Philippine Stock Exchange index (PSEi) 6,699.66 ▲18.98 PTS. ▲0.28%

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PSEi MEMBER STOCKS

Symbol	Company	Price	Change	% Change
AC	Ayala Corp.	P733.00	+P13.00	+1.81%
ACEN	AC Energy Corp.	P8.70	+P0.10	+1.16%
AEV	Aboitiz Equity Ventures, Inc.	P59.45	-P0.25	-0.42%
AGI	Alliance Global Group, Inc.	P9.67	+P0.17	+1.79%
ALI	Ayala Land, Inc.	P28.50	+P0.45	+1.60%
AP	Aboitiz Power Corp.	P31.55	-P0.45	-1.41%
BDO	BDO Unibank, Inc.	P118.30	+P2.40	+2.07%
BPI	Bank of the Philippine Islands	P95.30	+P0.30	+0.32%
CNVRG	Converge ICT Solutions, Inc.	P19.18	-P1.77	-8.45%
EMI	Emperador, Inc.	P19.06	-P0.04	-0.21%
GLO	Globe Telecom, Inc.	P2,240.00	+P50.00	+2.28%
GTCAP	GT Capital Holdings, Inc.	P501.00	+P8.00	+1.62%
ICT	International Container Terminal Services, Inc.	P185.40	+P1.40	+0.76%
JFC	Jollibee Foods Corp.	P232.00	-P1.00	-0.43%
JGS	JG Summit Holdings, Inc.	P54.30	-P0.75	-1.36%
LTG	LT Group, Inc.	P8.95	+P0.21	+2.40%
MBT	Metropolitan Bank & Trust Co.	P51.90	+P1.00	+1.96%
MEG	Megaworld Corp.	P2.45	+P0.03	+1.24%
MER	Manila Electric Co.	P329.00	+P4.00	+1.23%
MONDE	Monde Nissin Corp.	P16.36	+P0.06	+0.37%
MPI	Metro Pacific Investments Corp.	P3.80	+P0.06	+1.60%
PGOLD	Puregold Price Club, Inc.	P34.90	+P1.05	+3.10%
RLC	Robinsons Land Corp.	P18.80	-P0.50	-2.59%
SECB	Security Bank Corp.	P41.05	+P0.65	+1.61%
SM	SM Investments Corp.	P843.00	-P2.00	-0.24%
SMC	San Miguel Corp.	P103.00	-P1.20	-1.15%
SMPH	SM Prime Holdings, Inc.	P38.45	-P0.55	-1.41%
TEL	PLDT, Inc.	P1,818.00	+P7.00	+0.39%
URC	Universal Robina Corp.	P125.90	-P0.40	-0.32%
WLCON	Wilcon Depot, Inc.	P30.45	+P1.30	+4.46%

Toyota wants car manufacturing incentives extended until 2027

TOYOTA Motor Philippines Corp. (TMP) is seeking the extension of the Comprehensive Automotive Resurgence Strategy (CARS) incentives program until 2027 to allow the car manufacturer to meet the required production quota.

"The CARS program has to be extended. Three years would be reasonable. We are asking for an extension until 2027 — three years from the original deadline which is 2024, because we were affected by so many factors," TMP First Vice-President for Corporate Affairs Rommel R. Gutierrez said on the sidelines of the launch of Toyota Mobility Solutions Philippines, Inc. (TMSPH) last week in Taguig City.

TMP has until 2024 to produce 200,000 units of its Vios subcompact car under the CARS program signed in 2015 and managed by the Board of Investments. The other participant in the program, Mitsubishi Motors Philippines, Inc., has until 2023 to produce its Mirage model.

"We are continuing the program. Our commitment to produce 200,000 units is still there. We are currently at full capacity. We are trying to hit the target as soon as possible. But because of relative factors, the original schedule was disturbed," Mr. Gutierrez said.

