

Philippine Stock Exchange index (PSEi)

6,160.61 -65.17 PTS. -1.04%

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PSEI MEMBER STOCKS

Table listing PSEI member stocks including AC (Ayala Corp.), ACEN, AEV, AGI, ALI, AP, BDO, BPI, CNVRG, DMC, EMI, GLO, GTCAP, ICT, JFC, JGS, LTG, MBT, MER, MONDE, MPI, PGOLD, SCC, SM, SMC, SMPH, TEL, UBP, URC, and WLCON with their respective prices and percentage changes.

OUTLIER

Ayala share price rises as investors pick bargains

AYALA CORP.'S stock price gained last week as investors bargain-hunted after four consecutive weeks of net selling from foreign market participants. Data from the Philippine Stock Exchange (PSE) showed a total of P697.57 million worth of 1.17 million shares were traded from Aug. 22 to 25, making it the sixth most actively traded stock last week. Ayala's share price went up by 1.4% week on week to P598 apiece last Friday. For the year, however, the stock dropped by 14%. '[Ayala's] share price went up for the week due to bargain-hunting activities after the stock declined week-on-week for the past four consecutive weeks,' RCBC Securities, Inc. Equity Research Analyst John Renz S. Alvarado said in an e-mail note. Globalinks Securities and Stocks, Inc. Senior Trader Mark V. Santarina said in a Viber message that he saw foreign selling from foreign investors of Ayala's stock for the past few weeks that pushed its stock price downward. The decline led to investors capitalizing last week after the selling activity lost its momentum. 'Another potential factor influencing this price movement is the recent announcement regarding the collaboration between Ayala Corp., 917Ventures, and Gogoro Network. This partnership focuses on the development of two-wheeled EV swapping technology, which has likely contributed to market dynamics,' he added. Mr. Alvarado said the news of Ayala's sale to MT Technologies GmbH (MT) of its stake in AC Industrial Technology Holdings, Inc. had no significant impact on market players from buying the stock as the unit's contribution to the group's net asset value was 'minimal.' 'Furthermore, the expected loss from the sale has a minimal impact (less than 1%) on its 2023 earnings,' Mr. Alvarado added. Additionally, analysts said Ayala's wide range of businesses reporting positive earnings secured the holding company's growth trajectory for the year, but downside pressures persisted as its stock price was still affected by the broader market sentiment. Ayala's consolidated revenues rose by 19% to P85.27 billion in the second quarter, bringing its top line in the first half growing by 19.3% to P164.24 billion. However, its attributable income in the April-to-June quarter dipped by 3.2% to P8.19 billion from P8.46 billion in the same period last year. In the first semester, net income attributable to the owners of the parent company inched up by 13.2% to P18.41 billion from P16.27 billion a year ago. Mr. Santarina estimated the stock to earn P13 billion on its third-quarter net income. For the week, RCBC's Mr. Alvarado gave his support and resistance levels at P575 and P635, respectively. Globalinks' Mr. Santarina placed his support and resistance levels at P575 and P629, respectively, anticipating a rebound for the stock this week. 'However, the persistence of foreign selling might result in further sideways trading for the stock. Another concerning factor is the subdued trading activity across the market,' he said. - Bernadette Therese M. Gadon

