

Inflation,
from SI/1

The BSP said it will remain vigilant and data dependent in its monetary policy decisions in order to “steer inflation to a target-consistent path, fostering price and financial stability in the country.”

BSP Governor Eli M. Remolona, Jr. on Wednesday said that the central bank is unlikely to deliver any policy cuts in the next few months and is leaning towards keeping interest rates higher for longer.

The BSP will only begin policy easing if inflation settles into a “comfortable” range or the midpoint of its target band, he added.

The central bank earlier said inflation will settle within the 2-4% target in the first quarter but could potentially spike above target from April to July partly due to the El Niño weather event.

In November, headline inflation eased to 4.1%, marking the 20th straight month that it breached the central bank’s 2-4% target band.

In the first 11 months of 2023, inflation averaged 6.2%. This was still above the BSP’s 6% full-year forecast. — **Luisa Maria Jacinta C. Jocsos**

IPOs,
from SI/1

The Sy-led SM Investments Corp. also deferred the launch of its real estate investment trust (REIT) arm to next year.

“The prospect of an initial rate cut could serve as a signal for companies to pursue IPOs, as investors may turn to riskier assets such as stocks for higher yields,” Mr. Arce said.

“The central bank is anticipated to commence lowering the benchmark rate in September 2024, though the timing could be influenced by actions taken by the US Federal Reserve,” he added.

The Monetary Board last week kept its benchmark rate at a 16-year high of 6.5% for a second straight meeting. From May 2022 to October this year, the Bangko Sentral ng Pilipinas (BSP) raised borrowing costs by a cumulative 450 bps to tame inflation.

On Wednesday, BSP Governor Eli M. Remolona, Jr. said that the central bank is unlikely to cut rates in the next few months, adding that rates may have to stay “higher for longer” as inflation remains elevated.

“Higher interest rates can attract investors away from equities, including IPOs, as they may seek the greater security and guaranteed returns offered by other instruments like bonds or fixed-income funds,” Mr. Arce said.

Some analysts expect the BSP to maintain the benchmark rate at 6.5% through the first half of 2024.

“Big IPOs will wait until interest rates have declined significantly and the stock market is at higher levels, as that kind of environment would be more conducive to investor appetite and better valuations,” China Bank Capital Corp. Managing Director Juan Paolo E. Colet said in a Viber message on Wednesday.

AB Capital Securities, Inc. Vice-President Jovis L. Vistan said he expects a “positive market” in 2024 as the Philippines is expected to be one of the fastest-growing economies.

“This positioning is likely to capture the attention of global investors, particularly as interest rates may have topped out already, making equities more appealing and encouraging investors to embrace higher-risk opportunities,” he said in a Viber message.

Mr. Vistan said he expects REITs, as well as companies in the energy and industrial sectors, to conduct IPOs next year.

“We think that the market’s reception to the first IPO in 2024 would set the tone for succeeding potential listings,” Rastine Mackie D. Mercado, research director at China Bank Securities said in an e-mail.

El Niño,
from SI/1

“It could affect plantings for the next (wet season) crop which usually starts in May or June. There will be less rainfall in rain-fed areas while irrigation dams may not be fully replenished and filled to capacity,” he said in a Viber message.

“This will result in delayed planting and/or reduced planted area. Crops may not survive if the drought lingers during the July-September lean months. The impact in terms of production will be felt when farmers harvest again in September-November,” he added.

The latest crop condition assessment by PAGASA showed that most of the provinces in Luzon received “inadequate amounts of water required to support both the rice and corn crops.”

Mr. Montemayor warned that securing imports may be difficult or expensive if other Southeast Asian countries like Thailand or Vietnam are also hit by the El Niño.

“Additionally, other countries that normally do not import but also want to ensure their food security through imports, such as Indonesia, will start competing with us for the available supply and this could drive up prices,” he said.

Rice imports have reached 3.22 million metric tons (MT) as of Dec. 7, according to the Bureau of Plant Industry.

The US Department of Agriculture is projecting rice imports to hit 3.8 million MT this year.

To address spiraling rice prices, the government earlier placed a temporary price cap on regular and well-milled rice from September to October this year.

The government should not just rely on imports as a stopgap measure and instead must provide further support to farmers and the agriculture sector, Mr. Montemayor said.