As of July, TMP has produced 60% of the 200,000 units required under the program, he said, adding that the company surpassed the 100,000 mark in October last year.

"We want to see it (CARS program) continue. The (program) participants have invested. We have yet to complete in fact our commitments to meet a production volume of 200,000 units," Mr. Gutierrez said.

"Let's give it to the government now. They are still discussing internally given the change in administration," he added.

TMP on Friday inaugurated TMSPH, a wholly owned subsidiary that will serve as a provider of mobility-related services.

"We envision TMSPH to be at the center of the 'new mobility' ecosystem as an integrated, 'one-stop' mobility solutions provider to help advance businesses and address local communities' needs," TMSPH President Ma. Cristina Fe Arevalo said in a statement.

"TMSPH will primarily support the operating efficiency and growth of micro, small and medium-sized enterprises or MSMEs of various industries which are vital in driving economic growth," she added.

According to TMP, the new subsidiary will offer fleet-connected service, on-demand shuttle booking app, car sharing or rental, logistics matching service, and fleet management service.

TMSPH is also seen to complement efforts in promoting and managing units under the KINTO full operating lease product of Toyota Financial Services Philippines Corp.

In a separate statement, TMP claimed that 95% of users of electrified vehicles in the country are using a model from Toyota or Lexus.

"Based on the recent official figures from the Chamber of Automotive Manufacturers of the Philippines (CAMPI), as of end of June 2022, there are already 1,013 total electrified vehicles sold in the market, surpassing the 2021 total volume of 843 and 2020's 378. A total of 962 of the 2022 year-to-date sales are Toyota and Lexus models," TMP said.

"Toyota and Lexus offer the widest range of hybrid electric vehicles in the country today with multiple variants across 10 models — Toyota's Corolla Altis, Corolla Cross, Prius, Camry, and RAV 4 plus Lexus' IS, ES, LS, NX and RX," it added. **— Revin Mikhael D. Ochave**

CA upholds fine, suspension on Alphaland chief, directors

THE Court of Appeals (CA) has upheld the decision of the Securities and Exchange Commission (SEC) that imposed a fine of P1 million and a five-year suspension on businessman Roberto V. Ongpin and several directors of Alphaland Corp. for issuing undervalued company shares in exchange for property and failing to disclose property valuations.

In a 19-page decision on Aug. 10 and made public on Aug. 11, the appellate court agreed with the SEC's findings as it said the board members violated the Securities and Regulations Code (SRC) for making false statements and misrepresentations on the issuances of company shares.

Alphaland President Dennis O. Valdes, one of the petitioners in the case, did not immediately reply when sought for comment on Viber.

Mr. Ongpin, the chairman and chief executive officer (CEO) of Alphaland, along with other executives, argued that the SEC Enforcement and Investor Protection Department (EIPD) wrongly assumed jurisdiction in an intra-corporate dispute which stemmed from a complaint filed by British investment manager Ashmore Group.

The executives claimed Mr. Ongpin's group and the Ashmore Group had already settled the complaint and agreed to withdraw all cases against each other in the regular courts.

The London-based investment manager filed a complaint in 2014 that alleged Alphaland Holdings (Singapore) Pte. Ltd. offered to lend P2.25 billion to Alphaland on the condition that Mr. Ongpin would resign as the firm's chairman and CEO due to the negative publicity from his involvement in the Development Bank of the Philippines (DBP) behest loans controversy.

The court disagreed as it affirmed the SEC's jurisdiction over disputes that stem from violations of the SRC. **— John Victor D. Ordoñez**

FULL STORY

Read the full story by scanning the QR code or by typing the link <bit.ly/Alphaland081522>

Poll,
from S1/1

The Philippine economy expanded by 7.4% in the second quarter as rising inflation weighed on consumer spending, based on preliminary data released by the PSA.

The second-quarter growth print was slower than 12.1% a year earlier and 8.2% in the first quarter.

MUFG Bank analyst Sophia Ng said in an e-mail that taming inflation itself could help boost private consumption, which saw a slowdown in the April to June period.

