Philippine Stock Exchange index (PSEi) 6,290.27 ▼ 74.70 PTS. ▼ 1.17%

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PSEi MEMBER STOCKS

AC	Ayala Corp.	P590.00	-P3.00	-0.51%
ACEN	ACEN Corp.	P5.24	-P0.02	-0.38%
AEV	Aboitiz Equity Ventures, Inc.	P47.05	+P0.05	+0.11%
AGI	Alliance Global Group, Inc.	P12.50	+P0.28	+2.29%
ALI	Ayala Land, Inc.	P29.50	-P0.50	-1.67%
AP	Aboitiz Power Corp.	P34.50	-P1.10	-3.09%
BDO	BDO Unibank, Inc.	P138.20	-P3.80	-2.68%
BPI	Bank of the Philippine Islands	P111.10	-P2.30	-2.03%
CNVRG	Converge ICT Solutions, Inc.	P8.94	-P0.36	-3.87%
DMC	DMCI Holdings, Inc.	P9.87	+P0.25	+2.6%
EMI	Emperador, Inc.	P21.10	——	
GLO	Globe Telecom, Inc.	P1,884.00	-P26.00	-1.36%
GTCAP	GT Capital Holdings, Inc.	P545.00	+P4.00	+0.74%
ICT	International Container Terminal Services, Inc.	P213.80	-P2.00	-0.93%
JFC	Jollibee Foods Corp.	P243.80	-P6.20	-2.48%
JGS	JG Summit Holdings, Inc.	P38.05	-P1.15	-2.93%
LTG	LT Group, Inc.	P9.25	-P0.10	-1.07%
MBT	Metropolitan Bank & Trust Co.	P56.95	-P0.20	-0.35%
MER	Manila Electric Co.	P350.00	+P2.00	+0.57%
MONDE	Monde Nissin Corp.	P6.45	-P0.38	-5.56%
MPI	Metro Pacific Investments Corp.	P5.05	+P0.01	+0.2%
PGOLD	Puregold Price Club, Inc.	P27.80	——	
SCC	Semirara Mining and Power Corp.	P32.00	——	
SM	SM Investments Corp.	P860.00	-P0.50	-0.06%
SMC	San Miguel Corp.	P104.00	-P1.00	-0.95%
SMPH	SM Prime Holdings, Inc.	P30.00	-P0.30	-0.99%
TEL	PLDT Inc.	P1,215.00	-P13.00	-1.06%
UBP	Union Bank of the Philippines	P71.50	-P1.50	-2.05%
URC	Universal Robina Corp.	P117.60	-P2.30	-1.92%
WLCON	Wilcon Depot, Inc.	P21.60	-P1.30	-5.68%

Big firms post mixed results; banks lift earnings

PHILIPPINE conglomerates reported mixed earnings results for the first half of the year amid market headwinds, but those with banking units came out stronger, analysts said.

“Corporate earnings for the top Philippine conglomerates in the first half of 2023 were mixed. Some companies reported strong earnings growth, while others, saw their earnings decline,” Globalinks Securities and Stocks, Inc. Head of Sales Trading Toby Allan C. Arce said in a Viber message.

Mr. Arce added that among the top listed firms, SM Investments Corp. and Ayala Corp. reported stronger earnings during the six-month period.

Carlos Angelo O. Temporal, senior equity research analyst for Unicapital Securities, Inc., likewise said noteworthy gains were observed from SM Investments and Ayala Corp., but GT Capital Holdings, Inc. stood out as it doubled its earnings.

“All three conglomerates benefitted from the robust performances of their banking units, which have continued to capitalize on elevated interest rates and sustained loan growth,” Mr. Temporal said in a Viber message.

He added that the companies also have property arms that “saw superb growths as residential revenues gain traction while cancellation rates significantly ease from last year’s lumpy figures.”

For the semester, GT Capital more than doubled its consolidated net income to P16.61 billion from P8.1 billion as its core businesses delivered better results.

GT Capital’s first-half earnings were primarily driven by an impressive increase in auto sales, which surged by about 50% year on year, accompanied by a substantial improvement in margins due to the relative stability of the peso.

Ayala Corp. booked an attributable net income of P18.41 billion for the first half, 13.2% higher than the P16.27 billion in the same period last year.

Mr. Temporal said the results were mainly due to ACEN Corp.’s profits, which were facilitated by the easing of fuel prices and the company’s shift to a net-selling merchant position in the spot market.