“Helping our farmers produce as much as possible despite less rainfall is the most important step. This would involve the rehabilitation of irrigation systems, water harvesting and impounding, and installation of irrigation pumps. This could be complemented by a public campaign to save water, reduce rice wastage, and promote rice substitutes,” he added.

The World Bank also noted other steps being taken by the Philippine government to ensure adequate rice supply, such as expediting rice importers’ clearances.

“In addition, a law has been proposed designed to minimize food waste and promote balanced eating habits by mandating that restaurants serve smaller-portioned, half-cup rice orders,” it added.

Rice,
from SI/1

India’s Prime Minister Narendra Modi is also concerned about accelerating food inflation before general elections next year. The cost of rice is increasing despite export restrictions, a good harvest and ample state stockpiles, according to the food ministry. The staple has risen about 12% annually in the past two years, and officials have asked millers to cut retail prices.

Thai Prime Minister Srettha Thavisin said this week Indonesia plans to buy 2 million tons from the country by the end of next year. Local millers delayed sales after the news on hopes of higher prices, said Chookiat Ophaswongse, an honorary president of the Thai Rice Exporters Association, adding that the strong Thai currency also contributed to rising prices.

Looming supplies from Vietnam and Thailand may limit the potential for any sharp upside in the market, Mr. Chookiat said, noting Thailand has sufficient water reserves to guarantee a good second crop. High prices will also encourage farmers to expand planting, he said by phone on Thursday.

“Still, we expect the price to remain at pretty high levels early next year on lingering food security concerns and India’s ban,” Mr. Chookiat said.

The increase in the cost of the grain is in stark contrast to other staples — wheat and corn. The Thai white rice price is up by 36% in the past year, while wheat futures in Chicago are down 20% and heading for the first decline in seven years. Corn futures have lost about 30% this year. — **Bloomberg**

NLEX Corp. inks P10-billion loan deal with BPI to support projects

NLEX Corp., a unit of Metro Pacific Tollways Corp. (MPTC), has entered into a 10-year term loan facility deal with the Bank of the Philippine Islands (BPI) amounting to P10 billion, the company announced on Thursday.

Proceeds from the loan will be used to fund ongoing and future projects, as well as partially fund capital expenditures (capex) and refinance other maturing debt, NLEX Corp. said in an e-mailed statement.

“This loan agreement will help us to meet our current obligations with our key stakeholders and finance all repairs and maintenance of the expressway as well as our ongoing and future projects like the Candaba 3rd Viaduct,” MPTC President and Chief Executive Officer Rogelio S. Singson said.

The NLEX Candaba third viaduct project is a new five-kilome-

ter bridge in two existing viaducts between Pampanga and Bulacan.

The project currently has a progress rate of 30% and is expected to be completed by the fourth quarter of 2024.

The project is expected to increase the capacity of the Candaba viaduct to three lanes with inner and outer shoulders in each direction, NLEX Corp. said.

It is being implemented in partnership with Hong Kong-based Leighton Asia and is covered by the NLEX concession deal.

“This project is just one of our company’s major initiatives in solving the growing traffic demand of the north. In partnership with the government, we aim to contribute to elevating the transportation system of the country,” said Luigi L. Bautista, NLEX president and general manager.

For 2024, NLEX is allocating P15 billion for capex to sup-



BW FILE PHOTO

port existing projects and other expansion plans, including the Candaba viaduct project, which has a project cost of P7.89 billion.

MPTC is the tollways unit of Metro Pacific Investments Corp., one of three key Philippine units of Hong Kong-based First Pacific Co. Ltd., the others

being Philex Mining Corp. and PLDT Inc.

Hastings Holdings, Inc., a unit of PLDT Beneficial Trust Fund subsidiary MediaQuest Holdings, Inc., has a majority stake in *BusinessWorld* through the Philippine Star Group, which it controls. — **Ashley Erika O. Jose**

First Gen awards LNG contract to Total Energies

FIRST Gen Corp. has awarded a contract to TotalEnergies Gas & Power Asia Pte. Ltd. (TEGPA), a United Kingdom-based company, for the supply of liquefied natural gas (LNG) cargo to one of its subsidiaries, the company said on Thursday.

In a stock exchange disclosure, First Gen said that TEGPA would supply one LNG cargo of approximately 154,500 cubic meters with delivery scheduled for February next year to First Gen Singapore Pte. Ltd.

