Philippine Stock Exchange index (PSEi) 6,405.50 ▼ 77.61 PTS. ▼ 1.19%

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BusinessWorld

PSEi MEMBER STOCKS

AC	Ayala Corp.	P697.00	+P4.50	+0.65%
ACEN	AC Energy Corp.	P8.86	+P0.15	+1.72%
AEV	Aboitiz Equity Ventures, Inc.	P58.20	-P0.80	-1.36%
AGI	Alliance Global Group, Inc.	P9.31	-P0.31	-3.22%
ALI	Ayala Land, Inc.	P25.90	-P0.10	-0.38%
AP	Aboitiz Power Corp.	P31.00	-P1.40	-4.32%
BDO	BDO Unibank, Inc.	P116.90	-P1.80	-1.52%
BPI	Bank of the Philippine Islands	P95.75	+P1.75	+1.86%
CNVRG	Converge ICT Solutions, Inc.	P20.00	+P0.06	+0.30%
EMI	Emperador, Inc.	P19.02	-P0.22	-1.14%
GLO	Globe Telecom, Inc.	P2,010.00	-P50.00	-2.43%
GTCAP	GT Capital Holdings, Inc.	P451.80	-P7.00	-1.53%
ICT	International Container Terminal Services, Inc.	P184.60	-P3.30	-1.76%
JFC	Jollibee Foods Corp.	P214.80	+P2.40	+1.13%
JGS	JG Summit Holdings, Inc.	P53.75	-P1.25	-2.27%
LTG	LT Group, Inc.	P8.50	-P0.02	-0.23%
MBT	Metropolitan Bank & Trust Co.	P47.70	-P1.30	-2.65%
MEG	Megaworld Corp.	P2.26	-P0.08	-3.42%
MER	Manila Electric Co.	P316.00	-P0.60	-0.19%
MONDE	Monde Nissin Corp.	P15.80	+P0.30	+1.94%
MPI	Metro Pacific Investments Corp.	P3.53	-P0.10	-2.75%
PGOLD	Puregold Price Club, Inc.	P31.65	-P0.35	-1.09%
RLC	Robinsons Land Corp.	P17.00	-P0.90	-5.03%
SECB	Security Bank Corp.	P82.00	-P0.10	-0.12%
SM	SM Investments Corp.	P780.00	-P12.00	-1.52%
SMC	San Miguel Corp.	P100.50	-P4.00	-3.83%
SMPH	SM Prime Holdings, Inc.	P36.70	-P0.80	-2.13%
TEL	PLDT, Inc.	P1,710.00	-P50.00	-2.84%
URC	Universal Robina Corp.	P122.60	-P2.10	-1.68%
WLCON	Wilcon Depot, Inc.	P27.50	-P0.90	-3.17%

Ayala Land cuts capital spending to P80B this year

PROPERTY developer Ayala Land, Inc. (ALI) is downscaling this year's P90-billion capital expenditure budget to P80 billion as it postpones for next year the P10 billion allotted for land acquisition.

"We did announce previously P90 billion, but now we are [looking at] P80 billion. The P10 billion is basically for land acquisition, which we will be deferring into next year," ALI Chief Finance Officer and Treasurer Augusto Cesar D. Bengzon said during the company's first-half media briefing on Friday.

He said that the deferral was because there are still conditions that need to be fulfilled by landowners in their negotiations with ALI.

"We don't need to rush it. We think next year we will be able to come to terms [with the landowners]," Mr. Bengzon added.

In a press release on Friday, ALI said its first-half capital spending reached P30.2 billion, of which 54% was used on residential projects, 15% on land acquisition, 15% on estate development, and 6% on other items.

For the second half, Mr. Bengzon said that there would be an acceleration in spending on mixed-use developments.

ALI is also set to launch two master-planned estates within the second half of this year to increase its presence in strategic growth areas.

The estates are said to be about 80 hectares each and would be located in Bulacan and Batangas.

Aside from these projects, the company said that there would be 20 residential launches within the year, which it hopes to meet the increasing market demand for real estate projects.

