BusinessWorld
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EDITOR VICTOR V. SAULON

Philippine Stock Exchange index (PSEi) 6,264.07 ▲11.91 PTS. ▲0.19%

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PSEi MEMBER STOCKS

AC	Ayala Corp.	P615.50	-P0.50	-0.08%
ACEN	ACEN Corp.	P5.39	+P0.01	+0.19%
AEV	Aboitiz Equity Ventures, Inc.	P49.50	+P0.50	+1.02%
AGI	Alliance Global Group, Inc.	P11.68	-P0.04	-0.34%
ALI	Ayala Land, Inc.	P28.55	-P0.15	-0.52%
BDO	BDO Unibank, Inc.	P139.30	+P0.10	+0.07%
BLOOM	Bloomberry Resorts Corp.	P10.42	+P0.12	+1.17%
BPI	Bank of the Philippine Islands	P108.80	+P1.70	+1.59%
CNPF	Century Pacific Food, Inc.	P29.00	+P0.10	+0.35%
CNVRG	Converge ICT Solutions, Inc.	P10.22	+P0.34	+3.44%
DMC	DMCI Holdings, Inc.	P10.80	+P0.44	+4.25%
EMI	Emperador, Inc.	P20.80	-P0.15	-0.72%
GLO	Globe Telecom, Inc.	P1,805.00	+P3.00	+0.17%
GTCAP	GT Capital Holdings, Inc.	P561.50	+P1.50	+0.27%
ICT	International Container Terminal Services, Inc.	P205.00	+P1.60	+0.79%
JFC	Jollibee Foods Corp.	P226.00	+P7.00	+3.2%
JGS	JG Summit Holdings, Inc.	P38.40	-P0.85	-2.17%
LTG	LT Group, Inc.	P9.15	+P0.14	+1.55%
MBT	Metropolitan Bank & Trust Co.	P51.70	-P0.20	-0.39%
MER	Manila Electric Co.	P365.00	——	
MONDE	Monde Nissin Corp.	P8.81	-P0.34	-3.72%
NIKL	Nickel Asia Corp.	P5.95	-P0.03	-0.5%
PGOLD	Puregold Price Club, Inc.	P29.10	+P0.10	+0.34%
SCC	Semirara Mining and Power Corp.	P36.65	+P1.40	+3.97%
SM	SM Investments Corp.	P821.00	-P9.00	-1.08%
SMC	San Miguel Corp.	P103.90	-P0.30	-0.29%
SMPH	SM Prime Holdings, Inc.	P31.00	+P0.45	+1.47%
TEL	PLDT Inc.	P1,211.00	-P9.00	-0.74%
URC	Universal Robina Corp.	P117.90	-P0.90	-0.76%
WLCON	Wilcon Depot, Inc.	P22.30	——	

DoubleDragon unit opens Singapore sales hub

THE hotel unit of DoubleDragon Corp. has opened its "global" corporate office and sales hub in Singapore, stepping up the Sia-led group's overseas foray.

In a regulatory filing, DoubleDragon said Hotel101 Global Pte. Ltd. launched its operations on Tuesday at the PLUS Building along Cecil Street.

"The Hotel101 global corporate office functions as the hub for our team members that are based in different countries as we form the right mix of experienced team members that will efficiently lead the expansion of the Hotel101 unique and asset-light business model simultaneously in various countries," Hotel101 Global Chief Executive Officer Hannah Yulo-Luccini said.

Hotel101's corporate office is located on the 4th floor of the PLUS Building while the sales hub is on the ground floor.

DoubleDragon said the Hotel101 sales hub features the newest version of the hotel's 21-square-meter HappyRoom, which comes with a queen bed and single bed using Emma Sleep mattresses, Internet of Things (IoT) app operable smart lighting using a single type of bulb, 55-inch smart television, and work desk.

The other features of the HappyRoom include universal power outlets, electronic device charger ports, a kitchenette with refrigerator and microwave, and a modern prefabricated bathroom.

"Hotel101 is expected to become known as one of the most technologically advanced hotel chains across all parts of its value chain," DoubleDragon said, adding that the next version of the Hotel101 app will integrate an automated self-check-in system with IoT capability.

Hotel101 opted for the *banig* or the Philippine traditional hand-woven mat for its signature look.

"The *banig* symbolizes home, and that's how we want you to feel when you are staying at Hotel101. The Hotel101 *banig* colors were carefully chosen to radiate happiness and intended to evoke a Filipino touch in all Hotel101 projects across different countries worldwide," DoubleDragon said.

The first three overseas Hotel101 projects are in Hokkaido, Japan, Madrid, Spain, and California, USA.

