

Philippine Stock Exchange index (PSEi)

6,269.50 ▲ 23.30 PTS. ▲ 0.37%

FRIDAY, NOVEMBER 24, 2023

BusinessWorld

PSEI MEMBER STOCKS

AC Ayala Corp. P652.00 +P4.50 +0.69%	ACEN ACEN Corp. P4.91 -P0.05 -1.01%	AEV Aboitiz Equity Ventures, Inc. P48.65 +P0.35 +0.72%	AGI Alliance Global Group, Inc. P10.20 -P0.12 -1.16%	ALI Ayala Land, Inc. P29.90 +P0.30 +1.01%	BDO BDO Unibank, Inc. P132.10 +P0.20 +0.15%	BLOOM Blossberry Resorts Corp. P9.97 -P0.01 -0.1%	BPI Bank of the Philippine Islands P103.40 -P0.60 -0.58%	CNPF Century Pacific Food, Inc. P30.40 -P0.40 -1.3%	CNVRG Converge ICT Solutions, Inc. P8.20 -P0.01 -0.12%
DMC DMCI Holdings, Inc. P9.30 +P0.05 +0.54%	EMI Emperador, Inc. P20.85 -P0.05 -0.24%	GLO Globe Telecom, Inc. P1,740.00 -P15.00 -0.85%	GTCAP GT Capital Holdings, Inc. P560.00 -P3.50 -0.62%	ICT International Container Terminal Services, Inc. P218.40 +P3.00 +1.39%	JFC Jollibee Foods Corp. P238.40 -P0.40 -0.17%	JGS JG Summit Holdings, Inc. P38.45 +P0.55 +1.45%	LTG LT Group, Inc. P8.89 -P0.05 -0.56%	MBT Metropolitan Bank & Trust Co. P51.95 +P0.05 +0.1%	MER Manila Electric Co. P370.60 -P1.40 -0.38%
MONDE Monde Nissin Corp. P8.35 -P0.13 -1.53%	NIKL Nickel Asia Corp. P5.07 -P0.04 -0.78%	PGOLD Puregold Price Club, Inc. P27.95 +P0.15 +0.54%	SCC Semirara Mining and Power Corp. P29.00 +P0.10 +0.35%	SM SM Investments Corp. P834.00 +P4.00 +0.48%	SMC San Miguel Corp. P106.90 -P0.50 -0.47%	SMPH SM Prime Holdings, Inc. P32.50 +P0.55 +1.72%	TEL PLDT Inc. P1,261.00 +P1.00 +0.08%	URC Universal Robina Corp. P121.10 +P0.10 +0.08%	WLCON Wilcon Depot, Inc. P19.70 +P0.08 +0.41%

Tight power supply expected to persist next year

TWO of the country's largest electricity distributors expect the tightness in power supply to continue next year, although some relief may be provided by the completion and return to operation of some power plants.

"It's still gonna be tight *kasi wala naman bagong planta* (because there is no new plant) except maybe the Excellent plant of San Miguel. It's scheduled to be completed by the end of next year so *ang pasok nun* (it will come online by) 2025 *pa*," Manila Electric Co. (Meralco) Chairman and Chief Executive Officer (CEO) Manuel V. Pangilinan told reporters last week.

Excellent Energy Resources, Inc. — a subsidiary of San Miguel Global Power Holdings Corp. (SMGPH), the power arm of conglomerate San Miguel Corp. — is putting up a 1,750-megawatt (MW) power facility in Batangas City.

Asked if the plant will be able to keep pace with the expected growth of the economy, Mr. Pangilinan said: "It's always good to have surplus power."

"If you don't have a surplus capacity, you will face bouts of tightness which we don't want to see," he said about putting "permanent pressure on prices downward."

"As a distributor, we want to see good margins of supply to demand," he said.

Currently, Meralco is rebidding the procurement of its 1,800-MW power requirement, which was supposed to be supplied by Excellent and another SMGPH subsidiary, Masinloc Power Partners Co. Ltd.

The San Miguel units' contracts with Meralco were terminated earlier this year. The Energy Regulatory Commission had approved the withdrawal of the application for the power supply deal as the agreed time frame to complete the required conditions had lapsed.

Aboitiz Power Corp. (Aboitiz-Power) President and CEO Emmanuel V. Rubio said the country's electricity supply next year might still be enough to cater to the growing demand amid the return to operations of the Ilijan natural gas-fired power plant.

"I think [supply will be] just like this year, although there's going to be growth in demand, maybe 600 to 700 MW. Ilijan is offering so I think there would be ample supply," Mr. Rubio separately told reporters last week.

