

Philippine Stock Exchange index (PSEi)

6,876.79

▲ 34.00 PTS.

▲ 0.49%

FRIDAY, FEBRUARY 10, 2023

BusinessWorld

PSEi MEMBER STOCKS

AC Ayala Corp. P700.00 —	ACEN ACEN Corp. P7.01 -P0.29 -3.97%	AEV Aboitiz Equity Ventures, Inc. P57.90 +P0.95 +1.67%	AGI Alliance Global Group, Inc. P13.10 +P0.18 +1.39%	ALI Ayala Land, Inc. P29.25 +P0.15 +0.52%	AP Aboitiz Power Corp. P37.75 —	BDO BDO Unibank, Inc. P125.50 +P0.50 +0.40%	BPI Bank of the Philippine Islands P106.50 —	CNVRG Converge ICT Solutions, Inc. P16.86 -P0.26 -1.52%	DMC DMCI Holdings, Inc. P11.76 -P0.10 -0.84%
EMI Emperador, Inc. P20.80 —	GLO Globe Telecom, Inc. P2,016.00 -P64.00 -3.08%	GTCAP GT Capital Holdings, Inc. P530.00 +P15.00 +2.91%	ICT International Container Terminal Services, Inc. P214.00 +P2.60 +1.23%	JFC Jollibee Foods Corp. P238.80 -P2.00 -0.83%	JGS JG Summit Holdings, Inc. P53.90 +P0.30 +0.56%	LTG LT Group, Inc. P10.28 —	MBT Metropolitan Bank & Trust Co. P61.35 +P1.15 +1.91%	MER Manila Electric Co. P315.00 +P32.00 +11.31%	MONDE Monde Nissin Corp. P12.26 +P0.02 +0.16%
MPI Metro Pacific Investments Corp. P4.22 -P0.01 -0.24%	PGOLD Puregold Price Club, Inc. P33.25 -P0.55 -1.63%	SCC Semirara Mining and Power Corp. P31.60 +P0.30 +0.96%	SM SM Investments Corp. P900.00 +P5.00 +0.56%	SMC San Miguel Corp. P107.50 -P2.50 -2.27%	SMPH SM Prime Holdings, Inc. P37.60 +P0.10 +0.27%	TEL PLDT Inc. P1,380.00 —	UBP UnionBank of the Philippines P88.00 -P1.75 -1.95%	URC Universal Robina Corp. P145.00 +P2.00 +1.40%	WLCON Wilcon Depot, Inc. P32.65 -P0.40 -1.21%

Banking, consumer sectors seen leading earnings

BANKS and retailers are seen to have outperformed other listed companies in the fourth quarter of 2022 as the economic reopening provided a needed boost to loan demand and consumer spending.

"Philippine lenders are expected to have improved profitability due to the further reopening of the economy, which led to greater loan demand, higher revenues and better asset quality," Globalinks Securities and Stocks, Inc. Head of Sales Trading Toby Allan C. Arce said in a Viber message.

"Banks may also benefit from higher interest rate income as interest rates

were raised to counter elevated inflation," he added.

The Bangko Sentral ng Pilipinas (BSP) raised the benchmark interest rate by 350 basis points (bps) to a 14-year high of 5.5% in 2022. The central bank will have its first policy meeting for the year on Thursday.

"Banks could outperform so long as non-performing loans remain low, as their margin may increase in a high interest period," Regina Capital Development Corp. Head of Sales Luis A. Limlingan said in a Viber message.

Mr. Arce and Mr. Limlingan also noted that during the last quarter of 2022, con-

sumers recorded robust spending despite the high inflation.

"For the fourth quarter, consumer companies could still have surprises given that the last quarterly gross domestic product (GDP) report indicated household spending was robust despite inflationary pressures," said Mr. Limlingan.

Meanwhile, Mr. Arce said the retail sector is also expected to have recorded better fourth-quarter earnings "as consumer traffic has bounced back to pre-pandemic levels."

"Holiday-induced spending also likely propped up the sector and supported a

slight rise in rental income through end-2022," he said

"The easing of pandemic-related travel restrictions has also allowed a gradual reopening of domestic and international tourism," he added.

According to Mr. Arce, the inflationary pressures from October to December last year were also offset by consumers' revenge spending and remittances.

"Despite the rising inflation trend during the October to December stretch, revenge spending provided an additional boost to many sectors and industries," Mr. Arce said.

"Overseas worker remittances, which remained resilient, were also an impor-

tant factor in supporting domestic consumer spending," he added.

Both analysts said that companies that posted their fourth-quarter results last week met their expectations.

Mr. Limlingan said "they have been coming within or above expectations," although it is still too early to tell with only a handful of companies reporting so far.

"Fourth-quarter corporate earnings are, by far, in line with expectations as Filipino consumers' propensity to shop and visit brick-and-mortar establishments started to rebound ahead of the Christmas holidays," Mr. Arce said. — **Justine Irish D. Tabile**

Megaworld Corp. says seven of its buildings are certified for healthiness

LISTED developer Megaworld Corp. said it now has seven buildings certified for their resiliency, safety and healthiness as issued by accreditor Healthy by Design Building Institute (HDBI).

