

## Philippine Stock Exchange index (PSEi)

6,609.22

▼ 20.42 PTS.

▼ 0.3%

MONDAY, JANUARY 8, 2024

BusinessWorld

## PSEI MEMBER STOCKS

<b>AC</b> Ayala Corp. P701.50 -P10.00 -1.41%	<b>ACEN</b> ACEN Corp. P4.56 +P0.09 +2.01%	<b>AEV</b> Aboliz Equity Ventures, Inc. P50.00 +P0.10 +0.2%	<b>AGI</b> Alliance Global Group, Inc. P11.58 +P0.12 +1.05%	<b>ALI</b> Ayala Land, Inc. P34.00 -P0.30 -0.87%	<b>BDO</b> BDO Unibank, Inc. P132.30 -P0.80 -0.6%	<b>BLOOM</b> Bloomerry Resorts Corp. P10.16 -P0.04 -0.39%	<b>BPI</b> Bank of the Philippine Islands P104.00 -P0.50 -0.48%	<b>CNPF</b> Century Pacific Food, Inc. P32.00 +P0.50 +1.59%	<b>CNVRG</b> Converge ICT Solutions, Inc. P9.70 +P0.28 +2.97%
<b>DMC</b> DMCI Holdings, Inc. P9.99 -P0.13 -1.28%	<b>EMI</b> Emperador, Inc. P20.85 ---	<b>GLO</b> Globe Telecom, Inc. P1,720.00 -P6.00 -0.35%	<b>GTCAP</b> GT Capital Holdings, Inc. P610.00 +P4.00 +0.66%	<b>ICT</b> International Container Terminal Services, Inc. P249.00 -P3.00 -1.19%	<b>JFC</b> Jollibee Foods Corp. P257.00 -P1.00 -0.39%	<b>JGS</b> JG Summit Holdings, Inc. P43.10 +P0.20 +0.47%	<b>LTG</b> LT Group, Inc. P8.91 -P0.25 -2.73%	<b>MBT</b> Metropolitan Bank & Trust Co. P54.20 -P0.25 -0.46%	<b>MER</b> Manila Electric Co. P395.00 -P4.00 -1%
<b>MONDE</b> Monde Nissin Corp. P8.69 +P0.17 +2%	<b>NIKL</b> Nickel Asia Corp. P5.12 -P0.03 -0.58%	<b>PGOLD</b> Puregold Price Club, Inc. P28.00 ---	<b>SCC</b> Semirara Mining and Power Corp. P31.70 +P0.45 +1.44%	<b>SM</b> SM Investments Corp. P890.00 -P6.00 -0.67%	<b>SMC</b> San Miguel Corp. P109.50 -P0.10 -0.09%	<b>SMPH</b> SM Prime Holdings, Inc. P33.50 +P0.40 +1.21%	<b>TEL</b> PLDT Inc. P1,280.00 ---	<b>URC</b> Universal Robina Corp. P121.40 -P2.00 -1.62%	<b>WLCON</b> Wilcon Depot, Inc. P23.50 ---

## Meralco sees uptick in generation charge for Jan.

POWER distributor Manila Electric Co. (Meralco) is expecting a slight increase in the cost of power from suppliers this January, the company's spokesman said on Monday.

"We are still completing the billing from our suppliers, but initial indications show that there may be a very minimal increase in the generation charge in the January bills," Joe R. Zaldarriaga, Meralco spokesperson and vice-president for corporate communications, said in a Viber message.

He noted higher charges from the Wholesale Electricity Spot

Market (WESM), the trading floor of electricity.

Data from the Independent Market Operator of the Philippines showed that the average electricity price in WESM increased to P4.74 per kilowatt-hour (kWh) as of Dec. 25, from P4.12 per kWh in November.

Mr. Zaldarriaga said this was likely linked to a rise in the average capacity in the Luzon grid that is unavailable due to outages.

Some power plants are undergoing scheduled maintenance shutdown in preparation for the summer months, he said.

In December last year, the power distributor implemented a reduction from P12.0545 per kWh to P11.2584 per kWh amid a decrease in generation charges.

Generation charge usually accounts for more than half of a consumer's total monthly electricity bill.

Meanwhile, Bienvenido S. Oplas, Jr., president of Minimal Government Thinkers, expects a slight decrease due to lower coal prices in December-January and a lower Dubai crude price, to which the Malampaya gas price is pegged.

"But Meralco noted higher plant outage in WESM, so this may cancel out any potential price decrease," he said in a Viber message.

Mr. Oplas said that he expects power rates to drop in the first quarter despite the onset of El Niño and upcoming dry months.

"This will affect and reduce hydro output, raise power demand, but since this is a mild El Niño, at least in Metro Manila and neighboring provinces, power demand will not rise as projected by alarmist models and scenarios," he said.

Meralco said it has prepared to ensure the delivery of power to

its consumers with the bid launch for interim power supply agreements (IPSAs) covering a 260-MW peaking requirement and 400-MW baseload requirements.

