to go above and beyond, so our customers can too. 'We Try Harder' is more than just a statement for us. It's something we make real every single day. We look forward to seeing you on your next ride!" ends Lazaro.

Download the Avis Mobile app on Google Play and the Apple Store. For more information, call 8462-2881 to 83 or email confirmation@avis.com.ph.

The BSP chief has said he wanted to see four to six quarters of economic growth before looking into a possible rate hike.

The central bank will hold its next policy review on March 24, a week after the Federal Open Market Committee's meeting on March 15 to 16.

Mr. Diokno said the BSP would evaluate how the impending rate hike by the US Federal Reserve could affect the Philippine economy. Fed officials have signaled they might start increasing interest rates next month.

"If you look at the inflation rate in the US - [it's] 7.5%. Our inflation right now is 3%. So, you have to consider that the real interest rate is what matters. And we evaluate how the Fed's rate will affect our output and, of course, our inflation rate," Mr. Diokno said.

Although the BSP has not touched rates, Mr. Diokno said they have started unwinding support for the National Government, noting a decline in direct advances and participation in the purchase of government securities.

In December, the BSP approved a P300-billion zero-interest loan to the National Government meant to fund pandemic response, the fifth time it extended direct advances. It was smaller than the P540-billion loan in July.

"Our participation in the government securities market... in 2020, we were holding something like 22% of the total volume. It's down to 4% last year. And now, in the first two months of the year, [it's at] 0.25%. So, we're having our own version of slowing down our assistance to the National Government," Mr. Diokno said.

Meanwhile, in a report on Friday, Nomura Global Market Research Chief ASEAN (Association of Southeast Asian Nations) Economist Euben Paracuelles and analyst Ranga Cipta said new signals from the BSP point out to eventual policy normalization.

"While BSP's forward guidance was changed, we think this was not intended to signal that policy normalization in the form of lift-off in the policy rate is likely soon," they said.

Nomura expects the BSP to start raising rates by 25 basis points in the fourth quarter, noting how the central bank projected that economic output was likely to return to pre-pandemic levels only by the third quarter.

"We still think the economic recovery is facing some headwinds from a combination of domestic factors (in addition to external risks enumerated by BSP), such as relatively low vaccination rates, weak fiscal support despite the elections, and elevated political uncertainty," it added.

## WEAKER PESO

Meanwhile, Mr. Diokno said the depreciation trend of the peso versus the dollar should not be a concern, citing the country's "strong macroeconomic fundamentals" reflected by gross international reserves, steady remittance inflows, business process outsourcing receipts, as well as foreign direct investments.

Amid market concern on impending policy tightening by major central banks, the safe-haven dollar has strengthened versus the peso.

The local unit closed 6.2% weaker year on year to P50.999 a dollar on

Dec. 31. It closed stronger at P50.95 on Jan. 31, but has been trading weaker within the P51-to-a-dollar level in previous weeks.

"The macroeconomic assumption is P48-53 [until 2024] so we are comfortable. So, should we be concerned with the slight depreciation of the currency? I think not, we should not be concerned because that's what the market supply and demand dictates," he said.

Mr. Diokno said they do not target a peso-dollar rate and have been intervening less in the foreign exchange market in recent months compared with the earlier stage of the pandemic when the peso strengthened due to low import demand.

"We were intervening, I must admit, at the time when the peso was moving towards P48 because that's really not good for our exporters, it's not good for overseas Filipino workers. But right now, there's very little intervention, if at all," he said.

The recent depreciation trend of the peso shows similarities in 2018, when inflation accelerated quickly and the peso weakened amid a policy divergence between the BSP and the Fed, ING Bank N.V. Manila Senior Economist Nicholas Antonio T. Mapa said.

"A quick step breach by inflation induced by elevated energy prices, supply side bottlenecks, a weaker currency and rising domestic demand may force BSP to eventually tighten policy," he said.

He said the BSP would be faced with either having to go for an emergency rate hike like what happened in 2018 or gradually reverse its accommodative policy to safeguard economic recovery. — **Luz Wendy T. Noble**