In a press release, the developer said six of its office buildings and one of its residential condominiums received their "IMMUNE Building Standard."

Three of its office buildings — 1800 Eastwood Avenue, 1880 Eastwood Avenue and eCommerce Plaza, located in Megaworld's 18.5-hectare Eastwood City — were given IMMUNE "Powerful" or four-star certification.

Meanwhile, three buildings in the 50-hectare McKinley Hill — One World Square, Two World Square and Three World Square — received a "Resilient" or five-star certification.

Eight Forbes Town Road, a residential building of Megaworld within the five-hectare Forbes Town, also received a "Resilient" or five-star certification.

According to the company, it expects to receive two more IMMUNE certifications for its 8/10 Upper McKinley and 18/20 Upper McKinley once HDBI completes its assessment this month.



MEGAWORLD Corp.'s 8 Forbes Town

All of the seven certified buildings are under the portfolio of Megaworld's real estate investment trust, MREIT, Inc.

The certification is said to "help mitigate the effects of pandemics and other bacteriological and toxicological health threats by creating and promoting healthy buildings of the future."

It measures the indoor environment parameters, devices and available technologies, specialized equipment, dedicated personnel and amenities that promote operation and health rules.

The certification has three labels, which are "Strong" for three stars, "Powerful" for four, and "Resilient" for five stars. — **Justine Irish D. Tabile**

Citicore Renewable sets 2023 capital spending at \$800 million

CITICORE Renewable Energy Corp. (CREC) said it expects to spend around \$800 million for capital expenditure (capex) projects this year to further expand its renewable energy ventures, its top official said.

"For CREC, our capex for this year for our target of 1 gigawatt (GW) is around \$800 million," Oliver Y. Tan, president and chief executive officer of CREC, the parent company of listed Citicore Energy REIT Corp., told reporters on Friday.

Mr. Tan said that CREC is aiming to build 5 GW of renewable energy (RE) projects in the next five years, with at least 1.5 GW targeted for development in 2023.

He said that the company's portfolio will be divided into short, medium, and long-term projects, which will include solar, run-of-river hydropower, and offshore wind projects.

"For our near term, we [will] focus on solar but we started the construction of our first run-of-riv-

er [hydropower project] and if you look at our portfolio, we actually have wind projects," Mr. Tan added.

Mr. Tan said CREC's short-term projects are set for a period of three to five years.

"Solar is a peaking plant but if complemented with hydro or wind, plus battery energy, we will be able to cater to mid-merit or close to baseload," he said, referring to a power plant whose output responds to fluctuating demand and one that continuously operates.

Mr. Tan said CREC's run-of-river hydropower plant project in Ilagan, Isabela is expected to be completed within the next three years. It has a potential output of 19.7 megawatt-peak (MWp), which the company is planning to sell to Isabela Electric Cooperative, Inc.

He said the hydro project once completed by 2026 would be easy to expand "because the Ilagan River is very big. Once it is successful, we will expand the 19.7-MWp to three times that," he said.

CREC has secured seven service contracts from the Department of

Energy (DoE) for its offshore wind projects, with a potential output of 3 GW. Three of the service contracts are in north Luzon, two are in Guimaras, and another two are in Zambales, Mr. Tan said.

Mr. Tan said the renewable energy company is looking at foreign partners for its planned offshore wind projects.

Meanwhile, he said CREC is planning to go public this year to fund the needed investment for its projects in the next five years. He said the company is set to file documents for its initial public offering (IPO) in the second quarter and expects its listing to be completed this year.

However, Mr. Tan declined to disclose the size of the IPO but described that it will be a "blockbuster."

Regina Capital Development Corp. Head of Sales Luis A. Limlingan said in a Viber message that the equities market remains to be a more attractive avenue for fundraising as interest rates remain high. — **Ashley Erika O. Jose**

Grab: Ride-hailing market in provinces to be industry driver

TRANSPORT network company Grab Philippines said areas outside greater Metro Manila present one of the biggest opportunities for the ride-hailing industry.

Grab Senior Director for Operations Ronald G. Roda said during a media roundtable meeting on Friday that areas outside the nation's capital need additional transport network vehicle services (TNVS).

"The fresh allocation of TNVS is truly a welcome development," he said. "Historically, Grab noted strong contributions to the local economies of the cities where

it operates, as it creates a domino effect on growth — from driver-partners, merchant-partners and down to the consumers."

At present, the company's ride-hailing services are available only in eight to nine cities and municipalities, while its food delivery services are available in 45.

"Lipa City and other Batangas cities have super strong GrabFood and GrabExpress presence but no GrabCars nor motorcycle taxis," said Mr. Roda. — **Justine Irish D. Tabile**

FULL STORY



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BusinessWorld insights in partnership with INTEGRATED COMPUTER SYSTEMS, INC.

Strategies for Stronger Business Growth in 2023

February 15, 2023 | Wednesday | 11:00 a.m.



Speaker
George T. Barcelon
President
Philippine Chamber of Commerce and Industry



Speaker
Jose Antonio S. Vilar
Chief Marketing Officer
Sage Solutions Philippines, Inc.



Moderator
Patricia B. Mirasol
Multimedia Reporter
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