

Philippine Stock Exchange index (PSEi)

7,081.36

▲ 39.86 PTS.

▲ 0.56%

WEDNESDAY, JANUARY 25, 2023

BusinessWorld

PSEI MEMBER STOCKS

Table listing PSEI member stocks including AC (Ayala Corp.), ACEN (ACEN Corp.), AEV (Aboitiz Equity Ventures, Inc.), AGI (Alliance Global Group, Inc.), ALI (Ayala Land, Inc.), AP (Aboitiz Power Corp.), BDO (BDO Unibank, Inc.), BPI (Bank of the Philippine Islands), CNVRG (Converge ICT Solutions, Inc.), EMI (Emperador, Inc.), GLO (Globe Telecom, Inc.), GTCAP (GT Capital Holdings, Inc.), ICT (International Container Terminal Services, Inc.), JFC (Jollibee Foods Corp.), JGS (JG Summit Holdings, Inc.), LTG (LT Group, Inc.), MBT (Metropolitan Bank & Trust Co.), MEG (Megaworld Corp.), MER (Manila Electric Co.), MONDE (Monde Nissin Corp.), MPI (Metro Pacific Investments Corp.), PGOLD (Puregold Price Club, Inc.), RLC (Robinsons Land Corp.), SCC (Semirara Mining and Power Corp.), SM (SM Investments Corp.), SMC (San Miguel Corp.), SMPH (SM Prime Holdings, Inc.), TEL (PLDT, Inc.), URC (Universal Robina Corp.), and WLCN (Wilcon Depot, Inc.).

Meralco to start sourcing 670 MW from spot market

ABOITIZ Power Corp. (AboitizPower) will no longer supply power to electricity distributor Manila Electric Co. (Meralco) as their emergency power supply agreement (EPSA) ended on Wednesday.

“We confirm the end of our 30-day emergency power supply agreement with Meralco which takes effect today, Jan. 25,” AboitizPower said in a statement.

Separately, Meralco said that starting Thursday, it would source its requirement of about 670 megawatts (MW) from the Wholesale Electricity Spot Market (WESM).

The capacity is supposed to be covered by its power supply agreement (PSA) with South Premiere Power Corp. (SPPC), but this was subjected to a temporary restraining order (TRO) issued by the Court of Appeals (CA).

“Meralco is closely working with the Department of Energy and all relevant industry players to ensure adequate supply and protect its customers from volatile and higher WESM prices, which is especially crucial with the scheduled shutdown of the Malampaya natural gas facility next month and the anticipated increase in demand during the summer months,” the company said.

The Malampaya gas field is expected to go under a maintenance shutdown from Feb. 4 to 18.

In December, Meralco secured a 300-MW EPSA with a unit of AboitizPower to partly replace the capacity that SPPC, a unit of SMC Global Power Holdings Corp., stopped supplying.

Meralco's EPSA with AboitizPower is effective from Dec. 15, 2022 until Jan. 25, 2023 for a rate of P5.96 per kilowatt-hour (kWh). The power was sourced from AboitizPower's GNPower Dinginin Ltd. Co.

Meralco sought the EPSA after SPPC, the administrator of the natural gas-fired power plant in Ilijan, Batangas, stopped supplying power to Meralco effective Dec. 7 last year.

SPPC's PSA with Meralco was agreed upon in 2019 for a period of 10 years. It covers about 670 MW of capacity and is priced at only P4.2455 per kWh.

Last year, SMC Global Power sought a temporary rate increase, jointly filed with Meralco, saying that SPPC and another unit San Miguel Energy Corp. (SMEC) incurred a combined loss of P15 billion. The rate increase was meant to recover part or P5 billion of the units' losses.

The company cited a “change in circumstance” when surging fuel costs breached the price range contemplated during the execution of the contracts with Meralco. However, the Energy Regulatory Commission (ERC) denied the petition, saying it had no basis as their PSA is a fixed-rate contract.

SPPC's parent firm SMC Global Power then sought the TRO to halt the implementation of the PSA between SPPC and Meralco. The CA issued the order on Nov. 23, 2022, and will be effective for 60 days.