"Moving forward for us, expect that we will continue to develop our existing estates, we'll also continue to introduce, in other parts of the country, new estates," ALI President and Chief Executive Officer Bernard Vincent O. Dy said.

Mr. Dy added that ALI will also look for potential opportunities as the new administration rolls out its eight-point socioeconomic agenda.

In the second quarter, ALI registered a 50.6% increase in net income to P4.91 billion from the P3.26 billion last year.

It also registered an 18.1% increase in the second-quarter top line to P28.72 billion and a year-to-date increase of nearly 9% to P53.34 billion.

"We expect continued growth and recovery in the second half of the year. Our business model of estate development where there are various product offerings remains largely intact and will still be the basis of our growth initiatives moving forward," Mr. Dy said.

On the stock exchange on Friday, shares in ALI slipped by 0.38% or 10 centavos to P25.90 apiece. — **Justine Irish D. Tabile**

MREIT earnings hit P677M on higher occupancy rates

MEGAWORLD Corp.'s real estate investment trust, MREIT, Inc., registered a P677-million net income for the second quarter of the year due to higher occupancy rates.

In a press release, MREIT said that 96.5% of new occupancy contracts had been secured during the April-June period. It derives its revenues through leasing real properties.

The company ended the period with P893 million in revenues. Its distributable income totaled P638 million for the three-month period to sustain its strong performance in the previous quarter.

No comparative figures were given as MREIT held its initial public offering only on Oct. 1, 2021.

Its board approved the declaration of dividends which is higher by 1.6% than the previous quarter to P0.25 per share, bringing the company's annualized dividend yield to 6.2%.

"We remain focused on delivering attractive returns to MREIT investors. We continue to manage our assets proactively, which allowed us to register net positive take-up in our portfolio," MREIT President and Chief Executive Office Kevin L. Tan said.

The company disclosed that these figures do not yet include the additional income arising from the recently announced property-for-share swap transaction.

MREIT announced in April the acquisition of P5.3-billion additional four prime properties located in the Iloilo Business Park in Iloilo City's Mandurriao district, and McKinley West in Taguig City.

The acquisition is still subject to the approval of the Securities and Exchange Commission.

"Once completed, the acquisition will expand MREIT's portfolio gross leasable area (GLA) by 16% to 325,000 square meters covering 18 office properties in four Megaworld premier townships," the company said.

Three of these are in Eastwood City, namely: 1800 Eastwood Avenue, 1880 Eastwood Avenue, and E-Commerce Plaza.

In McKinley Hill, the offices include One World Square, Two World Square, Three World Square, 8/10 Upper McKinley, 18/20 Upper McKinley, and World Finance Plaza.

One Techno Place, Two Techno Place, Three Techno Place, One Global Center, Two Global Center, Festive Walk 1B, and Richmonde Tower are the office properties in Iloilo Business Park.

Two are in McKinley West — One West Campus and Five West Campus.

MREIT was designated by Megaworld, its parent and sponsor, to operate as its flagship REIT company, the primary focus of which will be office and retail leasing to a diversified tenant base.

On Friday, shares in MREIT closed lower by 0.88% or 14 centavos to P15.70 apiece. — **Justine Irish D. Tabile**

Grab Philippines says MOVE IT acquisition compliant with rules

GRAB Philippines is confident that its acquisition of MOVE IT, which allows it to enter the market for motorcycle taxis, is compliant with existing rules, its public affairs director said.

"Legally, based on the pilot guidelines issued by the DoTr (Department of Transportation), we feel that we are covered," Grab Philippines Public Affairs Director Sherielysse R. Bonifacio told *BusinessWorld* during a gathering on Thursday last week.

"For us, it's a good response to the situation we have now. Transport is in short supply and given the rising cost of fuel, we really believe that motorcycle taxis are a good response," she added.

Grab Philippines aims to expand MOVE IT's existing motorcycle taxi fleet and improve the efficiency of its platform to service more commuters and onboard at least 6,000 driver-partners within three months.