The 1,200-MW Ilijan power plant of SMGPH has resumed operations and has been reintegrated into the grid in June after the fuel supply from the Malampaya gas field stopped.

The Batangas power plant went offline on June 5 last year following the ceasing of gas supply deliveries from the depleting Malampaya natural gas facility under the Service Contract 38 consortium.

"Although the forecast is El Niño, it's still going to be tight, especially during summer, but I think we will have ample supply," Mr. Rubio said.

"Maybe there will be times when diesel plants will be dispatched but it's good that Ilijan is now running unlike in early 2022," he said, adding that the "variable" would be hydroelectric plants also running to ease the situation.

Meralco is the main power distributor for Metro Manila and nearby areas. AboitizPower owns more than eight power distribution companies, including the country's second and third largest.

AboitizPower has allotted P50 billion for its capital expenditure budget next year, which is mostly for the expansion and construction of its renewable energy projects. — **Shelden Joy Talavera**

PSE chief says raising P200B at local stock market next year will depend on REIT listing

CAPITAL raising at the Philippine Stock Exchange (PSE) may not reach P200 billion next year, the bourse operator's top official said.

"*Hindi natin kaya* ang P200 billion (We cannot hit P200 billion)," PSE President and Chief Executive Officer Ramon S. Monzon told reporters when asked about capital raising next year.

"It would depend if the planned SM Prime Holdings, Inc.'s real estate investment trust (REIT) will push through because that could be big," he said on the sidelines of a forum in Makati City last week.

"I expect that to be about \$1 billion. We hope that it happens. We'll see," he added.

Sy-led SM Investments Corp. (SMIC) said in August that it had deferred the record \$1-billion REIT initial public offering (IPO) of its real estate unit SM Prime after assessing market conditions such as interest rates, inflation, and foreign exchange rates.

Meanwhile, Mr. Monzon said that capital raising this year is expected to reach up to P110 billion. "We'll end this year [with] about P105 to P110 billion," he said.

The PSE recently disclosed that the total capital raised as of September this year was at P91.88 billion. More than half or 58.4% of the capital came from follow-on offerings, followed by private placements at 21.9%, stock rights offerings at 15%, and IPOs at 4.7%.

However, Mr. Monzon's year-end projection is far from the expected P160 billion announced by the market operator in January.

The local stock market logged P110.29 billion in capital raised from primary and secondary shares last year, down 53% from the P234.48 billion raised in 2021.

Mr. Monzon previously said that the local bourse expects at least four IPOs next year from SM's planned REIT and other companies engaged in sectors such as mining, industrial, and food.

The PSE recorded a 19% jump in its nine-month net income to P575.65 million from P480.07 million last year led by a 210.7% climb in its investment income to P128.76 million. — **Revin Mikhael D. Ochave**

Telcos seen to report better results in 2024 amid growing demand

By Ashley Erika O. Jose
Reporter

LISTED telecommunications and information and communications technology (ICT) companies are expected to post better results in 2024, driven by the strong demand for digital services and as firms roll out their expansion plans.

"The telco stocks — their earnings are up. Telcos will always do better. They continue to invest in their expansion. They will not invest billions in their expansion if they do not expect more subscribers," Philippine Stock Exchange, Inc. (PSE) President and Chief Executive Officer Ramon S. Monzon said in an interview on the sidelines of the BusinessWorld Forecast 2024 economic forum last week.

For the third quarter, all listed telecommunications and ICT companies recorded lower attributable net income despite recording higher revenues for the period. Still, almost all of them recorded better profits for the cumulative nine-month period.

"The Philippine ICT/telco industry is expected to continue to grow in [the fourth quarter] of 2023, driven by strong demand for digital services from both consumers and businesses,"

Globalinks Securities and Stocks, Inc. Head of Sales Trading Toby Allan C. Arce said in a Viber message.

Pangilinan-led PLDT Inc. reported P9.43 billion in attributable net income for the third quarter, down 12% from P10.71 billion a year earlier, citing a challenging economic environment.

In the third quarter, the company's combined revenues rose by 1.9% to P52.32 billion from P51.35 billion in the same period last year.

Year to date, the company saw its attributable net income climb by 1.4% to P27.88 billion from P27.5 billion a year ago.

For the nine months to September, the company recorded combined revenues of P156.36 billion, up 2.8% from P152.13 billion in the same period last year, its financial report showed.

Globe Telecom, Inc. also recorded lower earnings for the third quarter, with its attributable net income declining by 27% to P4.97 billion from P6.81 billion a year ago.