The power distributor also said that it aims for the procurement to be "ready in time for the summer months when demand usually spikes."

The deadline for generation companies to submit expressions of interest for both IPSAs is Jan. 15.

A pre-bid conference will be held on Jan. 22, while the bid submission deadlines for the 260 MW and 400 MW are

set on February 26 and 27, respectively.

"I would also like to remind our customers to be mindful of their consumption and continue practicing energy efficiency," Mr. Zaldarriaga said.

Meralco's controlling stakeholder, Beacon Electric Asset Holdings, Inc., is partly owned by PLDT Inc.

Hastings Holdings, Inc., a unit of PLDT Beneficial Trust Fund subsidiary MediaQuest Holdings, Inc., has an interest in *BusinessWorld* through the Philippine Star Group, which it controls. — **Sheldeen Joy Talavera**

## DMCI Power reports 7% increase in energy sales

OFF-GRID energy generator DMCI Power Corp. (DPC) registered a 7% increase in energy sales volume in 2023 due to higher demand in underserved and unserved areas, its parent company said on Monday.

In a regulatory filing, DMCI Holdings, Inc. said that its subsidiary recorded an energy sales volume of 454 gigawatt-hours (GWh) last year, an increase from the 426 GWh in 2022. "Our sales have grown steadily for 11 consecutive quarters because of solid demand and our targeted investments in underserved and unserved areas," DPC President Antonino E. Gatdula, Jr. said.

The company operates in the provinces of Palawan, Masbate, and Oriental Mindoro.

According to the DPC, energy sales to Palawan increased by 12% to 200 GWh from

179 GWh in 2022. This accounted for 44% of the total sales volume.

The company attributed the increase to the "combined effect of higher capacity and demand." The Palawan Electric Cooperative, Inc. served the 67-megawatt (MW) demand of the province, it said.

In August, the company commenced the operations of its P1.5-billion thermal power plant in Palawan, which it said coincided with "a surge in both local and international tourist arrivals in the area."

Masbate energy sales, contributing 34% to the overall sales, increased by 5% to 156 GWh from 148 GWh previously due to higher demand, approximately 25-26 MW, and plant availability.

Meanwhile, energy sales to Oriental Mindoro fell by 2% to 97 GWh from 99 GWh "due to

the increased availability of renewable energy power plants." This accounted for 22% of the total sales volume with a demand of about 70 MW.

In 2023, DPC had a total installed capacity of around 160 MW, a 17% increase from the previous year.

For the third quarter, DPC reported a core net income of P267 million, a 26% increase from the previous year, driven by growth in electricity sales volume, lower fuel costs, and wider margins.

Revenues dropped by 13% to P1.86 billion due to the operation of the Palawan thermal power plant with a lower tariff, which DPC said has softened the impact of higher energy sales.

Established in 2006, the company is primarily engaged in energizing off-grid small and remote islands. Its portfolio includes diesel, bunker, and thermal energy. — **Sheldeen Joy Talavera**



## House of Investments ventures into financial and property sectors

YUCHENGCO-LED conglomerate House of Investments (HI) on Monday said it is expanding its portfolio by entering the financial services and property sectors.

In a regulatory filing, HI said it would make financial services a core investment, replacing construction.

The move will create a new financial services unit under HI, which comprises Malayan Insurance, Sun Life Grepa Financial, Inc., and its existing 40% stake in RCBC Trust Corp., the company said.

According to the company, its venture into financial services is part of its diversification efforts and its "ambition to play a more substantial role in the Philippine financial industry."

HI is undertaking a P15.7-billion share swap agreement in which it would issue new shares in exchange for stakes in three companies.

"HI will hold 77.32% of MICO Equities, Inc., which owns Malayan Insurance Co. (non-life insurance); 51% of Sun Life Grepa Financial (life insurance); and 49% of Grepa Realty Holdings, Inc. (GRHD)," the conglomerate said.

The main asset of GRHI is the Grealife Building, which stands on a 5,000-square meter land along Sen. Gil J. Puyat Ave. in Makati.

HI also said it is set to increase its property portfolio in 2024 with the upcoming ownership of GRHI as well as multiple properties.

"Aiming to be an extensive conglomerate, we are putting in the groundwork necessary to make HI a bigger and better company," HI Director, President, and Chief Executive Officer Lorenzo V. Tan said.

"This initiative is centered on the reorganization of the group to amplify its overall value proposition, demonstrating HI's continuous business development and its pursuit of growth opportunities across multiple sectors," Mr. Tan added.

On Jan. 2, HI said that it acquired a 184-hectare property in Tarlac province through its newly incorporated and wholly owned subsidiary Tarlac Terra Ventures, Inc.

The property is situated at Central Techno Park in Luisita Industrial Park and is seen to provide future revenues for HI.

HI is developing a 28-storey office building along Sen. Gil Puyat Ave. via its 60% stake in San Lorenzo Ruiz Investment Holdings and Services.

In 2022, HI secured full ownership of A.T. Yuchengco Centre in Bonifacio Global City, Taguig.