Ms. Bonifacio said that Grab Philippines already operates MOVE IT, noting that there is no "prohibition" to doing so under the current guidelines for the operation of motorcycle ride-hailing firms, which include Angkas and JoyRide.

"We've informed the officials of the Land Transportation Franchising and Regulatory Board of the current administration. We've told them in a face-to-face meeting plus we wrote a letter to tell them about it," she said.

"It seems that the reception was neutral, and we will find out if there are further instructions," she added.

According to Grab Philippines, MOVE IT will be independently operated using the existing technology and application.

"It will continue to comply with the standards set by the DoTr's motorcycle taxi pilot program," the company said in a statement.

Grab Philippines Country Head Grace T. Vera Cruz said the company is "doubling down on our commitment to outserving the needs of the Filipino people, and we are optimistic that through MOVE IT, we will create more livelihood opportunities, spur greater economic activities, and help improve every Filipino's daily commute."

"If there is a question of law, we shall be prepared to respond," Ms. Bonifacio said.

Grab Philippines and MOVE IT signed a partnership deal last year to expand the latter's market access and availability of its motorcycle taxi services. However, the technical working group tasked with overseeing the operations of motorcycle taxis issued an order suspending the partnership's implementation pending further study. — **Arjay L. Balinbin**

OUTLIER

SMIC rises after first-half earnings, geothermal deal

SY-LED SM Investments Corp. (SMIC) inched up last week after its first-half earnings report as well as its foray into the energy sector with the acquisition of the operator of the Tiwi and Mak-Ban steam fields.

Data from the Philippine Stock Exchange (PSE) showed that 2.02 million SMIC shares worth P1.58 billion exchanged hands from Aug. 1 to 5, making the stock the fifth most actively traded on the local bourse during the week.

Shares in SMIC dipped by 1.5% to P780 apiece on Friday from P792 on Thursday. On a weekly basis, SMIC inched up by 0.6% from P775.50 each on July 29. However, its price has declined by 16.3% since the start of the year.

"[Last Friday], SMIC closed in the negative territory due to the pessimistic sentiment in the general market caused by our July inflation rate which reached 6.4%, faster than June's 6.1%. Nonetheless, the stock was still up by 0.58% for the week," Philstocks Financial, Inc. Senior Research Analyst Japhet Louis O. Tantiangco said in an e-mail.

The rise, he added, can be attributed to the appreciation of the conglomerate's first-half financial results.

"While we have yet to see the full quarterly report, the first-half results are deemed strong with all key segments contributing to the rise in the bottom line," Mr. Tantiangco said.

"SM's share price increase [last] week could also be attributed to the approval of SM's full acquisition of the Philippine Geothermal Production Co., Inc. (PGPC) which raises the prospects for the conglomerate in the energy space," he said, referring to the company's stock symbol.

In a disclosure on Tuesday, SMIC said it had acquired full ownership of PGPC through a P15.76-billion share-swap deal with Allfirst Equity Holdings, Inc.

The firm said it had received SEC approval to acquire the 81% stake of related parties in Allfirst in exchange for shares in SMIC.

Aniceto K. Pangan, equity trader at Diversified Securities, Inc., said that the stock's movement last week was mainly due to SMIC's earnings, which increased amid eased mobility restrictions, boosting consumer spending and banking activities.

"The additional acquisition of PGPC is positive as manifested by the increase in transacted volume through the Securities and Exchange Commission (SEC) approval," Mr. Pangan said in a text message.

According to SMIC President and Chief Executive Officer Frederic C. Dybuncio, the PGPC deal is a "strategic fit" with the group's investment portfolio, adding that it further reinforces the SM group's commitment to sustainability and good governance, while being a catalyst for responsible development.

