

Philippine Stock Exchange index (PSEi)

6,303.19 ▼42.22 PTS. ▼0.66%

WEDNESDAY, JUNE 29, 2022

BusinessWorld

PSEi MEMBER STOCKS

AC Ayala Corp. P628.00 -P1.50 -0.24%	ACEN AC Energy Corp. P7.90 -P0.24 -2.95%	AEV Aboitiz Equity Ventures, Inc. P49.35 -P1.75 -3.42%	AGI Alliance Global Group, Inc. P9.25 +P0.14 +1.54%	ALI Ayala Land, Inc. P26.80 -P0.40 -1.47%	AP Aboitiz Power Corp. P29.55 +P0.10 +0.34%	BDO BDO Unibank, Inc. P114.30 -P2.20 -1.89%	BPI Bank of the Philippine Islands P86.40 +P0.30 +0.35%	CNVRG Converge ICT Solutions, Inc. P21.80 +P0.10 +0.46%	EMP Emperador, Inc. P19.30 -P0.18 -0.92%
GLO Globe Telecom, Inc. P2,280.00 ---	GTCAP GT Capital Holdings, Inc. P482.00 +P7.00 +1.47%	ICT International Container Terminal Services, Inc. P195.90 +P0.90 +0.46%	JFC Jollibee Foods Corp. P202.00 +P2.00 +1.00%	JGS JG Summit Holdings, Inc. P49.80 +P0.95 +1.94%	LTG LT Group, Inc. P8.33 +P0.23 +2.84%	MBT Metropolitan Bank & Trust Co. P48.90 -P0.20 -0.41%	MEG Megaworld Corp. P2.28 -P0.02 -0.87%	MER Manila Electric Co. P355.00 -P3.00 -0.84%	MONDE Monde Nissin Corp. P13.18 +P0.10 +0.76%
MPI Metro Pacific Investments Corp. P3.58 -P0.01 -0.28%	PGOLD Puregold Price Club, Inc. P31.40 +P0.85 +2.78%	RLC Robinsons Land Corp. P17.74 +P0.46 +2.66%	SECB Security Bank Corp. P91.80 +P0.40 +0.44%	SM SM Investments Corp. P820.00 -P9.00 -1.09%	SMC San Miguel Corp. P106.60 +P2.10 +2.01%	SMPH SM Prime Holdings, Inc. P36.10 -P1.20 -3.22%	TEL PLDT, Inc. P1,765.00 -P15.00 -0.84%	URC Universal Robina Corp. P108.00 +P1.50 +1.41%	WLCON Wilcon Depot, Inc. P24.25 +P0.25 +1.04%

BHI to upgrade Boracay resort

BOULEVARD Holdings, Inc. (BHI) is tearing down the rooms in Fridays Boracay and renovating the resort to upgrade its amenities and reposition it to an upscale market segment.

"We won't open up Fridays Boracay if BHI is just going to earn a run-of-the-mill return based on cutthroat room rates," the firm said in a disclosure on Wednesday, citing the P5,000 to P8,000 per night market segment.

The announcement was made in response to reports from stockholders who had been to Boracay and seen the closed-down Fridays resort in spite of the full-occupancy status of the island.

BHI said that it is allocating capital from recent sales proceeds to reposition its market segment within the P12,000 to P20,000 a night clientele.

"This means we are currently tearing down all the 50 rooms to the foundation poles and spending on new fixtures, furniture and fittings, new elevators to handle clients coming in from the mountain be-

hind us, brand new plumbing system, new employee housing and dining facilities, new landscaping and lighting schemes, and two new restaurants at the beach front," the company said.

BHI said it is spending to develop the resort to compete in the Boracay "super-premium market."

"From these activities, BHI expects free cash flow upwards of 9 million a month after fixed and working capital investment. We look forward to definitely opening at the end of September this year," the firm said.

"Please be assured we are laying the basis for earnings growth in the medium term derived from solid tourism and property opportunities," it added.

BHI noted that foreign visitors to Boracay are expected to return in the last quarter of the year.

It cited figures from the Malay Tourism Office showing a total of 150,597 mostly domestic tourists visited the island in March

2022 alone, exceeding the "normal" March 2019 figure of 145,204 that counted the combined foreign and local visitors.

The company said that netting out the marginal foreign visitors for 2022, the number of visitors in March this year "spells out an unseasonal adjusted-growth rate of 102.9%. It is in this environment, FHI (Friday's Holdings, Inc.) hopes to grow its resort revenues."

Earlier this month, BHI reported that its 12-month sales ending in May 2022 surged to P18.57 million from just P665,027.92. It said the figures cover only its resort in Puerto Galera.