On Wednesday, ERC Chairperson and Chief Executive Officer Monalisa C. Dimalanta said in a Viber message to BusinessWorld that the CA agreed to extend the effectivity of the TRO until the end of this month.

“The Court of Appeals conducted a hearing about two weeks ago on the SPPC petition for writ of preliminary injunction basically, an extended TRO,” she said. “I believe [the extension is] until the end of the month.”

Ms. Dimalanta added that the effect of the Aboitiz-Meralco EPSA was yet to be seen. “[W]e have no basis yet to ascertain rate impact from it or its expiration.”

The impact of sourcing more power from WESM, which is volatile and typi-

cally costs more, was seen in the January power bill of consumers.

Meralco announced earlier this month that it will increase the overall rate due to an increase in the power generation charge and the completion of refunds to consumers.

Meralco has assured its customers that it will again exhaust all measures to continue supplying “stable and reliable electricity at the least cost under the current circumstances.”

Meralco said that it requested AboitizPower to extend the term of its EPSA.

“We remain grateful for the opportunity to contribute to the delivery of a much-needed energy supply covering the Meralco franchise. In the event that Meralco launches another competitive selection process (CSP), where the terms of reference will be reasonable, AboitizPower will certainly participate,” AboitizPower said.

Meralco's controlling stakeholder, Beacon Electric Asset Holdings, Inc., is partly owned by PLDT Inc. Hastings Holdings, Inc., a unit of PLDT Beneficial Trust Fund subsidiary MediaQuest Holdings, Inc., has an interest in BusinessWorld through the Philippine Star Group, which it controls. — Ashley Erika O. Jose

SEC revokes license of Fast Coin Lending

THE Securities and Exchange Commission (SEC) revoked the business registration of Fast Coin Lending Corp. for not complying with regulator-imposed rules.

In a press release on Wednesday, the commission said that the company was found to have “committed several violations of SEC Memorandum Circular No. 19, Series of 2019 (SEC MC 19).”

SEC MC 19 provides the rules on the disclosure requirements on advertisements of financing companies and lending companies and the reporting of online lending platforms (OLPs).

The company was also found to have violated the Lending Company Regulation Act of 2007.

Fast Coin Lending operates Cashow Mobile Application, for which the company failed to submit the required disclosures, said the regulator.

It also operates two more OLPs — Cashguard and Coco Peso — which are both not registered with the commission.

SEC MC 19 requires lending and financing companies to report their OLPs prior to launch and operation.

“Lending companies must also disclose in their advertisements and OLPs specific information, such as their corporate names, SEC registration num-

bers, and certificates of authority,” the SEC said.

The rules also require lending companies to register their OLPs as business names, and to report any OLP they plan to operate no later than 10 days before the launch.

The company, which was issued a certificate of authority on Feb. 12, 2020, failed to commence operation until June 11, 2020.

The SEC Corporate Governance and Finance Department (CGFD) decided to revoke the corporate registration of the company due to its continuous violations.

“[T]he company's continuous failure to comply with the provisions of SEC MC 19, and, considering the Company's wanton disregard of the [CGFD] directives relative to the SEC MC 19 violations, the [CGFD] deems it appropriate under the circumstances to revoke [Fast Coin Lending's] certificate of authority,” the order read.

The latest revocation brought the total number of financing companies with canceled licenses to 39.

The commission has also revoked a total of 2,084 primary registration of lending companies for failing to secure the requisite secondary license and for other violations. — Justine Irish D. Tabile

ACEN starts building 300-MW Palauig solar project in Zambales

ACEN Corp. announced on Wednesday that it recently started the construction of its P16-billion 300-megawatt (MW) Palauig 2 solar farm in Zambales.

In a regulatory filing, the Ayala-led listed energy company said the solar farm will be located within the proximity of ACEN's 63-MW Palauig 1 solar project.

“This expansion of our Palauig solar assets comes at an exciting time for ACEN's Philippine operations as we are relying on our core market to boost our energy transition efforts in the region,” Jose Maria P. Zabaleta, chief development officer of ACEN, said in a media release.

