

Philippine Stock Exchange index (PSEi)

6,450.04

▼ 69.07 PTS.

▼ 1.06%

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BusinessWorld

PSEI MEMBER STOCKS

AC Ayala Corp. P681.00 -P24.00 -3.4%	ACEN ACEN Corp. P4.38 +P0.10 +2.34%	AEV Aboltiz Equity Ventures, Inc. P44.60 -P5.40 -10.8%	AGI Alliance Global Group, Inc. P11.28 +P0.48 +4.44%	ALI Ayala Land, Inc. P34.45 +P0.05 +0.15%	BDO BDO Unibank, Inc. P130.50 +P1.40 +1.08%	BLOOM Blossom Resorts Corp. P9.84 +P0.04 +0.41%	BPI Bank of the Philippine Islands P103.80 -P0.70 -0.67%	CNPF Century Pacific Food, Inc. P30.95 -P0.10 -0.32%	CNVRG Converge ICT Solutions, Inc. P8.38 -P0.13 -1.53%
DMC DMCI Holdings, Inc. P9.77 +P0.17 +1.77%	EMI Emperador, Inc. P20.85 +P0.05 +0.24%	GLO Globe Telecom, Inc. P1,720.00 +P12.00 +0.7%	GTCAP GT Capital Holdings, Inc. P590.00 +P14.00 +2.43%	ICT International Container Terminal Services, Inc. P246.80 +P4.60 +1.9%	JFC Jollibee Foods Corp. P251.40 +P1.60 +0.64%	JGS JG Summit Holdings, Inc. P38.15 -P1.85 -4.63%	LTG LT Group, Inc. P8.98 +P0.08 +0.9%	MBT Metropolitan Bank & Trust Co. P51.30 -P0.30 -0.58%	MER Manila Electric Co. P399.00 +P1.00 +0.25%
MONDE Monde Nissin Corp. P8.38 +P0.06 +0.72%	NIKL Nickel Asia Corp. P5.48 +P0.27 +5.18%	PGOLD Puregold Price Club, Inc. P26.90 -P0.60 -2.18%	SCC Semirara Mining and Power Corp. P30.25 +P0.35 +1.17%	SM SM Investments Corp. P872.00 -P22.00 -2.46%	SMC San Miguel Corp. P102.10 -P8.90 -8.02%	SMPH SM Prime Holdings, Inc. P32.90 -P0.70 -2.08%	TEL PLDT Inc. P1,279.00 -P1.00 -0.08%	URC Universal Robina Corp. P118.20 +P1.50 +1.29%	WLCON Wilcon Depot, Inc. P20.90 -P0.30 -1.42%

Philippine growth to drive stock market — PSE

PHILIPPINE economic growth that is expected to top the region would likely drive local shares to new heights this year, according to the local bourse operator.

"The expected improvement in macroeconomic indicators is poised to drive market conditions in 2024," Philippine Stock Exchange, Inc. (PSE) President and Chief Executive Officer Ramon S. Monzon said in a statement on Monday.

The Philippines is projected to lead the Southeast Asian region with the highest gross domestic product (GDP) growth in 2024 at 6.2% compared with

Vietnam's 6%, Indonesia's 5%, Malaysia's 4.6%, Thailand's 3.3%, and Singapore 2.5%, he said, citing outlook from the Asian Development Bank.

He also cited inflation that is expected to slow this year.

Philippines inflation is projected to ease to about 4% from an average of 6.9% as of end-November. The US Federal Reserve and Bangko Sentral ng Pilipinas (BSP) are expected to cut rates, now at 5.25%-5.5% and 6.5%, respectively, Mr. Monzon said.

The PSE index (PSEi) could range from 6,800 to 8,300 in

2024, he said, citing analyst projections. The main index closed at 6,450.04 last year, down by 1.8% or 116.35 points from 2022.

"The expected rate cuts by the US Fed and BSP, as well as Philippine government's aggressive spending on infrastructure projects and the continued increase in foreign investment pledges are expected to stimulate consumption, generate job opportunities and encourage additional investments," Mr. Monzon said.

Risks to the outlook include the potential impact of higher transport costs, electricity rates and

international oil prices, he added.

Mr. Monzon said he expects six initial public offerings (IPO) this year, including the P12.9-billion maiden share sale of Saavedra-led Citicore Renewable Energy Corp.

He also expects IPOs by real estate investment trusts, while P175 billion worth of capital is expected to be raised this year.

"Our capital-raising forecast is P175 billion, around P40 billion of which will come from IPOs," Mr. Monzon said.

In 2023, the PSE raised P140.95 billion worth of capital from primary and secondary

shares, 27.8% higher than a year earlier.

The PSE also had three IPOs, five follow-on offerings, five stock rights offerings, and 11 private placements.