Hotel101's near-term expansion roadmap is to have a presence by 2026 in the Philippines, Japan, Spain, United States, United Kingdom, United Arab Emirates, India, Thailand, Malaysia, Vietnam, Indonesia, Saudi Arabia, Singapore, Cambodia, Bangladesh, Mexico, South Korea, Australia, Canada, Switzerland, Turkey, Italy, Germany, France, and China.

"If there is one hotel chain that can optimize the use of modern technology in the global hospitality space, we believe it will be Hotel101," DoubleDragon Chairman Edgar J. Sia II said, citing the hotel's "pioneering standardized" HappyRooms and "asset-light concept globally."

"Eventually, when you stay in any Hotel101, no matter what country you are in, for the first time you will know exactly what to expect," Mr. Sia added.

On Tuesday, DoubleDragon shares at the local bourse dropped five centavos or 0.71% to P7 apiece. — **Revin Mikhael D. Ochave**

Kepwealth sets near-term property acquisition

LISTED property developer Kepwealth Property Phils., Inc. is looking to acquire new properties in the near term as the company is aiming to bolster its portfolio.

"The board projects that we will most likely look into acquiring new properties sometime in the second semester of 2023 or first term of 2024," Kepwealth said in a regulatory filing on Tuesday.

The company's disclosure comes as it bought two contiguous floors and 18 parking spaces at One San Miguel Ave. in Pasig City in line with its plan to acquire more leasable office spaces.

The acquisition was partly funded by proceeds from the company's initial public offering (IPO) in 2019 when it sold 67.03 million common shares and generated P384.8 million in gross proceeds.

Kepwealth updated the Philippine Stock Exchange on the use of proceeds as of end-September from its IPO.

"In the meantime, all unused [IPO] proceeds were invested in low-risk investment instruments with the highest returns as possible," Kepwealth said.

The company previously said that the proceeds would be spent to acquire about 3,500 square meters of leasable office space. About P245 million will be used for office spaces in Quezon City, Pasig City, and Makati City, while the rest will be used for office spaces in Davao.

According to Kepwealth, it is continuing to focus its business development effort, which was tapered by the current business environment.

"After reassessing our plans and timeline with regard to the use of the IPO proceeds for the acquisition of additional units that we can lease out, we believe that the most prudent stance would be to continue to proceed cautiously as we evaluate the available properties and weight that against the demand for office spaces," the company said.

"Originally, the company has projected to complete the acquisition until the end of the second quarter of 2020. As has been our stance since the beginning of the pandemic, we still believe that our shareholders interest would be best served by being conservative in our capital investments," it added.

Shares of Kepwealth at the local bourse rose five centavos or 3.03% to P1.70 apiece. — **Revin Mikhael D. Ochave**

Cebu Pacific aims to expand international capacity

BUDGET CARRIER Cebu Pacific targets to increase its international capacity by 63% of its pre-pandemic level, the company said on Tuesday.

The airline hopes to increase its global presence and expects to end the year with at least 700,000 more international seats than the level in 2022.

"In Cebu Pacific, we believe in making first moments happen. As such, we are grateful to all our passengers who have chosen to fly with us for their first international trips all these years," Candice A. Iyog, marketing and customer experience officer of Cebu Pacific, said in a statement.

CEBUPACIFICAIR.COM

To date, the airline flies to 25 international destinations with its newest route in Da Nang, Vietnam, which it expects to operate by Dec. 7.

Cebu Pacific said it had accepted 12 aircraft deliveries in line with its expansion targets.

It added that it is also anticipating to receive seven more aircraft by yearend to meet its expected demand for air travel while also strengthening its operational resiliency.

Cebu Pacific's expansion will also allow the company to continue offering low-fare travel options across its network.

Currently, Cebu Pacific flies to 35 domestic destinations across major cities and provinces in the Philippines on top of its international network. — **Ashley Erika O. Jose**

RFM: No price hike for grocery goods during the holiday season

LISTED food and beverage manufacturer RFM Corp. will not implement price increases for its items sold across supermarkets during the holiday season, its top official said.

"We're prepared for Christmas. We don't want to increase prices, especially ice cream and pasta, which are the big items during Christmas. We've hedged our prices so we are protected. Hopefully, we want to see more consumers spend this coming Christmas," RFM President and Chief Executive Officer Jose Ma. A. Concepcion III said during ANC's Market Edge on Tuesday.

"We started loading the supermarkets. We want the momentum to really continue and wipe out our entire inventory this coming quarter. I'm very positive moving towards even next year," he added.