Aside from FHI, the company's subsidiaries are Fridays Puerto Galera, Inc. and Crown One Land, Inc. The group primarily operates in segments of providing hotel and resort amenities and investment holding.

On Wednesday, BHI shares dropped by 4.65% or P0.004 to close at P0.082 at the stock exchange. — **Luisa Maria Jacinta C. Joeson**

SuperWorld sees opportunities for virtual real estate in PHL

By Arjay L. Balinbin Senior Reporter

THE rise of play-to-earn gaming in the Philippines offers opportunities for SuperWorld, a virtual world in augmented reality (AR), its top official said.

"The Philippine audience is very interesting for us, and play-to-earn is a very important mechanism in that part of the world, and we're creating live-to-earn, and so it is something that we hope to really build out in the Philippines," Hrish Lotlikar, co-founder and chief executive officer of SuperWorld, told *BusinessWorld* at the recent South Summit 2022, a global business summit in Madrid co-organized by the IE University.

"We have team members in the Philippines. It's a very important part of our strategy, so I'm very excited about it," he added.

SuperWorld allows its users to sell virtual real estate in the metaverse, a virtual world that relies on technologies like artificial intelligence and blockchain, the technology behind cryptocurrencies.

"SuperWorld is a virtual world mapped on top of the real world. It's all around us. We're in it right now. It's in augmented reality," said Mr. Lotlikar, who is known as among the most influential people in the metaverse.

The company, which was founded in 2017, divided the surface of the Earth into 64 billion virtual blocks of land, each of which is a unique digital asset. SuperWorld users can buy virtual properties via the company's platform using a crypto-wallet.

According to SuperWorld's website, each plot of unowned virtual real estate is currently priced at 0.1 ETH (Ethereum), or P6,702 as of June 28.

"You can buy a place in Manila, Cebu, London, Tokyo, New York, anywhere in the world," Mr. Lotlikar said.

"Once you have it, you can reprice it to whatever you want. Someone else can buy it for that price or give you another bid, but the point is it's your asset. The ownership of that asset allows you to benefit from all of the activities in that location from everyone."

He said the platform's average paying user does about 10 to 15 transactions and spends about \$4,000 in the first month.

Currently, SuperWorld is focused on what customers do when they come to the platform.

"When I talk to customers, the first thing I hear is that they are excited and galvanized about the opportunity to create, discover, and monetize anything anywhere in the real world," Mr. Lotlikar said.

"People talk about it because they love talking about the places they love in the world."

On why should people care about virtual real estate today, he said: "Our lives are going much more virtual whether you like it or not."

"You are definitely doing more Zoom calls. You are probably watching more movies on Netflix. You are doing more online activities. Maybe you've started getting into crypto. People have become more digital."

"Now, the opportunity to start owning these places is available, and if you are a forward-thinker, if you understand that people's lives are going digital, and you see trends like *Pokémon GO* doing things in real-world locations, you know that these spatial computing environments will be where we spend a lot of our time, even in the physical world," he added.

Philex Mining receives SEC permit on stocks right offering

PHILEX Mining Corp. announced on Wednesday that it received its permit to offer securities for sale from the Securities and Exchange Commission (SEC) for its stock rights offering.

The offering covers up to 842 million shares and will run from July 14 to 25. Shareholders are entitled to one offer share for every 5.8674 common shares they hold. The offer shares are priced at P3.15 each.

Net proceeds will be used by Philex for capital expenditures and development costs of its Silangan copper-gold project. The

funding represents Philex's investment in Silangan Mindanao Mining Co., Inc. through Silangan Mindanao Exploration Co., Inc.

The Silangan project in Surigao del Norte is expected to start commercial operations by 2025. It needs initial capital of \$224 million.

Philex earlier reported that its 2021 net income attributable to parent firm equity holders grew to P2.43 billion, driven by higher metal prices. Full-year core net income rose to P2.53 billion from P1.16 billion in 2020.

On Wednesday, Philex shares declined by 0.57% or two centavos to finish at P3.46 apiece.

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. — **Luisa Maria Jacinta C. Joeson**

Pag-IBIG Fund releases record-high P40.41B home loans in Jan-May 2022, up 15%

Pag-IBIG Fund again surpassed its own record by releasing over P40 billion in home loans in the first five months of 2022, top officials announced on Tuesday (June 28).

From January to May, the agency released home loans worth P40.41 billion, the highest ever amount released during the first five months of any year in its history. Compared to the same period last year, the amount disbursed so far this year grew 15% from the P35.28 billion released during the same period in 2021.