Meanwhile, Mr. Monzon said the PSE would continue to push regulatory reforms such as the implementation of the proposed Capital Markets Efficiency Promotion Act, which seeks to reduce the stock transaction tax to 0.1% from 0.6% and lower the dividend tax on non-resident aliens to 10% from 25%.

He added that the PSE is pushing to increase the number of listed companies and engage

investors via various marketing campaigns and assistance programs.

"The PSE will continue to introduce new products and push new laws and regulatory reforms that will promote and encourage wider stock market participation and entice foreign investors back to our market," Mr. Monzon said.

"We will likewise continue to pursue our various initiatives to help and attract companies to list their shares on the exchange," he added. — **Revin Mikhael D. Ochave**

Colliers sees better Philippine office take-up in 2024

By **Ashley Erika O. Jose**
Reporter

THE Philippines' office property market is expected to improve in 2024 on better demand for office spaces and as companies resume their real estate plans this year, Colliers Philippines said.

"Net take-up will remain in positive territory for 2024," Kath Taburada, senior market analyst at Colliers Philippines, said in an e-mail. "In terms of office demand and net take-up, we will continue to experience improvement in Metro Manila."

Expansions and new setups accounted for 70% of transactions as of the third quarter of last year, Ms. Taburada said, adding she expects the net take-up to be sustained this year.

"This indicates that companies are now rolling out their real estate plans that were put on hold by the pandemic or were previously in a wait-and-see situation," she added.

In a report, Colliers said the take-up is mainly due to the demand from traditional and outsourcing companies, with more workers expected to work in offices.

Ms. Taburada said the net take-up this year is projected to reach 300,000 square meters (sq.m.), 36.4% higher than in 2023.

Tenants are also seen to continue using so-called flight-to-value techniques due to the availability of lower priced quality office spaces in prime locations.

This year's office supply is expected to reach 538,000 sq.m., while office vacancies will be at 22%, according to the report.

"In 2024, we expect occupiers to continue implementing flight-to-value strategies as more Grade A office buildings are to be delivered," Ms. Taburada said. About 600,000 sq.m. of office space is expected to be completed this year, she said.

In 2023, the office market gained momentum in terms of demand and net take-up after recording a net take-up of 153,000 sq.m. in the third quarter.

"Two years after the start of the pandemic, the office market finally saw a turn-

around in 2022 when it first saw a positive net take-up," Ms. Taburada said. "In the previous year, we recorded a net take-up of 110,000 sq.m. The positive net take-up is attributed to office demand outpacing nonrenewals and pre-terminations."

The information technology and business process management (IT-BPM) industry is expected to remain the key driver of the country's office market growth in 2024, Colliers said, citing the projection of IT and Business Process Association of the Philippines' (IBPAP) 7-8% growth in staffing this year.

"The office market is seen to benefit from this growth."

New and existing tenants are also seeking new locations outside Metro Manila for their expansion plans, including Cebu, Pampanga, Laguna, Davao, Iloilo, and Bacolod.

"Incorporating satellite offices in their real estate strategy has become an imperative to retain talent, as some of their employees have already returned to their provinces during the pandemic," Ms. Taburada said.

Public warned vs two unregistered investment firms

THE Securities and Exchange Commission (SEC) has warned Filipinos against investing in two entities without a license to solicit investments.

In separate advisories posted on its website, the corporate regulator flagged BNY PAL (Benta Paluwagan)/BNYPAL & Trading and Pecado, saying these are unregistered firms.

BNY PAL invites people to invest at least P20,000 via "paluwagan slots or cash benta slots," according to the SEC.

"The scheme employed by BNY PAL has the characteristics of a Ponzi scheme, where monies from new investors are used in paying fake profits to prior investors and is designed mainly to favor its top recruiters and prior risk takers and is detrimental to subsequent members in case of scarcity of new investors," the SEC said.

It added that BNY PAL offers various paluwagan slots and income for different maturity periods, but there is no matrix on how much income investors will get.

"Based on one of the contracts posted, BNY PAL (Benta Paluwagan)/BNYPAL & Trading offers a minimum of 30% (income) in just 10 days," the SEC said. — **Revin Mikhael D. Ochave**

FULL STORY

Read the full story by scanning the QR code with your smartphone or by typing the link
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AC Health eyes more mergers

THE healthcare arm of Ayala Corp. is eyeing more mergers and acquisitions (M&A) in 2024 as it seeks to expand its presence across the country, according to its top official.

"We do have a rich pipeline of M&A opportunities that we are looking at around the country across our group — hospitals, clinics, pharmaceuticals," Ayala Healthcare Holdings, Inc. (AC Health) President and Chief Executive Officer Paolo Maximo F. Borromeo told reporters last week.

Jaime E. Ysmael, Healthway Medical Network chief executive officer, separately told reporters they expect two to three M&As. Healthway Medical Network is the unified hospital brand of AC Health.

