Philippine Stock Exchange index (PSEi) 6,566.39 ▼ 0.15 PT. ▼0.002%

THURSDAY, DECEMBER 29, 2022 BusinessWorld

PSEi MEMBER STOCKS

Ticker	Company	Price	Change	% Change
AC	Ayala Corp.	P695.00	-P12.00	-1.70%
ACEN	ACEN Corp.	P7.62	-P0.02	-0.26%
AEV	Aboitiz Equity Ventures, Inc.	P57.70	-P0.05	-0.09%
AGI	Alliance Global Group, Inc.	P11.90	+P0.20	+1.71%
ALI	Ayala Land, Inc.	P30.80	+P0.75	+2.50%
AP	Aboitiz Power Corp.	P34.05	+P0.05	+0.15%
BDO	BDO Unibank, Inc.	P105.70	-P0.20	-0.19%
BPI	Bank of the Philippine Islands	P102.00	+P3.00	+3.03%
CNVRG	Converge ICT Solutions, Inc.	P15.88	+P0.22	+1.40%
EMI	Emperador, Inc.	P20.60	-P0.05	-0.24%
GLO	Globe Telecom, Inc.	P2,180.00	-P56.00	-2.50%
GTCAP	GT Capital Holdings, Inc.	P435.00	-P6.60	-1.49%
ICT	International Container Terminal Services, Inc.	P200.00	+P2.00	+1.01%
JFC	Jollibee Foods Corp.	P230.00	——	
JGS	JG Summit Holdings, Inc.	P50.30	-P1.70	-3.27%
LTG	LT Group, Inc.	P9.20	+P0.09	+0.99%
MBT	Metropolitan Bank & Trust Co.	P54.00	-P0.80	-1.46%
MEG	Megaworld Corp.	P2.00	-P0.10	-4.76%
MER	Manila Electric Co.	P298.80	+P4.00	+1.36%
MONDE	Monde Nissin Corp.	P11.08	-P0.24	-2.12%
MPI	Metro Pacific Investments Corp.	P3.42	-P0.08	-2.29%
PGOLD	Puregold Price Club, Inc.	P34.90	-P0.05	-0.14%
RLC	Robinsons Land Corp.	P14.96	-P0.04	-0.27%
SCC	Semirara Mining and Power Corp.	P34.50	-P0.25	-0.72%
SM	SM Investments Corp.	P900.00	-P10.00	-1.10%
SMC	San Miguel Corp.	P92.95	-P1.05	-1.12%
SMPH	SM Prime Holdings, Inc.	P35.50	+P0.60	+1.72%
TEL	PLDT, Inc.	P1,317.00	+P4.00	+0.30%
URC	Universal Robina Corp.	P136.00	-P0.50	-0.37%
WLCON	Wilcon Depot, Inc.	P29.50	+P0.50	+1.72%

Property sector to face headwinds in 2023 — JLL

THE property sector may face headwinds brought by structural changes and macroeconomic challenges this year, according to JLL Philippines.

"We may see rougher currents [in 2023] due to persisting structural changes and macroeconomic headwinds that are weighing down on market activities," JLL Philippines Research Manager Karisse N. Garcia said.

In the last quarter of 2022, JLL saw leasing and sale activities slow down, while rents and prices declined.

"Despite this, we believe that fundamental market drivers would serve as 'floaters' for the industry through 2023," Ms. Garcia said.

One of the drivers seen by the property consultant is the business process outsourcing (BPO) industry, which provides the majority of the demand for office spaces.

"[These drivers] would include the sustained growth of the BPO sector, which is anticipated to accelerate further in terms of both revenue and manpower, coming from the roadmap and forecasts from IBPAP (IT and Business Process Association of the Philippines)," Ms. Garcia said.

The further return to normalcy is said to improve the return-to-office rates, said Ms. Garcia, as the looser restrictions will encourage foot traffic in public places.

"Lastly, the outstanding rebound of the tourism sector may buoy the performance primarily of the hospitality and retail sectors," she added.

Meanwhile, JLL expects return-to-office rates to move with an upward bias this year but not by a significant amount as some workforce are already back in the workplace.

"Filipinos are already learning how to live with [the] pandemic and this is encouraging more of the population to return back to public places, pulling up not only return-to-office rates but also retail foot traffic, among others," Ms. Garcia said.

She noted, however, that the level of return-to-office rates across different business types and operations would not be uniform and would continue to vary.