SM Investments saw a consolidated net income of P36.5 billion for the first half, reflecting a 32% increase from P27.7 billion, driven by solid consumer sentiment on the back of a positive economic environment.

Meanwhile, Mr. Temporal said these companies might face a couple of developing major headwinds: higher inflation due to rising oil prices and peso volatility.

“Resurgence in inflation from higher oil prices and other factors may lead to lower consumer demand across different sectors and higher input costs for companies,” he said.

He added that the peso’s volatility could result in “elevated interest expenses for entities with substantial dollar-denominated debt, reduced margins for net importers, and increased [capital expenditure] for companies relying on foreign-sourced materials and equipment.”

However, Mr. Arce said that these conglomerates with diversified portfolios that span multiple sectors might be better equipped to weather the challenges. — **Adrian H. Halili**

ICTSI adds cranes in Australia

INTERNATIONAL CONTAINER Terminal Services, Inc. (ICTSI) has added six new automated stacking cranes at its port in Australia to achieve a fully automated container terminal.

In a press release, ICTSI said that the purchase of the additional stacking cranes for Victoria International Container Terminal (VICT) will increase its terminal yard and reefer capacity by 30% and 43%, respectively.

VICT’s new equipment is part of an ongoing expansion project, which includes 15 additional truck grids that will increase the terminal’s slot availability by 30%.

The container terminal in Melbourne is also set to acquire two larger ship-to-shore cranes, which will bring the total number to seven.

“The new cranes will have an outreach of 22 containers to enable the handling of up to 14,000-twenty-foot-equivalent-units (TEUs) capacity Neo-Panamax ships,” the company said.

Under the expansion project, VICT’s quay line, or the area where boats are tied up for loading and unloading, will be extended by 71 meters, which will allow two 336-meter-long vessels to berth simultaneously.

On Aug. 3, 2021, the Port of Melbourne committed to carrying out the berth extension, which commenced in March last year and is expected to be completed by the end of 2023.

The container terminal’s expansion, which is expected to raise VICT’s annual throughput capacity by 250,000 TEUs to 1.25 million TEUs, is scheduled to be completed and operational at the beginning of 2024.

A subsidiary of ICTSI, VICT started its operations in Australia’s fully-automated container terminal in 2017.

In the second quarter, ICTSI saw an increase in volume from its Asia operations by 17.2% to 1.61 million TEUs from 1.38 million TEUs in the same period last year.

Its operations in Asia cover its terminals in the Philippines, China, Indonesia, and Papua Guinea. — **Justine Irish D. Tabile**

DITO CME in talks with investors for capital

DITO CME Holdings, Inc. said it is in talks with interested parties for potential capital-raising agreements to support its telecommunications business, DITO Telecommunity Corp.

“We are talking to a lot of interested parties. In due time we will announce. [These are] both local and international,” DITO CME President Ernesto R. Alberto told reporters in an interview last week.

Mr. Alberto said the telecommunications industry still attracts interest from the investment community.

“The market has been very lackluster in the last three years, with the pandemic and all, but at least it is coming along, things are getting better and there is a lot of interest from the investment community particularly in this unique space of having a digital active country with a young population with only three major enablers,” said Mr. Alberto.

He also said that the company will continue to spend a minimum of $1 billion a year to catch up with incumbent telco players, noting that the industry is capital-intensive.

He said the primary objective of DITO CME is to raise as much investment to fund its critical projects as the country’s so-called “third telco.”

“The benefit of us being a new player is we are devoid of any legacy; it is all brand new 4G. And if we think 4G is going to be replaced by 5G in the clear horizon that’s where we should participate in the play,” he added.

In its quarterly report, DITO CME said that it is expecting the closing of a project finance loan facility from creditors of up to $3.9 billion in the second half of the year.

On Feb. 13, DITO CME entered into a shareholder loan agreement amounting to P5.2 billion which it can draw on to address operating expenses and maturing obligations. By the end of the second quarter, the company said that its total drawdowns totaled P3.5 billion.

DITO CME has committed to spending P257 billion over a five-year period for the commercial rollout of DITO Telecommunity to pass the regulatory audits within the period.

“We satisfied the fourth-year technical audit of achieving 80% coverage so what remains is the fifth and last year of regulatory audit that will herald that we are indeed a full-pledge telco player in the industry,” said Mr. Alberto.

For the fifth technical audit, the company is required to increase its population coverage to 84% while maintaining the minimum speed of 55 megabytes per second for 4G.

