

Philippine Stock Exchange index (PSEi)

6,222.94

▲ 39.87 PTS.

▲ 0.64%

FRIDAY, SEPTEMBER 8, 2023

BusinessWorld

PSEI MEMBER STOCKS

AC Ayala Corp. P624.00 +P6.00 +0.97%	ACEN ACEN Corp. P5.01 +P0.02 +0.4%	AEV Aboitiz Equity Ventures, Inc. P49.00 +P0.35 +0.72%	AGI Alliance Global Group, Inc. P12.68 -P0.02 -0.16%	ALI Ayala Land, Inc. P28.80 +P1.45 +5.3%	AP Aboitiz Power Corp. P34.40 +P0.20 +0.58%	BDO BDO Unibank, Inc. P131.20 -P3.00 -2.24%	BPI Bank of the Philippine Islands P107.00 +P2.00 +1.9%	CNVRG Converge ICT Solutions, Inc. P8.24 -P0.06 -0.72%	DMC DMCI Holdings, Inc. P10.14 +P0.04 +0.40%
EMI Emperador, Inc. P20.95 +P0.15 +0.72%	GLO Globe Telecom, Inc. P1,770.00 +P5.00 +0.28%	GTCAP GT Capital Holdings, Inc. P590.00 +P10.00 +1.72%	ICT International Container Terminal Services, Inc. P209.40 +P2.80 +1.36%	JFC Jollibee Foods Corp. P233.00 -P1.20 -0.51%	JGS JG Summit Holdings, Inc. P39.10 +P0.55 +1.43%	LTG LT Group, Inc. P9.07 -P0.01 -0.11%	MBT Metropolitan Bank & Trust Co. P55.00 ---	MER Manila Electric Co. P349.20 +P0.20 +0.06%	MONDE Monde Nissin Corp. P7.90 +P0.10 +1.28%
MPI Metro Pacific Investments Corp. P5.16 +P0.31 +6.39%	PGOLD Puregold Price Club, Inc. P29.80 +P0.15 +0.51%	SCC Semirara Mining and Power Corp. P32.00 -P0.20 -0.62%	SM SM Investments Corp. P824.00 ---	SMC San Miguel Corp. P106.00 +P0.90 +0.86%	SMPH SM Prime Holdings, Inc. P30.00 +P0.15 +0.5%	TEL PLDT Inc. P1,200.00 ---	UBP Union Bank of the Philippines P69.75 -P1.25 -1.76%	URC Universal Robina Corp. P116.40 -P0.60 -0.51%	WLCON Wilcon Depot, Inc. P23.05 +P0.25 +1.1%

Steady earnings awaited for listed energy firms

EARNINGS of listed energy companies are expected to be steady in the second half of the year if no unforeseen developments arise towards year-end, analysts said.

"In a general sense, the sector's performance is likely to remain stable for the remainder of the year, assuming no stringent regulatory developments," Luis A. Limlingan, head of sales at Regina Capital Development Corp., said in a Viber message.

"Apart from regulatory factors, fuel and coal prices, infrastructure investments, and weather-related power demand will influence the profitability of power firms," he added.

For Toby Allan C. Arce, head of sales at Globalinks Securities and Stocks, Inc., the earnings outlook for energy companies is "complex and uncertain" as there are several factors that may affect the performance of the sector.

"Some analysts expect that power companies may see a moderate increase in their earnings in 2023, driven by the growth in electricity sales, the improve-

ment in plant efficiency, and the reduction in operating costs," he said in a Viber message.

"However, this outlook is subject to risks and challenges, such as regulatory uncertainties, environmental issues, technical problems, and market competition," he added.

For the second quarter, listed energy companies posted mixed results.

Manila Electric Co. registered an attributable income of P9.78 billion, up 45% from P6.74 billion in the previous year, on the back of higher sales of electricity and other services.

Aboitiz Power Corp. reported a nearly 45% increase in attributable net income to P10.29 billion from P7.10 billion a year earlier after an increase in revenues from its operating segments.

For First Gen Corp., its renewable energy business drove its attributable net income, which rose by 29.6% to \$77.21 million from \$59.56 million previously.

The expansion of renewables also boosted the income of ACEN Corp. to P2.21 billion, higher by

24.2% from P1.78 billion a year ago.

"The government's policies on renewable energy (RE) would be a positive factor for power companies that are involved in renewable energy, such as solar and wind power," Mr. Arce said.

The government targets to increase the share of RE in the country's energy mix to 35% by 2030 and 50% by 2040.

Last year, the Department of Energy raised the required share of RE for distribution utilities under its renewable portfolio standard or RPS program to 2.52% per annum starting this year from 1% per annum previously.