Mr. Concepcion said that RFM is optimistic about the upcoming holiday season on the back of increased consumer spending as well as lower prices of raw materials.

"We have already adjusted our prices. During Christmas, we already started pre-selling and loading the distributors. One thing for sure is they are not going to see any price increases. It is a very competitive environment right now, even with ice cream. We have a lot of competitors wanting to grab our market share," Mr. Concepcion said.

"We want consumers to spend. If the products are more affordable, then they can afford to buy more. I think everybody is bullish that this Christmas will be pretty good. I expect that because Filipinos will always eat," he added.

Meanwhile, Mr. Concepcion said the company's margins are "well protected" as it has secured the supply of raw materials until June next year.

"From the high of what commodity prices were early this year and to where it is now, the margins are well protected. That's why we have hedged as far as next year June, we've secured our raw materials at prevailing prices. We have been able to hedge so that in case there are any further upticks towards next year," Mr. Concepcion said.

"We should be fine," he added.

RFM logged a 19% decline in its first-half net income to P558 million despite the 8% increase in its net revenue to P9.2 billion. The company's products include ice cream, flour-based goods, milk, and juices.

On Tuesday, shares of RFM at the local bourse closed unchanged at P3.05 apiece. — **Revin Mikhael D. Ochave**

Energy firms seen to face challenges amid geopolitical issues, say analysts

By Sheldeen Joy Talavera
Reporter

ENERGY COMPANIES are expected to experience challenges in terms of oil input costs amid the conflict in the Middle East, according to analysts, who also said the situation may also present opportunities for exploration firms.

Luis A. Limlingan, head of sales of Regina Capital Development Corp., said in a Viber message that local energy and oil companies might face challenges due to increased input costs, which could hit their profitability.

"However, companies involved in oil exploration and production could benefit from higher prices, offsetting the cost impact on their operations," he said.

Oil prices rose by 4% on Monday following the military clashes between Israel and the Palestinian Islamist group Hamas over the weekend which drove fears that it could influence oil supply tightening from the Middle East, Reuters reported.

Brent crude inched up by $3.57 or 4.2% to $88.15 a barrel, while US West Texas Intermediate crude rose by $3.59 or 4.3% to $86.38 a barrel. Both benchmarks spiked by more than $4 or over 5%.

"Since the Philippines is a net oil importing country, conservation [is] still a prudent measure amid geopolitical uncertainties that could lead to some uptick in world oil/fuel prices," Michael L. Ricafort, chief economist at Rizal Commercial Banking Corp., said in a separate interview.

"The situation is still uncertain if other Middle Eastern countries that are major oil producers especially Iran will be dragged into the conflict, so far, none of that yet," Mr. Ricafort said.

In 2022, the Philippines imported a total of 6,892 million liters of crude oil, up 46% from 4,721 million liters in 2021 — which were 100% sourced from the Middle East, data from the Department of Energy (DoE) showed.

DoE Oil Industry Management Bureau Assistant Director Rodela I. Romero said uncertainties could drive up oil prices but may not have a long-term impact.

"Oil prices spike Sunday after the attack but experts say, do not expect a long-term impact on oil and gas prices unless the conflict itself continues to escalate," she said in a Viber message.

Ms. Romero said the Philippines does not usually source oil from Israel but from the countries that surround it.

"US and [Saudi Arabia] is the biggest [oil producer] so if [the situation] escalates, it could really affect us because fear and uncertainties in the market can drive up prices," she said in a televised briefing in Filipino.

Carlos Angelo O. Temporal, senior equity research analyst at Unicapital Securities, Inc., likewise said that the impact on global oil supply is expected to be minimal "as long as the conflict remains confined to the two parties."

Local oil firms implemented rollbacks in the pump prices of petroleum products effective on Tuesday.

In separate advisories, the companies announced a decrease of P2.45 per liter for diesel, P3.05 per liter for gasoline, and P3 per liter for kerosene.

This marks the third consecutive week of rollbacks for gasoline and kerosene, ending 11 consecutive weeks of increases.

"DoE will continue to monitor the developments in the international oil market and whatever the adjustments in the domestic pump price is just reflective of the said international oil market situation," Ms. Romero said.

Analysts said that local oil producers could benefit from any uptick in world oil prices but present challenges to other industries that are heavily reliant on oil such as transportation and manufacturing ,which could cause increased operating expenses.

"The immediate casualties of higher oil prices would be the logistics sector, particularly airline companies with jet fuel accounting for a large portion of its expenses," Mr. Temporal said, adding that the consumer sector will also be hit "as higher prices of goods and services may tighten the spending capacity of consumers while higher input costs may lead to margin erosion."