Philippine Stock Exchange index (PSEi) 6,583.65 ▼106.62 PTS. ▼1.59%

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PSEi MEMBER STOCKS

AC	Ayala Corp.	P702.00	-P5.00	-0.71%
ACEN	ACEN Corp.	P7.50	-P0.23	-2.98%
AEV	Aboitiz Equity Ventures, Inc.	P56.15	-P1.85	-3.19%
AGI	Alliance Global Group, Inc.	P10.04	-P0.16	-1.57%
ALI	Ayala Land, Inc.	P28.65	-P0.25	-0.87%
AP	Aboitiz Power Corp.	P31.30	-P0.25	-0.79%
BDO	BDO Unibank, Inc.	P128.80	-P2.60	-1.98%
BPI	Bank of the Philippine Islands	P94.95	+P0.55	+0.58%
CNVRG	Converge ICT Solutions, Inc.	P17.40	-P0.56	-3.12%
EMI	Emperador, Inc.	P19.80	-P0.10	-0.50%
GLO	Globe Telecom, Inc.	P2,098.00	-P102.00	-4.64%
GTCAP	GT Capital Holdings, Inc.	P482.00	-P8.00	-1.63%
ICT	International Container Terminal Services, Inc.	P181.20	-P2.80	-1.52%
JFC	Jollibee Foods Corp.	P239.60	-P0.40	-0.17%
JGS	JG Summit Holdings, Inc.	P51.20	-P2.80	-5.19%
LTG	LT Group, Inc.	P8.84	-P0.04	-0.45%
MBT	Metropolitan Bank & Trust Co.	P52.60	-P0.85	-1.59%
MEG	Megaworld Corp.	P2.50	-P0.03	-1.19%
MER	Manila Electric Co.	P301.20	-P9.80	-3.15%
MONDE	Monde Nissin Corp.	P16.50	+P0.08	+0.49%
MPI	Metro Pacific Investments Corp.	P3.73	——	
PGOLD	Puregold Price Club, Inc.	P34.25	-P0.60	-1.72%
RLC	Robinsons Land Corp.	P18.80	-P0.40	-2.08%
SCC	Semirara Mining and Power Corp.	P41.10	-P1.10	-2.61%
SM	SM Investments Corp.	P831.00	-P44.50	-5.08%
SMC	San Miguel Corp.	P95.55	-P4.45	-4.45%
SMPH	SM Prime Holdings, Inc.	P37.85	+P0.95	+2.57%
TEL	PLDT, Inc.	P1,679.00	-P21.00	-1.24%
URC	Universal Robina Corp.	P122.00	-P0.90	-0.73%
WLCON	Wilcon Depot, Inc.	P29.95	+P0.35	+1.18%

SEC shuts three online lenders

THE SECURITIES and Exchange Commission (SEC) issued a permanent cease-and-desist order against online lending operators Skymart, Withu, and Spendcash for violating the law governing lending companies.

The SEC said on Wednesday that it denied the respective motions of the three entities to lift the halt order dated Feb. 10 for lack of merit.

The order was issued after the commission found that the three entities were engaging in lending and financing activities without securing the necessary licenses from the SEC.

The regulator said the three lending operators violated relevant regulations such as the requirement for registered lending and financing companies to disclose and report their online lending platforms to the SEC.

Republic Act No. 9474 or the Lending Company Regulation Act (LCRA) of 2007 requires persons or entities operating lending companies to register them as corporations and to secure from the SEC the necessary authority to operate.

"[T]he commission finds that the continued operation of the online lending operators constitutes a clear violation of, and should be penalized pursuant to the [LCRA] because it engages in or carries out a lending business without the required license from the commission," the cease-and-desist order read.

The commission further stated that the acts of the unregistered online lending operators of illegally offering and providing loans to the public at high interest rates, subject debtors to unfair treatment "through abusive and even libelous language in collecting the loaned amount."

The online lending operators were also found to have been imposing onerous and unreasonable terms, charging high interest rates, and performing acts violating their borrowers' right to privacy.

"In its resolution to declare the [order] permanent, the Commission En Banc noted that the registered corporations supposedly operating the three lending companies failed to comply with SEC Memorandum Circular No. 19, Series of 2019, which requires lending and financing companies to report all their existing online lending platforms," the commission stated in the press release.

The SEC has a list of licensed lending and financing companies and their registration status, available in the Lending and Financing Companies corner of its website. — **Justine Irish D. Tabile**

Filipinos spend less on smartphones

SMARTPHONE shipments to the Philippines continued to fall in the second quarter of the year due to low demand and supply, according to the International Data Corp. (IDC).