Meanwhile, Semirara Mining and Power Corp. reported a second-quarter attributable net income of P10.19 billion, down 5.5% on reduced domestic coal sales.

Mr. Limlingan said that the weak coal sales were due to normalized prices despite sustained high demand.

"The third quarter would be challenging but management continues to be bullish as the power

segment picks up and the high demand for coal sustains," he said.

The growth of energy companies for the remainder of the year will depend on power demand and the movement of fuel prices as the "Ber" months kick off.

September to December are associated with cooler temperatures in the Philippines and increased consumer spending due to holiday expenses, Mr. Limlingan said.

"Hence, this translates to lower residential power demand, but we are likely to see higher commercial power demand," he said, citing visits to "leisurely places" such as malls.

Mr. Arce said possible oil increases will likewise increase the cost of coal and natural gas, resulting in higher fuel prices.

"If the price of oil increases, it would also increase the cost of coal and natural gas, which are the main fuels used to generate electricity in the Philippines," Mr. Arce said.

In August, fuel retailers raised pump prices by P5.90 per liter for gasoline, P9.90 per liter for diesel, and P10 per liter for kerosene. — **Sheldeen Joy Talavera**

SEC warns public versus investment-taking firms SERP Worldwide, Sprhy

THE Securities and Exchange Commission (SEC) cautioned the public against investing in two entities, which the regulator said are unauthorized to solicit investments.

In an advisory posted on Sept. 7, the SEC warned about Secret for Elimination of Rampant Poverty Worldwide Corp. (SERP Worldwide) as it did not secure prior registration to solicit investments despite being registered as a corporation.

According to the SEC, individuals representing SERP Worldwide are alleg-

edly enticing the public to invest their money in the entity. A prospective investor is asked to pay P10,000 to avail of the SGEPI0-10K package with a promise to earn 30% to 60% retail profit along with various bonuses.

"The public is hereby advised to exercise due care and caution in investing their money in this

type of scheme being offered by SERP Worldwide and/or its agents. In the instant case, the scheme of SERP Worldwide has the characteristics of a pyramid scheme," the SEC said. — **Revin Mikhael D. Ochave**

FULL STORY



Read the full story by scanning the QR code or by typing the link tinyurl.com/4kvvxp9c



JOGGERS, runners, and bikers enjoy a car-free Sunday morning along Ayala Avenue in Makati City as the Ayala Land in partnership with the local government of Makati turns Ayala Avenue as an outdoor activity haven for families from 6 a.m. to 10 a.m. for the remaining Sundays of September which aims to promote a healthy lifestyle.

Ayala Land expects sustained profit growth as holidays near

LISTED property developer Ayala Land, Inc. (ALI) is bullish about its performance for the rest of the year, which a company official described as booming as the holiday season nears.

"We're ending the year really good. It's booming. Our estates are welcoming new stores," said Marianne C. Roa, group head for marketing and communications for corporate, estates and malls, on the sidelines of a launch event in Makati City on Sunday.

"We're also looking forward to more people coming into our communities," she added.

Ms. Roa said ALI is projecting higher net income and growth this year on the back of increased consumer spending during the holiday season.

"It is not just the estates, but even the malls. The Philippines has the longest celebration and as early as September, we're welcoming everyone to our communities, to our estates and to our malls," Ms. Roa said.

"We are looking forward to that (better net income)

because people are out. The trajectory towards recovery is really good. In fact, in some [of our] estates, the foot traffic is already [at] pre-pandemic [level]," she added.

Aside from the retail segment, ALI is also expecting more people to purchase properties amid stronger spending confidence.

"When people get their bonuses, that is the time you think [about] where I can invest my money or where I can put it so it will grow. In a way, it is also affected or there is an impact to it (property buying)," Ms. Roa said.

For the first half, ALI logged a 41% increase in its attributable net income to P11.39 billion on the back of higher revenues.

Meanwhile, ALI launched on Sunday its car-free initiative along Ayala Ave. in Makati City as part of its commitment to promote a healthier lifestyle and environmental sustainability.

Under the initiative, Ayala Ave. will be closed to vehicular traffic every Sunday morning from 6 a.m. to 10

a.m. throughout September. The area will be available for walking, running, and cycling activities.

The company said car-free Sundays is in collaboration with Make It Makati, an initiative that presents the city's latest offerings and events, as well as supported by the local government of Makati City.

"Both the city of Makati and Ayala Land are steadfast in our commitment to sustainability. We are excited to bring you car-free Sundays for an entire month — a time where the streets are yours to enjoy, free from the usual traffic. It's an opportunity to run, bike, skate, walk your pets, or partake in any fitness activity you love," ALI Senior Vice-President and Group Head of Estates Robert S. Lao said.