"There would be some businesses [that] would opt to do full remote work, full on-site work, and hybrid work, depending on what work arrangement would be best fit for their type of operation," Ms. Garcia added. — **Justine Irish D. Tabile**

Philstocks awaits PSEi's rally on economy's prospects

THE local market is expected to move with an upward bias this year as long as the Philippine economy will see favorable developments, an analyst said.

"With the market at attractive levels, together with the local economy's growth prospects, we see the bourse moving with an upward bias [in 2023]," Philstocks Financial, Inc. Senior Research Analyst Japhet Louis O. Tantiangco said in a Viber message.

According to Mr. Tantiangco, the economy is expected to further expand, though at a slower pace due to perceived challenges from high inflation, rising interest rates, and global economic headwinds.

In the third quarter of 2022, the country's gross domestic product (GDP) grew stronger than expected at 7.6%, which brought the nine-month average growth to 7.7%. The latest quarterly figure is slightly higher than the revised 7.5% growth in the second quarter and the 7% growth in July-September 2021.

BW FILE PHOTO

The economic growth figure for full-year 2022 is expected to be released by the Philippine Statistics Authority on Jan. 26.

"The local market may stage a strong rally if we see favorable developments with respect to the aforementioned challenges," Mr. Tantiangco said.

"A decline in the Philippines' inflation, which is possible due to the past policy rate adjustments by the Bangko Sentral ng Pilipinas (BSP), a slowdown in the monetary tightening of the central banks, and a resilient global economy may spur optimism," he added.

Mr. Tantiangco said that unfavorable developments in the local economy could weigh on the local bourse. He said he remains to keep a bullish outlook as the market is seen to trade above the 50-day and 200-day exponential moving averages.

He placed the Philippine Stock Exchange index's (PSEi) major support at 6,400, its immediate resistance at 6,600, and its next resistance between the 7,000 and 7,100 range.

Trading for 2022 was "anemic" after the bourse booked an average net value turnover of P5.92 billion, which is lower than 2021's average of P7.38 billion.

"2022 has been a rough year for the local equities market," Mr. Tantiangco said, adding that while concerns over the coronavirus pandemic and its impact on the local economy may have already dissipated, "the market transitioned to a new set of macroeconomic problems that dampened sentiment."

On the last trading day of 2022, PSEi closed at 6,566.39, which is 556.24 points or 7.81% lower than its close of 7,122.63 on Dec. 31, 2021. — **Justine Irish D. Tabile**

SC sets aside steel manufacturer's tax liabilities worth P37.7 million

THE Supreme Court (SC) has canceled Prime Steel Mill, Inc.'s deficiency income tax liabilities worth P37.68 million inclusive of interest and penalties for 2005.

In a 10-page decision made public on Dec. 16, 2022, the SC Third Division said the Bureau of Internal Revenue (BIR) prematurely filed the final tax assessment notice before the firm could file its reply.

"The fact remains that the respondent violated the petitioner's right to due process by issuing a final assessment notice without even awaiting its reply to the preliminary assessment notice," according to the ruling penned by Associate Justice Japar B. Dimaampao.

Under the law, taxpayers are given 15 days to reply to a preliminary assessment and dispute their tax liabilities.

The Court of Tax Appeals previously denied the steel manufacturer's appeal to review the tax assessment since it said the BIR had complied with the requirements of due process.

The High Court noted the period given to a taxpayer to reply should not be ignored since it allows a settlement of the dispute without the need for a final notice.

It added that tax assessments that fail to comply with the regulations on a taxpayer's right to due process must be considered void.

"In several cases, this court has enjoined strict observance by the BIR of the prescribed procedure for the issuance of assessment notices in order to uphold the taxpayers' constitutional rights," the tribunal said. — **John Victor D. Ordoñez**

ACEN says 700-MW solar, wind plants to run in 2023

ACEN Corp. is expecting at least 700 megawatts (MW) of its solar and wind projects to start operations in 2023.

"ACEN is currently building over 1,000 MW of solar and wind projects in the Philippines, of which around 700 MW is expected to start operations within the next 12 months," Eric T. Francia, president and chief executive officer of ACEN, said in a Viber message.

Mr. Francia said the facilities would help alleviate the supply pressure and also help the country achieve its renewable energy (RE) targets. The Philippines is targeting to increase the share of renewable energy in its energy mix to 35% by 2030 and 50% by 2040.

Latest available data from the Department of Energy showed that as of 2021, coal accounted for the biggest share in the country's gross power generation mix at 57.5%, while the share of renewables stood at 23.4%, followed by natural gas at 17.7% and oil-based sources at 1.4%.