"The Philippine smartphone market declined for the fourth consecutive quarter in the second quarter of 2022," the market intelligence company said in a statement on Tuesday.

Smartphone shipments fell 3.1% in the second quarter compared to the same period last year, IDC noted. "[But] it grew 9.1% quarter-on-quarter (QoQ), shipping 4.3 million units in the second quarter."

IDC Philippines Market Analyst Angela Jenny V. Medez said: "The number of smartphone shipments below $200 improved significantly QoQ, as players such as Transsion and Cherry Mobile launched new models in this segment, but remained low on an annual basis, due to low demand and supply."

"The number of shipments for models in the higher price categories also slowed down as consumer spending declined due to economic headwinds," she added.

Consumer spending on smartphones is expected to continue to be under pressure from the rising cost of living and higher prices of essential goods.

"IDC expects 2022 will end with marginal growth of 2%, or flat compared to 2019," Ms. Medez said.

The top five smartphone brands in the Philippines in the second quarter in terms of market share were realme (21.8%), Transsion (20.5%), Xiaomi (14.6%), Samsung (11.8%), and vivo (10.7%).

"With telecommunications company PLDT recently announcing plans to shut down their 3G network by 2023, we may see a faster migration from feature phones or older smartphones to newer models that support 4G or 5G," Ms. Medez said.

"Note that the number of 3G cellular subscribers in the Philippines are quite low at less than 5% of total subscribers," she added. — **Arjay L. Balinbin**

New Russia gas halt tightens energy screws on Europe

FRANKFURT/LONDON — Russia halted gas supplies via a major pipeline to Europe on Wednesday, intensifying an economic battle between Moscow and Brussels and raising the prospects of recession and energy rationing in some of the region's richest countries.

The outage for maintenance on Nord Stream 1 means that no gas will flow to Germany between 0100 GMT on Aug. 31 and 0100 GMT on Sept. 3, according to Russian state energy giant Gazprom.

Data from the Nord Stream 1 operator's website showed flows at zero for 0600-0700 Central European Time (0400-0500 GMT) on Wednesday, the third hour in a row of no flows.

European governments fear Moscow could extend the outage in retaliation for Western sanctions imposed on it after its invasion of Ukraine and have accused Russian President Vladimir Putin of using energy supplies as a "weapon of war". Moscow denies doing this.

Further restrictions to European gas supplies would heighten an energy crunch that has already sent wholesale gas prices soaring over 400% since last August, creating a painful cost-of-living crisis for consumers and businesses and forcing governments to spend billions to ease the burden.

In Germany, inflation hit its highest level in almost 50 years in August and consumer sentiment is projected to hit a record low for the third month in a row next month as households brace for higher energy bills.

Unlike last month's 10-day maintenance for Nord Stream 1, the upcoming work was announced less than two weeks in advance and is being carried out by Gazprom not Nord Stream AG, focusing on the last operating turbine at the station.

Moscow, which slashed supply via Nord Stream 1 to 40% of capacity in June and to 20% in July, blames maintenance issues and sanctions it says prevent the return and installation of equipment.

Gazprom said the latest shutdown is needed to perform maintenance on the pipeline's only remaining compressor.

Yet Russia has also cut off supply to Bulgaria, Denmark, Finland, the Netherlands and Poland completely, and reduced flows via other pipelines since launching what Moscow calls its "special military operation" in Ukraine.

Gazprom is just using an excuse to switch off natural gas deliveries to its French contractor, the energy minister in Paris said with regard to a separate dispute over payments, but added that the country had anticipated the loss of supply.

German Economy Minister Robert Habeck, on a mission to replace Russian gas imports by mid-2024, earlier this month said Nord Stream was "fully operational" and there were no technical issues as claimed by Moscow.

Klaus Mueller, president of Germany's network regulator, said while a resumption of flows would help Germany's security of supply, no one was able to say what the consequences would be if flows remained at zero.

Europe's largest economy is making better progress than expected in filling its gas storage facilities, but it's not enough to get the country through winter, he said.

The reduced flows via Nord Stream have complicated efforts across Europe to fill up vital gas storage facilities, a key strategic goal to make it through the winter months, when governments fear Russia may halt flows altogether.

"It is something of a miracle that gas filling levels in Germany have continued to rise nonetheless," Commerzbank analysts wrote, adding Germany had so far been successful at buying sufficient volumes at higher prices elsewhere.