In a press release on Wednesday, SMIC reported a 27% increase in its first-half consolidated net income to P25.5 billion. Its consolidated revenues, meanwhile, went up by 23% to P238.5 billion during the same period. — **Abigail Marie P. Yraola**

FULL STORY

Read the full story by scanning the QR code with your smartphone or by typing the link <https://bit.ly/3A3Vjxy>

Chelsea Travel app seen to reduce expenses, boost competitiveness

CHELSEA Logistics and Infrastructure Holdings Corp. said its unified online booking system, Chelsea Travel, is expected to boost the company's cost-efficiency and competitiveness.

"As an interactive application, Chelsea Travel will make transaction turnover faster and eventually reduce manpower cost once passengers are used to using the app from booking to payment," Chelsea President and Chief Executive Officer Chryss Alfonsus V. Damuy told *BusinessWorld* in a Messenger chat last week.

Chelsea and its three shipping lines, Starlite Ferries, SuperCat, and Trans-Asia, are deploying Chelsea Travel to allow passengers to buy and pay for tickets anytime, even after regular business hours.

The group will launch the first phase of Chelsea Travel on Monday, Aug. 8, allowing customers to book by just scanning a quick response (QR) code.

"They will be given access to the VIP lane at the ticket outlet so they can immediately pay without having to line up for a long time. The second phase will enable passengers to pay online, skipping the manual transaction with a teller," the group said in a statement.

The group also plans to launch a loyalty application to provide freebies and rewards.

Mr. Damuy said the application will help increase the company's competitiveness, as it allows them to reach more customers.

"There is no doubt that technology is transforming people's everyday lives. Being just a tap away enables us to reach more travelers and take them to their desired destination, forging stronger ties with our passengers," he added.

"With time being precious and being out in public is sometimes a health/safety issue, more passengers will welcome this innovation to book and pay tickets on their own, at their most convenient time."

He noted that the digital transformation is also essential for attracting and retaining talent within Chelsea, as they see the group's efforts to address customer needs and remain competitive.

The group also sees its move as setting standards within the maritime industry in terms of digital transformation.

"We are focused on our vision which is to be the finest shipping and logistics company known for its unrivaled customer service," Mr. Damuy said.

"Chelsea Travel will decongest the lines at our ticketing offices, promote hassle-free and advance booking, and enable our customer service team to focus on more productive and strategic tasks that will cater to the needs of passengers," he added. — **Arjay L. Balinbin**

Solar Philippines' solar-battery project gets original proponent status

SOLAR Philippines Batangas Baseload Corp. (SPBBC) has secured original proponent status (OPS) to supply power to Manila Electric Co. (Meralco) from its solar-battery baseload project.

"We are grateful for this opportunity to show that solar with batteries can deliver cost-competitive baseload. We thank Meralco for leading the market in the adoption of renewable energy, and look forward to see this project realized for the benefit of consumers," said Leandro L. Leviste, founder of Solar Philippines Power Project Holdings, Inc., in a press release over the weekend.

SPBBC proposed to supply Meralco with up to 200 megawatts (MW) of baseload power from 1,800 MW of solar and 1,800 MWh of battery storage that it is developing in Batangas towns Nasugbu, Tuy, and Balayan.

The company claims that the project would be the world's first gigawatt-scale solar-battery baseload project.

OPS projects are subject to a competitive challenge, with the proponent given the right to match comparative proposals.

The proponent is offering electricity at a fixed price of P4.65 per kilowatt-hour for 20 years, inclusive of value-added tax and other charges. Its offer is said to be 20-40% cheaper than the cost of fossil-fueled power generation in the Philippines.

SPBCC added that its project would be able to operate on a 24-hour basis, and can replace the need for a 200-MW coal power plant. The company said it could supply reliable power in all weather conditions.

"With a plant designed to produce the contracted energy even during cloudy days, and with excess during sunny days able to be sold into the wholesale electricity spot market," SPBCC said.

The company also said it might source backup power from a portfolio of other plants to maximize the availability of supply.

SPBBC is a subsidiary of Solar Philippines. It is set to be added to the portfolio of publicly listed Solar Philippines Nueva Ecija Corp. as part of an approved asset-for-share swap. — **Ashley Erika O. Jose**