The LNG cargo to be provided by TEGPA will be delivered by an LNG carrier, which will unload the cargo into the storage tanks of the

BW Batangas floating regasification storage unit (FSRU).

The BW Batangas serves as the FSRU for First Gen’s unit FGEN LNG Corp. and BW LNG, its Norwegian partner. The vessel will offer LNG storage and regasification services to First Gen’s existing and planned gas-fired power plants, as well as third-party terminal users.

The supply will be used by First Gen’s existing gas-fired power plants located at the First Gen Clean Energy Complex in Batangas City.

FGEN LNG has constructed its Interim Offshore LNG Terminal Project and executed

a five-year Time Charter Party for the charter of the BW Batangas.

In September, First Gen stated that the LNG terminal is already in the commissioning process.

“The FGEN LNG Terminal will accelerate the ability to introduce LNG to the Philippines, to serve the natural gas requirements of existing and future gas-fired power plants of third parties and FGEN’s affiliates,” the company said.

At the local bourse on Thursday, shares of the company slid by P0.38 or 2.17% to close at P17.12 apiece. — **Sheldeen Joy Talavera**

PJ Tri-Gon relocates sales office closer to market, sellers

DAVAO CITY — PJ Tri-Gon Realty Corp., a real estate affiliate of construction company Ulticon Builders, Inc., has relocated its sales office closer to its market and sellers.

The company will build a high-end residential project, the Samal Shores Residenza, which is expected to be the first of its kind in the Island Garden City of Samal, Davao del Norte.

The new office of PJ Tri-Gon is located at Lanang Business Park. Its former office

was located along Diversion Road near Ma-a Intersection in Davao City.

“We moved here to be closer to our project, market, and sellers. It’s a minute away from our welcome center. It is also strategically located and is bigger than our previous office in Diversion Road,” said Anna Mae Escalante, project director in an interview on Thursday.

Ms. Escalante said the new office will showcase Samal Shores Residenza’s scale model.

“In terms of visibility, the northern part of the city is considered the business hub in Davao City. Our target market includes the businessmen... We want to move closer to our market and sellers,” said Lorelli S. Randa, the sales director.

The Samal Shores Residenza is a 31-hectare residential estate located in Barangay Limao, which will offer 500 lots.

It is part of the first phase of the 150-hectare township development Samal Shores.

Samal Shores is the flagship project of PJ Tri-Gon.

“The market is surprisingly good; also, the investors are mostly the young generation belonging to the affluent groups in Davao City... and other cities,” Ms. Randa said.

In terms of developments, Ms. Escalante said the spine road for the project is now 98% complete.

The Samal Shores township is expected to be finished in 15 years. — **Maya M. Padillo**

Power Maintenance Updates

by **MERALCO ADVISORY**

The following are scheduled power interruptions necessary for the regular maintenance and upgrade of our power distribution facilities, to ensure the delivery of safe and reliable electricity to your areas. Rest assured that Meralco is doing everything to quickly restore your electricity according to schedule.

TUESDAY TO WEDNESDAY, DECEMBER 26 – 27, 2023

TAGUIG CITY (FORT BONIFACIO)

BETWEEN 11:30PM (TUE., 12/26/23) AND 4:30AM (WED., 12/27/23) – PORTION OF CIRCUIT NEW ROCKWELL 432VV

Grand Hyatt Manila Residences along 7th Ave. in Bonifacio Global City (BGC).
Panorama Tower along 34th St. in Bonifacio Global City (BGC).
MC Home Depot along 32nd St. in Bonifacio Global City (BGC).
Ford Global City and Suzuki Auto BGC along Rizal Drive in Bonifacio Global City (BGC).

REASON: Line reconstruction work along 34th St. corner 7th Ave. in Bonifacio Global City (BGC), Bgy. Fort Bonifacio, Taguig City.

FRIDAY TO SATURDAY, DECEMBER 29 – 30, 2023

MUNTINLUPA CITY (CUPANG)

BETWEEN 8:00AM (FRI., 12/29/23) AND 8:00AM (SAT., 12/30/23) – THE WHOLE OF CIRCUIT GARDNER 45GG

Amkor Anam Compound along South Luzon Expressway (SLEX) East Service Road.

REASON: Replacement, reconstruction and maintenance of facilities along South Luzon Expressway (SLEX) East Service Road in Bgy. Cupang, Muntinlupa City.

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