In the meantime, however, some Europeans are voluntarily cutting their energy consumption, including limiting their use of electrical appliances and showering at work to save money while companies are bracing for possible rationing. — ***Reuters***

First Solar pledges $1.2-billion US factory expansion

FIRST Solar, Inc. will spend $1.2 billion to expand its solar panel manufacturing operations in the United States, creating hundreds of jobs including with a new factory in the Southeast, the company said on Tuesday.

It is among the first major corporate investments announced following the Inflation Reduction Act (IRA), a $430-billion package of policies aimed at combating climate change that President Joseph R. Biden signed into law this month.

The IRA includes new tax credits for US-made solar products, supporting Mr. Biden's goal of decarbonizing the electricity sector by 2035 with clean energy technologies made by American workers.

The announcement is an about-face for the largest US solar panel maker, which said earlier this summer it was unlikely to build its next factory in the United States due to the lack of federal support.

"We believe that with the IRA we have a durable industrial policy foundation, one that we have long been advocating for, that's comprehensive in its foundation and will enable the solar industry as a whole," Chief Executive Mark Widmar said on a call with reporters.

First Solar said it would invest $1 billion in a new factory in the Southeast that will begin operations in 2025. The company plans to select the location later this year.

It will also spend $185 million to expand production in Ohio, where it has two facilities and is building a third.

The expansions are expected to create 850 jobs and bring the company's total US workforce to 3,000.

First Solar shares rose more than 2% at $124.22 on the Nasdaq following the announcement.

Some 90% of panels installed in the United States are made overseas, but imports have been constrained by pandemic-related supply chain disruptions, tariff threats and increased border scrutiny to block supplies linked to forced labor. — ***Reuters***

US regulators to vet Alibaba, other Chinese firms' audits

HONG KONG — US regulators have selected e-commerce giant Alibaba Group Holding Ltd. and other US-listed Chinese companies for audit inspections starting next month, three sources familiar with the matter said.

The move follows Friday's landmark audit deal between Beijing and Washington allowing US regulators to vet accounting firms in mainland China and Hong Kong, potentially ending a long-running dispute that threatened to boot more than 200 Chinese companies from US stock exchanges.

Alibaba has been notified that it is among the first batch of Chinese companies whose audits will be inspected by the US audit watchdog — Public Company Accounting Oversight Board (PCAOB) — in Hong Kong, the sources told Reuters.

PwC, the accounting firm of China's biggest e-commerce company, has also been informed of the audit work inspection, said the sources, declining to be identified due to confidentiality constraints.

Alibaba did not respond to a request for comment while a PwC spokesperson said it was company policy not to comment on any client matters.

A PCAOB spokesperson said the board did not comment on inspections. The China Securities Regulatory Commission (CSRC) did not immediately respond to a request for comment.

Alibaba's US-listed shares closed down nearly 3% on Tuesday after the Reuters report, having been up about 1% in pre-market trade. Its Hong Kong shares slumped more than 3% in Wednesday morning trade while tech giants listed in the city dropped nearly 2%.

US regulators have for more than a decade demanded access to audit papers of US-listed Chinese companies, but Beijing has been reluctant to let US regulators inspect its accounting firms, citing national security concerns.

Alibaba, which went public in New York in 2014 in what was at the time the largest listing in history, is the most valuable Chinese firm listed in the United States with a market value of $248 billion as of Tuesday.

The PCAOB said on Friday that the watchdog had notified the selected companies, without naming them, and its officials are expected to land in Hong Kong, where the inspections will take place, by mid-September.

The regulator, which oversees audits of US-listed companies, would select companies based on risk factors, such as size and sector, and that no companies could expect special treatment, according to the PCAOB.

Reuters could not immediately determine how many and which other Chinese companies were in the first batch of US inspections. — ***Reuters***

Hedge fund Bridgewater, Citadel Securities expand Asian footprint

HONG KONG — Bridgewater Associates, the world's largest hedge fund, and Citadel Securities, one of the biggest market-making firms, announced new offices in Singapore and Tokyo on Wednesday.

Bridgewater said in a statement that its new Singapore office marks its first Asian expansion beyond China in order to serve regional clients. Citadel is opening an office in Tokyo and plans to market US fixed income products in Japan, it said separately.

Founded by long-time China bull and billionaire investor Ray Dalio, Bridgewater's Singapore location adds to offices in Beijing and Shanghai in the region and opens as the world's biggest hedge fund by assets cuts China equities exposure.

Citadel, which has faced scrutiny in the US over its practice of paying retail brokers for the right to execute their trades, said its Japan plans were part of a global expansion.— ***Reuters***