Mr. Francia said that to scale up renewables, the country should incorporate more energy storage in the system.

"It is therefore critical to get the reserve market operational soonest. It is also critical to get the renewable energy market operational, especially given the upward adjustment in renewable portfolio standards (RPS)," he said.

The RPS program requires power distributors to source or produce a fraction of their requirements from eligible RE resources.

ACEN, the energy arm of the Ayala group, announced in 2021 that it was targeting to reach net-zero greenhouse gas emissions by 2050 through the retirement of its remaining coal plant.

In November, ACEN announced that it completed divesting its stake from a 246-MW coal-fired plant of its subsidiary South Luzon Thermal Energy Corp., allowing the early retirement of the coal plant in Batangas.

The company aims to reach 20 gigawatts of renewable capacity by 2030. To date, it has 4,000 MW of attributable capacity in the Philippines, Vietnam, Indonesia, India, and Australia. — **Ashley Erika O. Jose**

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OUTLIER

ICTSI rises on prospects for 2023, acquisition news

SHARES in Razon-led International Container Terminal Services, Inc. (ICTSI) moved upward last week as investors assessed the port operator's financial performance as well as its subsidiary's agreement to buy ownership interest and subscription rights in a terminal operator.

Data from the Philippine Stock Exchange (PSE) showed ICTSI ranking 10th in value turnover with P383.72 million worth of 1.92 million shares exchanging hands from Dec. 27 to 29.

ICTSI shares closed at P200 apiece on Thursday, lower by 2% from its Dec.23 close. Year to date, the stock retained its share price. Local financial markets were closed on Dec. 26 due to a special non-working holiday and on Dec. 30 due to a national holiday.

"ICT has been moving in a generally upward bias the past few weeks as many investors are betting heavily on the company to outperform for 2023," Regina Capital Development Corp. Head of Sales Luis A. Limlingan said, referring to ICTSI's ticker symbol.

"Though [last] week did see some consolidation which was due to market weakness as a whole as trading volumes were depressed because of the holiday season and shortened trading week," he added.

In a separate e-mail, Philstocks Financial, Inc. Senior Research Analyst Japhet Louis O. Tantiangco said ICTSI's stock movement reflected investors' expectations for the global economy for 2023.

Mr. Tantiangco highlighted worries about a lingering global economic slowdown, risks of global recession due to rising interest rates, and the adverse effects of Russia's prolonged war on Ukraine and China's coronavirus disease 2019 (COVID-19) situation.

"Given ICT's dependence on the performance of the global economy, in particular global trade, a global economic slowdown, much worse, a recession, poses downside risks on the company's financial performance," he said.

In the last week of 2022, the Enrique K. Razon, Jr.-led company saw developments that include the signing by its subsidiary IWI Container Terminal Holdings, Inc. of an agreement to buy the ownership interest and subscription rights of Marubeni Corp., a Japan-based integrated trading and investment business, in Bauan International Port, Inc. (BIPI).

IWI Container Terminal is acquiring 2.05 million BIPI shares held by Marubeni representing a 20% stake for around P507.41 million.

BIPI, the operator of the Bauan terminal, supports cargo movements in and out of the Calabarzon (Cavite, Laguna, Batangas, Rizal, and Quezon) region.

For Mr. Limlingan, the acquisition is another positive update for the company. He noted, however, that the market's reaction might be delayed as fund managers were mostly on a break last week.

Mr. Tantiangco said the move to acquire an additional 20% stake through its subsidiary wasn't given much attention by investors as the focus was more on the global economic prospects for 2023.

In the third quarter, ICTSI reported a 42.6% rise in attributable net income to \$170.66 million. Its consolidated revenues from port operations during the period grew by 20.4% to \$595 million.

Claire T. Alviar, a research analyst at Philstocks, projects ICTSI's earnings per share in 2022 to reach \$0.31, which would be 71% higher than the 2021 figure if realized.

An improvement in the global economic outlook could entice investors to consider the port operator, Mr. Tantiangco said.

"This would include global demand being able to withstand the rise in interest rates so as to keep the flow of global trade healthy. The solving of problems weighing on the world economy such as the Russia-Ukraine war and China's COVID-19 situation is also seen to help," he added.

"Immediate support is seen at P190.00. Immediate resistance is seen at the P205.00-P207.00 range."

For Mr. Limlingan, investors are always ready to buy into the company, thus any market correction would provide the opportunity to do so.

He pegged support and resistance levels at P196.00 and P208.00, respectively. — **Abigail Marie P. Yraola**