It recorded consolidated revenues of P44.27 billion for the quarter, a 3.2% increase from P42.88 billion a year ago, amid strong service revenues.

The listed telecommunications and ICT companies' growth will hinge on their expansion plans, Mr. Monzon said.

Federal Land bullish on year-end showing

PROPERTY developer Federal Land, Inc. is bullish about its year-end performance led by its residential portfolio, its top official said.

"We're doing great. 2019 was our best year ever. And as of end-October, we've already exceeded 2019 numbers. We're very optimistic about the year-end numbers," Federal Land, Inc. President William Thomas F. Mirasol said on the sidelines of *BusinessWorld's* economic forum in Taguig City last week.

"Our growth drivers continue to be what it was always been — it's residential, particularly in the mid- and high-end [segments]," he added.

For next year, Mr. Mirasol disclosed that Federal Land is eyeing to launch developments in areas such as Mandaluyong City, Bonifacio Global City (BGC), Cebu, Pasay City, and Cavite.

"These [projects] are mixed-use. There is always a residential component and there will always be a bit of retail and commercial components," Mr. Mirasol said.

According to Mr. Mirasol, Federal Land launched 10 projects this year. Some of these projects are the second tower of The Grand Midori Ortigas residential project in Pasig City launched in July, the Federal Land Communities that offer multi-use developments, and the first Mitsukoshi mall in BGC.

Federal Land is the wholly owned property unit of Ty-led conglomerate GT Capital Holdings, Inc.

For the nine months through September, it logged a 176% increase in core net income to P1.9 billion while its total revenues rose 6% to P13.2 billion.

Shares of GT Capital were last traded on Nov. 24 at P560 per share. — **Revin Mikhael D. Ochave**

Aboitiz Infracapital set to begin construction of LIMA Estate's next phase expansion in 2025

ABOITIZ Infracapital, Inc. is planning to begin construction for the next phase of LIMA Estate expansion as early as 2025 or once the fourth phase of the project becomes significantly occupied.

"From what we have been communicating to our locators [at the fourth phase], they should be able to start constructing by January 2025," said Aldwin Chestor Y. Dumago, industrial business operations head of LIMA Land, Inc.

LIMA Estate is an 800-hectare Philippine Economic Zone Authority-registered economic zone developed by Aboitiz-led LIMA Land.

Mr. Dumago said a lot needs to be fully developed before turnover to the locators, which means that the roads have been completed and the utilities such as power, water, telecommunications, and drainage system have been fully set up.

"Once these are ready, then they can move in, [and] we can turn the property over to them. When we already welcome our locators to this site, I hope by then, this is already fully taken up. That is why we can start developing the other site because we will not develop until there is significant take up as we also need to

check the market and the demand," he said.

He said that the group already received interest for lots in the fourth phase of the project even two years before the target completion.

"At this point, as we are discussing, there are already reservations for the lots. Industrial lots are selling like hotcakes now given the investment promotions that the administration has been doing," he said.

"As soon as this is taken up, then we will probably open another 50 or another 100 hectares, it will depend," he added. — **Justine Irish D. Tabile**

FULL STORY



Read the full story by scanning the QR code or by typing the link <tinyurl.com/32dj5yt3>

Century Properties 'cautiously optimistic' for next year

LISTED property developer Century Properties Group, Inc. (CPG) expects to perform better in 2024, said its top official who remains cautious despite his optimism for the year ahead.

"Our outlook [for next year] is actually cautiously optimistic. There are many reasons why we believe it's going to be a good year. Our affordable housing business is growing very rapidly. As you are probably aware, we've launched many

projects," CPG President and Chief Executive Officer Marco R. Antonio said in a media briefing last week.

"I think overall, 2024 should be a banner year for the company," he said, describing the coming year as "better than this year."

From January to September, CPG logged a 13% increase in its net income to P1.3 billion while its revenues climbed by 10% to P9.7 billion.

"2023 is proving to be a very strong year for the company... We're already reaching our pre-pandemic levels," Mr. Antonio said.

According to Mr. Antonio, the company's commercial leasing business has been performing "above market" in terms of occupancy rates.

"For commercial leasing, it is kind of a mixed bag," he said, citing the challenges faced by the office sector

such as the pandemic, the contraction of the Philippine offshore gaming operators or POGO market, and work-from-home arrangements. — **Revin Mikhael D. Ochave**

FULL STORY



Read the full story by scanning the QR code with your smartphone or by typing the link <https://tinyurl.com/bpacj8e6>