"Pag-IBIG has once again set a new record in the amount of home loan releases to begin the first five months of the year. We are happy that the number of Filipino workers who are able to become homeowners through the Pag-IBIG home loan programs continue to grow. Our consistent performance also indicates that the home loan policies we have set in place have been effective, and we expect that these would continue to enable even more Filipino workers to have decent and affordable homes in safe, sustainable and resilient communities," said Secretary Eduardo D. del Rosario, who heads the Department of Human Settlements and Urban Development (DHSUD) and the

11-member Pag-IBIG Fund Board of Trustees.

Meanwhile, Pag-IBIG Fund Chief Executive Officer Acmad Rizaldy P. Moti said that the amount released as of May financed the acquisition and construction of 36,865 homes for Pag-IBIG Fund members, 5% higher than the 34,979 homes financed during the same period last year.

He added that out of the total number of homes financed, 6,787 or 18% were socialized housing units which are now owned by minimum-wage and low-income workers and their families.

"Last year, we surpassed the P100-billion peso level in home loan releases, a feat we previously thought was impossible. This year, with our record-high home loan releases from January to May, we are optimistic that Pag-IBIG Fund is well on its way to yet another banner year. Should the current trend hold, we expect to release at least P105 billion pesos in home loans by year's end. I am confident that our outstanding performance on the home loan front will be sustained, especially under the leadership of our Deputy CEO for Home Lending Marilene C. Acosta, who has been instrumental in our record-breaking performance in home loan releases since 2017", Moti said.

Peso, from SI/1

"Investors move their money to the US when interest rates there increase," he told *One Balita Pilipinas* in Filipino. "As the dollar strengthens, other currencies weaken."

The US Federal Reserve hiked its benchmark policy rate by 75 basis points (bps) and has signaled more increases at its future meetings to cool down inflation.

The US consumer price index rose by 8.6% in May, the fastest since December 1981. This caused renewed concerns that the Fed's aggressive action could dampen growth prospects for the world's largest economy.

Michael L. Ricafort, chief economist at Rizal Commercial Banking Corp. said the peso depreciated as New York Fed President John T. Williams and San Francisco Fed President Mary C. Daly promised further interest-rate hikes on Tuesday.

"We need to move expeditiously," Mr. Williams told CNBC. "In terms of our next meeting I think 50 (bps) or 75 is clearly going to be the debate."

Ms. Daly said she expects the economy to slow but not stop growing.

"Many are worried that the Fed might be acting too aggressively and maybe tip the economy into recession," Ms. Daly said in an interview on LinkedIn. "We are working towards that as quickly as we possibly can, and hopefully Americans everywhere will start to see some relief in their pocketbooks."

"The peso weakened as recession concerns prevailed following the sharp decline in the US consumer sentiment report," a trader said in an e-mail.

US consumer sentiment hit a new record low in June amid growing concerns about inflation, according to a closely followed University of Michigan survey released on Friday.

Inflation remained the biggest concern for consumers, with 47% of them blaming the rising prices for their worsening living standards.

"The local currency might weaken further ahead of Fed Chairman Jerome H. Powell's speech tonight," the trader added.

Mr. Ricafort expects the peso to trade at P54.85 to P55.10 on Thursday. — **Keisha B. Ta-asan with Reuters**



Bank, from SI/1

But there are still gaps in financial services for underserved sectors such as women, the poor and less educated, it said.

In the Philippines, even if account ownership had grown significantly in the past decade, 57% of unbanked adults found opening accounts too expensive.

About 41% of Filipino workers in the private sector got their salaries through a payroll account, according to the report. The rest got their wages in cash and through other methods.

"In Cambodia and the Philippines, about 20% of unbanked adults — or about 10% of all adults — received government transfer payments in cash," according to the report. "More than 80% of the unbanked receiving such payments in these economies have a mobile phone."

Meanwhile, three of four Filipinos who bought something online paid for these in cash.

Globally, 78% of men and 74% of women had bank accounts.

"The growth or decline of the gender gap adheres to different patterns, depending on the econ-

omy," according to the report. "No single set of circumstances drives gender equity in relation to account growth overall."

About two of three Filipino adults were very worried about medical expenses, while more than half were worried about old age.

"Not surprisingly, poor adults worry more than higher-income adults about having enough money to pay monthly bills," it added.

The Global Findex database, which surveyed how people in 123 economies use financial services throughout 2021, is produced by the World Bank every three years in collaboration with Gallup, Inc.

It is a comprehensive data set on how adults save, borrow, make payments, and manage risk.

The interviews in the Philippines were conducted from Sept. 20 to Nov. 15, 2021, with one thousand interviews conducted through calls.

The 2021 edition was authored and led by Asli Demirgüç-Kunt, Leora Klapper, Dorothe Singer, and Saniya Ansar. — **Keisha B. Ta-asan**