The P16-billion estimated cost for Palauig 2 solar farm includes the construction of a 1,200-MW transmission line, and a 540-megawatt-peak (MWp) high-efficiency solar panels, which will be supplied by Seraphim, a module manufacturer that also specializes in solar photovoltaic products.

“Palauig 2 Solar is the first of several new plants to commence with major construction works this year, and the need to sustain this accelerated pace towards the exponential growth of the renewables space is on top of our agenda,” Mr. Zabaleta said.

ACEN tapped ERS Energy Pte. Ltd. and Global Electric Power Development Corp. (GEC) as the project's engineering procurement and construction (EPC) contractors. ERS is the offshore supplier while GEC is the onshore construction contractor.

The solar project is expected to generate 450 gigawatt-hours (GWh) of renewable energy per year.

With the output of Palauig 1, the solar farm can generate enough power to supply electricity to 139,000 households and reduce 350,000 tons of carbon emissions per year.

The renewable energy firm also said that the construction of Palauig 1 solar resulted in an addition of 2,200 green energy jobs in Zambales, “helping stir the local economy and

improve national prosperity as the country gears up for a post-pandemic era.”

“As ACEN continues to expand its renewables portfolio across the region, the company continues to invest in people and the wider society it operates in, understanding that ACEN's success in forging a sustainable energy path depends on its ability to engage with various stakeholders and its significant role to drive positive social change,” ACEN said in the media release.

It said the development of Palauig 2 will help the company achieve its target to increase its renewable energy portfolio and help the government's goal to increase renewables' share in the country's energy mix to 35% by 2030.

“The company aims to be one of the Philippines' top reliable partners in energy security, effectively harnessing the enormous potential of renewable energy resources,” ACEN added.

In a separate disclosure on Wednesday, ACEN said that it received 500 million shares from Solar Philippines Power Project Holdings, Inc.

To recall, on Jan. 22, 2021, ACEN together with Solar Philippines signed an agreement for a proposed joint venture for solar power plants in Central Luzon.

In line with this, ACEN and an affiliate of Solar Philippines — Provincia Investments Corp. — signed a P1-billion omnibus loan and security agreement.

The agreement has a repayment date of July 2, 2026, and secured by a pledge over shares owned by Solar Philippines in SP New Energy Corp. (SPNEC), formerly Solar Philippines Nueva Ecija Corp.

ACEN said that its executive committee had approved the execution of definitive agreements where ACEN will receive the shares from Solar Philippines in SPNEC.

At the local bourse on Wednesday, shares in the company gained 15 centavos or 2.04% to end at P7.50 apiece. — Ashley Erika O. Jose

Cebu Pacific expects return to profitability in first quarter

BUDGET carrier Cebu Pacific (CEB) said it is aiming to turn profitable in the first quarter of this year as it is set to restore pre-pandemic network and capacity levels by March.

“By the first quarter, we aim and hope to be profitable. It really depends [as] fuel prices started coming up again, that's going to be a challenge,” CEB President and Chief Executive Of-

ficer Alexander G. Lao told reporters in a media briefing on Wednesday.

“First quarter traditionally is strong, particularly for January. February is not a great month for airlines throughout the world, [but] hopefully, March will be better,” Mr. Lao said.

CEB is hoping to be profitable for the full year, citing the strengthening of the local currency as among the drivers.

During the briefing, CEB Vice-President for Marketing and Customer Experience Candice Jennifer A. Iyog said that the company is targeting to restore its pre-pandemic capacity and destinations by March.

“Part of the restoration is the easing of restrictions. We bring back destinations when the market is ready to come back,” Ms. Iyog said. — Justine Irish D. Tabile

FULL STORY



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Manulife

Single Pricing Investment Funds of Variable Life Insurance Contracts

Table showing unit prices for various investment funds like Peso Secure Fund, Peso Diversified Value Fund, etc., with columns for Current Week, January 24, 2023, Previous Week, and January 17, 2023.

Manulife

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