Listed telco, tech firms seen to sustain growth in earnings

LISTED telecommunications and information and communications technology (ICT) companies are expected to deliver higher results for the second semester on increasing demand for data and the growing adoption of digital transformation, analysts said. 'Our view in the short term is more of the same since telco companies are less susceptible to the inflationary headwinds the region is experiencing. However, sudden macro or geopolitical shocks could still revise our outlook for the remainder of the year,' Regina Capital Development Corp. Head of Sales Luis A. Limlingan said in a Viber message. For the first semester, most telecommunication companies posted gains compared with the same period last year mainly boosted by revenue growth for the second quarter of the year. Pangilinan-led PLDT Inc. recorded an attributable net income of P944 billion for the second quarter, a 22.4% increase from P7.71 billion a year ago amid higher revenues and lower operational expenses. PLDT saw its gross revenues increase by 1.4% to P51.68 billion from P50.96 billion previously. 'The outlook for Philippine telco and ICT companies is generally positive, with growth expected to continue in the coming years. The industry is being driven by a number of factors, including the increasing demand for data, the growing adoption of mobile internet, and the government's efforts to promote digital transformation,' said Toby Allan C. Arce, head of sales trading at Globalinks Securities and Stocks, Inc. Converge ICT Solutions, Inc. reported a second-quarter net income of P2.11 billion, marking a 6.6% increase from P1.98 billion a year ago, which it attributed to subscriber growth and lower cost of services. Globe Telecom, Inc. reported an increase of 17.7% in its attributable net income to P7.07 billion for the second quarter from P6.01 billion in the same period last year. From April to June, the company's gross revenues reached P44.49 billion, an increase of 1.7% from P43.76 billion in the corresponding period of 2022. 'As more people access the internet and consume digital content, there is a growing need for high-speed data services. Telecom companies that can offer reliable and affordable data plans are likely to see increased revenue,' Mr. Arce said in a Viber message. Meanwhile, DITO CME Holdings Corp. trimmed its attributable net loss for the second quarter to P1.10 billion from P4.63 billion a year ago after it posted higher gross revenues for the period. For the second quarter, DITO CME recorded P2.62 billion in gross revenues, 54.1% higher than the P1.70 billion a year ago. Its telecommunications venture is via DITO Telecommunity Corp., which is considered the country's third dominant telco player. However, Rizal Commercial Banking Corp. Chief Economist Michael L. Ricafort gave a somewhat bleak outlook for the sector after the deactivation of unregistered subscriber identity modules or SIM cards, which might drag companies' revenues and earnings for the coming months. To recall, mobile operators have started to deactivate SIMs that were unable to register after the July 25 deadline. 'However, this is offset by the economic reopening narrative that would further increase business and economic activities as well as telco revenues and net income,' Mr. Ricafort added. - Ashley Erika O. Jose

Meralco exceeds renewables capacity target

MANILA Electric Co. (Meralco) said it had surpassed its target renewable energy (RE) contracts with an equivalent capacity of 1,880 megawatts (MW) as part of its long-term sustainability strategy. In a media release over the weekend, the company said it had breached its initial target of 1,500 MW of RE capacity from various suppliers in compliance with the government's renewable portfolio standards (RPS) policy. 'Our just, orderly, and affordable transition to clean energy is at the core of our sustainability journey, and this commitment solidifies our drive to bring to life projects that will help serve the country's growing energy demand with greener power,' Meralco First Vice-President and Chief Sustainability Officer Raymond B. Ravelo said. Under the RPS scheme, electricity suppliers are required to source a portion of their energy supply from eligible RE sources to contribute to the growth of the RE industry in the Philippines. 'We will continue to elevate and evolve our sustainability initiatives as we implement our long-term sustainability strategy that involves the adoption of next-generation clean technologies and deep decarbonization efforts as we aspire to be coal-free by 2050,' he added. As of end-2022, RE accounted for about 22% of the country's total energy mix, with coal-fired power plants accounting for almost 60%. The government targets to increase the share of RE to 35% by 2030 and 50% by 2040. Last year, the Department of Energy raised the RPS requirement to 2.52% per annum starting in 2023 from 1% per annum previously. 'Through Meralco's strategic sourcing initiatives, RE is expected to account for 22% of the distribution utility's supply portfolio by 2030, and 18% of Meralco's retail electricity supplier, MPower, by 2025,' the company said. This will enable the company to reduce its total carbon emissions by 15% in relation to the projected baseline 2030 emissions, it said. In a separate media release, One Meralco Foundation (OMF), the corporate social responsibility arm of Meralco, said it had installed a 5.1-kilowatt peak solar photovoltaic system in Davao de Oro for the rice milling facility of the Laak Multipurpose Cooperative. The cooperative's rice milling production increased threefold to over 100 sacks of milled rice daily from about 30 sacks per day previously with the building of a new solar facility, the company noted. 'Lack of electricity continues to be a challenge for many communities, especially in rural Philippines. The agriculture and livelihood electrification is an expansion of our community electrification program that fosters inclusivity and equitable access to basic services powered by sustainable and renewable energy solution,' OMF President Jeffrey O. Tarayao 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. - Sheldeen Joy Talavera