Household spending fell by 2.7% quarter on quarter, as inflation accelerated due to higher prices of food and fuel.

"The recent GDP figure further demonstrates that demand-pull inflation may not be at work yet in the Philippines," China Banking Corp. Chief Economist Domini S. Velasquez said.

With the off-cycle hike of 75 bps in July, the Monetary Board has raised benchmark interest rates by a total of 125 bps so far this year.

"The BSP has no other recourse but to increase policy rate by another 50 basis points to follow the almost 200 basis points that the US Federal Reserve has instituted to soften the impact of the US recession," Colegio de San Juan de Letran Graduate School Associate Professor Emmanuel J. Lopez said in an e-mail.

The Federal Open Market Committee (FOMC) raised the target range for the federal funds rate by 75 bps in July. The US central bank's overnight interest rate is now at a level between 2.25% and 2.50%.

Despite US inflation cooling to 8.5% in July from 9.1% in June, Fed officials said they are open to the possibility of a bigger rate hike in September if inflation remains persistently elevated.

"Against such a backdrop, uncertainties surrounding the US monetary policy direction and global growth could exacerbate peso weakness and increase the risks of further inflation," ANZ Research economist Debalika Sarkar said.

The local unit ended at P55.61 per dollar on Friday, weaker by 31 centavos from its P55.30 close on Thursday, based on Bankers Association of the Philippines data. It also depreciated by 41 centavos from its P55.20-a-dollar finish a week earlier.

On the other hand, UnionBank of the Philippines, Inc. Chief Economist Ruben Carlo O. Asuncion expects the BSP to raise interest rates by 25 bps due to the lower-than-expected second-quarter GDP.

"Even with the fairly respectable year-on-year 2Q22 GDP print, it is difficult not to notice the annual growth's 2Q sequential dip especially after a year of quarterly gains," Mr. Asuncion said in an e-mail.

PSA data showed the country's economic output shrank by 0.1% on a seasonally adjusted quarter-on-quarter basis.

Mr. Asuncion said the Philippine economy will continue to face headwinds that will likely slow growth in the second half, such as recession risks in major economies, geopolitical tensions, and rising inflation.

A PAUSE SOON?

For Pantheon Chief Emerging Asia economist Miguel Chanco, the "very disappointing" second-quarter GDP may prompt the BSP to keep its rates unchanged on Thursday.

"We've been saying since the bank's last rate hike that a weak Q2 GDP report would force the BSP into a pause in August, especially if it's accompanied by signs that inflation is finally easing," Mr. Chanco said in an e-mail.

"Crucially, the latter is now also taking shape, with global oil prices and domestic pump prices starting to roll over materially," he added.

Philippine National Bank economist Alvin Joseph A. Arogo said the BSP should only consider a temporary pause in tightening once the key rate reaches 4.25%.

"We forecast 4.25% by end-2022: 50 bps in August, 25 bps in September, 25 bps in November," Mr. Arogo said.

For Ms. Velasquez, she expects the BSP to continue raising rates by 25 bps, until it reaches 4% by end-2022.

Meanwhile, Ms. Ng said a pause after August is unlikely as inflation is seen to remain elevated and above the BSP's 2-4% target band for this year.

"Further, if the BSP expects inflation to take a longer time to return to its inflation target range, the need for further tightening remains although that is likely to be done at a more gradual pace," Ms. Ng said.

Bank of the Philippine Islands (BPI) Lead Economist Emilio S. Neri, Jr. said the central bank may deliver another off-cycle rate hike if the peso depreciates further in the coming months.

"BSP might be compelled to hike off-cycle again if the FOMC hikes more aggressively in Sept. forcing BSP to sell foreign exchange reserves," Mr. Neri said in a Viber message.

After Thursday, there are three more Monetary Board meetings scheduled this year — Sept. 22, Nov. 11, and Dec. 15.