“Despite the challenges, the telco is working hard and still very hopeful that they can meet EBITDA (earnings before interest, taxes, depreciation, and amortization) breakeven by end of 2025 and looking to make a profit in 2028,” he said. — **Justine Irish D. Tabile**

New barcode system seen to benefit supermarkets

SUPERMARKETS are set to benefit from the planned adoption of a new barcoding system by 2025 as this would help make their operations more efficient, according to an industry group.

FREEPIK

Philippine Amalgamated Supermarkets Association President Steven T. Cua said the upcoming shift to the quick response (QR) code matrix 2D barcodes from the 1D black and white vertical lines would boost the efficiency of retailers.

“The benefits include efficiency in transactions on the part of retailers,” Mr. Cua told *BusinessWorld* in a Viber message, citing “pertinent product information on the part of store merchandise buyers like place of origin, date of manufacture/harvest, date of expiration/spoilage, and customers (institutional/commercial users, smaller retailers and end-users).”

However, Mr. Cua said the new price coding system would require a change in the software and hardware used by supermarkets.

He added that it would take longer for smaller retailers to implement the new barcode due to the required capital outlay unless service providers would introduce installment payment programs.

“Supermarkets are totally unprepared for this given an overhaul in this price-capturing system. There is, after all, a need for advanced scanning technology/software requiring totally new hardware,” Mr. Cua said.

“The new price coding system using the QR Code requires a total change of software and hardware to capture the more comprehensive data of manufactured products and fresh produce. The sooner retailers jump into the fray to create volume for software and hardware providers, the cheaper the technology becomes available to retailers,” he added.

Meanwhile, Mr. Cua said the economy would also benefit from the shift to the new barcoding system since it would be implemented globally by 2025.

Mr. Cua said that since the global system will be uniformly implemented worldwide — much like the current barcode system — the country should adopt it “to make trade and merchandising of products hailing from anywhere in this planet easy to understand, monitor and acceptable.”

He added that local food retailers “will have to swallow the bitter pill” and shift or adopt the “new economic order within the next few years or be left behind in serving the demands of evolving consumers.”

The Philippine Retailers Association previously said that the new barcoding system would be trialed in the country by the first quarter of next year ahead of the upcoming global implementation. Both 1D and 2D barcodes will be used in the first two years of implementation to allow a transition period for retailers and manufacturers.

Some of the expected benefits of the new barcode include better traceability with more available information and more consumer-friendly as the QR code also contains other product information that could be accessed by consumers. — **Revin Mikhael D. Ochave**

IPOPHL says ‘Eat Bulaga’ trademark renewal ‘separate’ from cancellation case

THE Intellectual Property Office of the Philippines (IPOPHL) clarified that the registration renewal of the “Eat Bulaga” trademark is separate from a pending trademark cancellation case, amid the ongoing legal dispute for its use.

“As the renewal requests and other pending applications at the Bureau of Trademarks (BoT) are separate from the trademark cancellation case at the Bureau of Legal Affairs (BLA), they do not affect the BLA’s disposition of the merits of the trademark cancellation case,” the IPOPHL said in a statement on Monday.

“The renewal process strictly observes an ex-parte nature prescribed by Republic Act 8293 or the Intellectual Property Code. Under the law, requests for renewal should be granted primarily if the registrant can prove the actual and continuous use of the mark,” it added.

The IPOPHL issued the statement in response to queries on the renewal of the “Eat Bulaga” trademark of Television and Production Exponents, Inc. (TAPE), which was approved in June.

“The IPOPHL confirms the approval on June 14, 2023 of the request to extend the term of registration over EAT BULAGA AND EB covered by TM Reg. No. 42011005951, for Nice Classes 16, 18, 21 and 25 for another 10 years,” it said.

Recently, TAPE confirmed that it had received the certificate of renewal of registration for the trademark.

The IPOPHL issued the certificate amid the pending petition by Vicente “Tito” Sotto III, his brother Marvic Valentin “Vic” Sotto, and Jose Maria “Joey” de Leon, or better known as TVJ, to cancel TAPE’s trademark registration.

TVJ parted ways with TAPE, which produces “Eat Bulaga” for GMA Network, on May 31, and started hosting E.A.T. in TV5 channel on July 1.

The trio previously filed charges against TAPE and GMA in June, citing the alleged copyright infringement and unfair competition complaints. They also filed a petition for the issuance of a writ of preliminary injunction to halt TAPE and GMA from using the name, logo and other devices. — **Revin Mikhael D. Ochave**