Filinvest City offers free charging station for EVs

THE FILINVEST group has launched the first electric vehicle (EV) charging station in Filinvest City, Alabang as part of its sustainability efforts. Filinvest Development Corp. (FDC) Director Michael Edward T. Gotianun said on the sidelines of the launch event Friday last week that the charging station features an AC charger and is available for free. 'We do not want to be left behind by other countries on the EV, although it will take some time for it to be adopted. For people looking to charge their cars, this is a place for them to charge,' Mr. Gotianun said. Filinvest City, managed by Filinvest Alabang, Inc., is a township development spanning 244 hectares. Filinvest Alabang is a subsidiary of FDC. The charging facility, which has two chargers, is located in the Central Park of Filinvest City. 'We strategically placed the EV charging station here in Central Park given that this is the city center of convergence, the heart of Filinvest City. It is accessible through all points in the township,' Filinvest Alabang

First Vice-President for Townships Don-Don S. Ubaldo said during the event. 'Together, we are pioneering solutions that merge technology, sustainability, and convenience. This is a testament to our collective vision for a city that harmonizes with nature,' he added. Meanwhile, Mr. Gotianun said that Filinvest is mulling to install more EV charging stations in other developments in line with Republic Act No. 11697 or the EV Industry Development Act (EVIDA). 'We are probably putting some parking charging stations in the other developments,' Mr. Gotianun said. 'We have other developments all over Metro Manila. We have developments in Cebu and in Davao. We have hotels as well.' A provision under EVIDA mandates the government and the private sector to allocate 5% of their fleet to EVs. The law also orders establishments to set aside dedicated EV parking slots, the installation of charging stations in parking lots and fuel stations, the opening of green routes for EV users, and support for domestic EV manufacturing. - Revin Mikhael D. Ochave

Maynilad's Muntinlupa plant nearly complete

MAYNILAD Water Services, Inc. said the construction of its water treatment plant in Muntinlupa is 80% complete and is expected to produce 50 million liters per day (MLD) of additional water by the end of this year. In a media release on Saturday, the west zone concessionaire said it had started the gradual commissioning of the plant to ensure that it can produce the initial amount of potable water by December. Once fully operational by the first half of 2024, the P11-billion water treatment facility is expected to produce a full capacity of 150 MLD to provide water to customers in Paranaque, Las Piñas, Muntinlupa, and Cavite. 'This facility will help to enhance service reliability, as it will provide additional supply for customers in the south so their water service will not be affected despite raw water quality shifts in Laguna Lake, which have been occurring with more frequency owing to climate change effects,' the company said. The treatment plant will be Maynilad's third facility to tap Laguna Lake as an alternative source of raw water to the Angat Dam. Maynilad has two treatment plants in Putatan, Muntinlupa that supply 300 MLD of potable water to around 1.7 million customers in the south. The project is part of Maynilad's P220-billion service enhancement program from 2023 to 2027 that is focused on promoting enhanced water sustainability and climate resiliency. Earlier this month, the Metropolitan Waterworks and Sewerage System said it was investigating Maynilad's water service interruptions, which the company said were due to maintenance activities at its Putatan treatment plant. The company said it was replacing all 14 ultrafiltration membranes at the facility. Meanwhile, the company has invested P5.7 billion for the construction of five treatment plants in four cities up to 2027 under its 'new water' project. The new facilities, once operational, will have a total combined capacity of 97 MLD, which is enough to supply the water needs of almost 400,000 customers. Of the four facilities that are under construction, the treatment plant in Valenzuela is targeted to start operations within the year. - Sheldeen Joy Talavera