"We want to be the majority (owner) or at least have a path to majority (ownership) at some point in time," he

said. "But it should be chunky investments."

AC Health now has six hospitals after inaugurating the Healthway Cancer Care Hospital in Taguig City and partnering with the Far Eastern University-Nicanor Reyes Medical Foundation for the management of their university hospital.

Aside from M&As, Mr. Borromeo said AC Health is also keen to participate in public-private partnerships (PPP), adding that the company may bid for the P6-billion University of the Philippines-Philippine General Hospital Cancer Center.

"Where there are opportunities for us to participate via PPP, we will do it, as we are looking at participating in the PPP of the PGH Cancer Center," he said.

The center, which is touted to improve the PGH cancer

facility, will have a 300-bed capacity. The awarding and signing of the contract for the cancer center is set for this quarter.

Mr. Ysmael said smaller PPPs with local government units would also be explored. "We're also looking at smaller PPPs with LGUs, either to manage their dialysis centers or even their ambulatory centers. These are smaller PPPs are more meaningful because we're helping them to improve their healthcare system."

AC Health's portfolio includes the pharmacy chain Generika Drugstore, pharmaceutical importer and distributor IE Medica and MedEthix, multi-specialty clinics, ambulatory centers and full-service hospital network Healthway, and healthcare aggregator app KonsultaMD. — **Revin Mikhael D. Ochave**

OUTLIER

Meralco share price boosted by takeover of SP New Energy

By **Abigail Marie P. Yraola**

THE share price of Manila Electric Co. (Meralco) rose last week on news of its takeover of SP New Energy Corp. with a P15.9-billion investment and after announcing a 650-megawatt (MW) energy supply deal for the summer. Data from the Philippine Stock Exchange (PSE) showed 513,320 Meralco shares worth P251.7 million were traded from Dec. 27-29, making the listed power distributor the 10th most actively traded stock. Local financial markets were closed on Dec. 25-26 for the holidays.

Meralco shares closed at P399 each on Friday. The stock price rose by 2.8% from a week earlier. For the year, the stock increased by 33.5%.

The prospect of easing lending rates drove Meralco share prices up, Aniceto K. Pangan, a trader at Diversified Securities, said in an e-mail. "The move to acquire a majority stake in SP New Energy may further enhance the growth of Meralco with projected 3500-megawatt solar panels."

Meralco Chairman and Chief Executive Officer Manuel V. Pangilinan has taken over the Leviste-led SP New Energy with a P15.9-billion investment from generation unit MGEN Renewable Energy, Inc. (MGreen), according to news reports.

In a regulatory filing, MGreen said it had completed the acquisition by paying the P8.89-billion balance. It will hold 15.7 billion com-

mon shares and 19.4 billion preferred shares in SP New Energy, giving it a total voting interest of 50.5%.

MGreen is the renewable energy development arm of Meralco unit Meralco Powergen Corp.

The listed distributor is said to be seeking to buy 650 MW of critical supply to ensure reliable service in the summer.

The company is waiting for the Department of Energy's (DOE) approval of the terms of reference for separate contracts for a 400-MW interim power supply agreement and a 250-MW peaking supply deal.

Meralco plans to make available its 250-MW peaking supply between February and July, subject to approval by the Energy department. The company is looking at getting bid submissions by Jan. 23 and delivering the power by Feb. 26.

Mr. Pangan attributed the stock's growth to double-digit income growth, which was driven by its generation business.

In the third quarter, Meralco's attributable net income jumped by 58.9% to P10.55 billion from a year earlier, even as consolidated revenue fell by 4.2% to P110.41 billion. Its nine-month income rose by 43.7% to P28.4 billion, while consolidated revenue grew by 6.5% to P335.31 billion.

Mr. Pangan said investors and traders might consider Meralco if global interest rates continue to ease on subdued inflation.

SP New Energy fast-tracking clearing for P200-B solar project

SP NEW ENERGY Corp. through its unit is fast-tracking site-clearing activities for the construction of its P200-billion Terra Solar project.

"Work has begun on clearing the site, which will eventually cover approximately 3,500 hectares in Nueva Ecija and Bulacan," the company said in a statement at the weekend.

The site-clearing activities are conducted ahead of the construction of the project's interconnection facilities with the national grid and the installation of more than five million solar panels.

The Terra Solar project will house 3,500 megawatts of solar panels and 4,000 megawatt-hours of battery storage system. It is

expected to generate more than 5 billion kilowatt-hours of electricity yearly.

The total investment for the project is estimated at P200 billion.

SP New Energy last month said it had bought the entire stake of Prime Infrastructure, Inc. in a joint venture company, Terra Solar Philippines, Inc. for P6 billion. — **S.J. Talavera**

FULL STORY



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