"This initiative is more than just an event — it's a step towards creating a more livable, breathable city, promoting fitness and wellness, and fostering a sense of community among us all," he added. — **Revin Mikhael D. Ochave**

Exploring AI and New Business Horizons: Insights from UPMG Philippines' General Membership Meeting

The United Print Multimedia Group (UPMG) Philippines held its General Membership Meeting on Aug. 30, 2023, at Escolta Function Room of the Lucky Chinatown Hotel. As the attendees gathered, anticipation filled the air for an enlightening session that promised to delve into the dynamic interplay between artificial intelligence (AI) and the ever-evolving media landscape.

Tapping Global Wisdom: UPMG's Engagement at the 74th World News Media Congress

Opening the event, UPMG President Barbie L. Atienza extended a warm welcome and set the tone for the day's discussions. The focus of the meeting was highlighted — to learn from UPMG members who had recently participated in the esteemed 74th World News Media Congress last June 28-30 in Taipei, Taiwan. Atienza emphasized the value of cross-cultural knowledge-sharing and its pivotal role in shaping UPMG's ongoing trajectory.

AI in the Newsroom: Balancing Apprehensions and Opportunities

Sherly O. Baula, UPMG Treasurer and Credit and Collection Manager of Chinese Commercial News, took center stage to shed light on the pros and cons of AI integration in newsrooms. Baula's insights addressed the common concerns surrounding AI while uncovering its potential benefits.

The division was clear. On one hand, the apprehension of job displacement and compromising authenticity loomed large. However, Baula deftly highlighted AI's potential to streamline newsroom processes and innovate content creation. She showcased tangible applications that AI has already introduced, from AI-generated listicles to engaging animated videos. A notable example was the debut of an AI-generated news anchor named "Fedha" on a Kuwaiti news channel.

Navigating Global AI Regulations: Policy, Ethics, and Transparency

Baula's discussion on AI integration regulations offered insightful perspectives. Delving into the intricate global landscape, she unpacked policies and rules that govern AI in newsrooms worldwide. Central aspects such as transparency, ethics, data quality, verification methods, staff



The UPMG Board led by its President Barbie L. Atienza (3rd from left) with (from left) Chief-of-Staff Badette Cunanan, Secretary Angel V. Guerero, Vice-President Jay R. Sarmiento, Treasurer Sherly O. Baula, Director Vivienne A. Motomal, and Director Roda Alonzo-Zabot

expertise, and collaborations between data scientists and journalists took the spotlight.

One key concern was restoring public trust, particularly given AI's potential to disseminate misinformation through tools like deepfakes. Baula proposed a robust framework for newsrooms, including AI usage guidelines, transparent labeling of AI-generated content, human oversight, and rigorous fact-checking by seasoned news editors.

AI in Media: An Imperfect Alliance of Opportunity and Challenge

Baula's conclusion highlighted the dual nature of AI. It embodies both threats and opportunities. Her insights underscored that AI remains an evolving technology, necessitating the integration of the human touch to balance creative and ethical dimensions of news production.

Redesigning Business Models in the Age of AI: Jay Sarmiento's Insights

The event further welcomed Jay Sarmiento, Vice-President of UPMG, and Sales & Marketing Director of PhilStar Media Group. Sarmiento shared wisdom on a range of business models that news outlets can leverage amidst the AI revolution. She underscored the potential for AI to enhance operations, rather than supplant traditional journalism.

With decentralization of the web gaining momentum, Sarmiento emphasized the need to refine business models. She urged news organizations to embrace AI's transformative potential and chart strategies beyond established Big Tech. Sarmiento believed this approach could yield untapped intellectual property revenue streams.

Exploring Diverse Business Horizons: Niche, Innovation, and Revenue

Sarmiento introduced a spectrum of 15 business models that news companies could consider. Ranging from paid content provision to data mining and affiliate marketing, these options spanned a wide scope. Her message was clear: News companies should capitalize on their unique strengths to select three models that align with their core competencies, thereby creating fresh revenue streams.

An Interactive Exchange of Learning and Unity

Beyond the main sessions, the event evolved into a vibrant platform for interaction. Attendees posed queries, exchanged insights, and embraced collective learning. The dynamic atmosphere was amplified by an engaging quiz and a raffle draw, fostering engagement and camaraderie.

A Finale of Wisdom and Gratitude

As the event concluded, Angel V. Guerrero, UPMG Board Secretary and Publisher of *Adobo Magazine*, expressed gratitude and encapsulated the essence of the meeting — a shared journey of exploration, learning, and empowerment.

In an evolving media landscape shaped by AI and innovation, UPMG Philippines' General Meeting stood as a testament to the industry's resilience, adaptability, and unwavering commitment to excellence. Attendees left the Escolta Function Room armed with deeper insights into the dynamic forces shaping their field, poised to stride forward with renewed vigor.