"These activities align with its vision to tap into the growth potential of the Philippine real estate market," the listed company said.

"As HI embarks on this new phase of expansion, it reinforces its position as a versatile and dynamic player in the Philippine business landscape," it added.

HI announced the expansion plans following its recent move to divest its former construction subsidiary EEI Corp.

The listed conglomerate said on Jan. 5 that it sold 4.5% of EEI Corp. to Singaporean firm Shenton Resources Pte. Ltd. for an undisclosed amount.

In May last year, HI sold a 14.35% stake in EEI to Industry Holdings and Development Corp. for P1.08 billion.

Shares of HI rose by 26 centavos or 8.07% to P3.48 apiece on Monday. — **Revin Mikhael D. Ochave**

## Globe's real estate platform plans more features to help boost sales

GLOBE Telecom, Inc. announced on Monday that its corporate venture builder 917Ventures is expanding its Housify real estate management platform to help brokers increase sales.

"In partnering with Housify, our objective is to provide brokers with the necessary tools to streamline their workflows and establish more efficient processes, enabling them to capitalize on sales opportunities," said Ina Jacinto-Gervasio, Housify entrepreneur-in-residence at 917Ventures, in a media release on Monday.

Housify, a real estate marketplace and proptech (property technology) startup under 917Ventures, is set to introduce a new platform feature by integrating customer relationship management, offering brokers and realtors a "more efficient way to manage leads and convert them to sales."

This year, the company anticipates onboarding over 2,000 brokers and realtors, driven by increased interest in the real estate sector due to the shift to hybrid work setups and improved financial habits.

Housify will also implement several enhancements to its platform, allowing users to effectively manage their portfolios.

To recall, 917Ventures is targeting to build generative artificial intelligence products as Globe taps into more technologies for its telco-to-techno strategy.

Globe's telco-to-techno strategy refers to its plan to enter financial technology, health technology, educational technology, climate technology, shared services, investments, and entertainment.

At the stock exchange on Monday, shares in the company declined by P6 or 0.35% to end at P1,720 apiece. — **A.E.O. Jose**

## AirAsia unifies aviation business

MALAYSIA-BASED airline group Capital A Berhad, operator of budget carrier AirAsia Philippines, is transferring its aviation business to AirAsia X Berhad (AAX) to improve its aviation operations and strengthen financial performance, a company official said on Monday.

Capital A Berhad said it had entered into a non-binding agreement with its unit AirAsia X for the sale of its aviation businesses — AirAsia Berhad and AirAsia Aviation Group Ltd.

"We will combine Malaysia AirAsia and AirAsia Aviation Group, which [includes] Indonesia, the Philippines, Thailand, and Cambodia," Capital A Chief Executive Officer Tony Fernandes said during an online briefing.

The move "positions AirAsia X to become the overarching regional aviation provider for all short and medium-haul routes under the AirAsia brand name," Capital A Berhad said in a separate media release.

The definitive sale and purchase agreement are still being finalized, Mr. Fernandes said, adding that the transaction is expected to be signed in the next two weeks.

He said the restructuring would also allow Capital A to focus on its other companies, which include logistics aviation services and a digital services platform.

"Shareholders of Capital A will eventually be shareholders of AirAsia Aviation



BW FILE PHOTO

Group and Capital A. Eventually, AirAsia X and AirAsia will be merged into one airline. We will have a pure aviation group," he said.

AirAsia X said the acquisition will provide the company "unparalleled advantages" and strengthen its market position by enhancing its financial performance.

"These strategic acquisitions serve as pivotal milestones in AAX's post-PN17 revival strategy, bolstering our financial stability and enhancing our market positioning," AirAsia X Chairman Dato' Fam Lee Ee said.

Last year, AirAsia X exited its PN17 status, which is a classification issued by the Malaysian bourse to companies in financial distress.

"We are confident that by separating the aviation business from Capital A, the non-aviation businesses within the group, which we feel are currently undervalued by the market, will also be recognized for their intrinsic value and potential," Mr. Fernandes said.

Mr. Fernandes added that the group needs to raise capital as it intends to add more fleet in Indonesia and the

Philippines as the two are the group's growth drivers.

"Really our growth is going to be very heavily driven by the Philippines and Indonesia on top of Malaysia and Thailand, which have a lot of growth. We really want to grow in Indonesia and the Philippines," he said.

The group is looking to launch flights to the US by the end of this year, citing that it sees potential in the Philippines due to the growing demand in tourism.

The Philippines recorded 5.45-million international visitors in 2023, surpassing its 4.8-million target, the Tourism department said. This year, the agency is targeting 7.7-million visitors.

"By the end of this year, our first re-entry to Europe. And eventually, we're going to go back to North America and South America. Manila will be a very good hub into America, and Thailand will be a great hub into Europe," the group said.

For this year, AirAsia said it is working to fully restore its fleet as it seeks to reactivate 191 aircraft by the first quarter of 2024 with 166 already in operation. — **Ashley Erika O. Jose**