

Philippine Stock Exchange index (PSEi)

6,643.18

▲ 29.45 PTS.

▲ 0.44%

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BusinessWorld

PSEI MEMBER STOCKS

AC Ayala Corp. P680.50 +P6.50 +0.96%	ACEN ACEN Corp. P4.33 +P0.02 +0.46%	AEV Aboitiz Equity Ventures, Inc. P48.70 +P0.20 +0.41%	AGI Alliance Global Group, Inc. P11.52 -P0.08 -0.69%	ALI Ayala Land, Inc. P34.05 -P0.20 -0.58%	BDO BDO Unibank, Inc. P139.00 -P0.80 -0.57%	BLOOM Blossom Resorts Corp. P9.92 -P0.04 -0.4%	BPI Bank of the Philippine Islands P107.00 -P1.80 -1.65%	CNPF Century Pacific Food, Inc. P33.80 +P0.20 +0.6%	CNVRG Converge ICT Solutions, Inc. P9.36 +P0.16 +1.74%
DMC DMCI Holdings, Inc. P10.08 ---	EMI Emperador, Inc. P20.85 ---	GLO Globe Telecom, Inc. P1,712.00 -P13.00 -0.75%	GTCAP GT Capital Holdings, Inc. P618.00 +P5.00 +0.82%	ICT International Container Terminal Services, Inc. P245.80 +P7.40 +3.1%	JFC Jollibee Foods Corp. P265.00 +P5.20 +2%	JGS JG Summit Holdings, Inc. P40.20 ---	LTG LT Group, Inc. P9.03 +P0.04 +0.44%	MBT Metropolitan Bank & Trust Co. P57.40 +P1.40 +2.5%	MER Manila Electric Co. P380.00 ---
MONDE Monde Nissin Corp. P8.41 -P0.22 -2.55%	NIKL Nickel Asia Corp. P5.00 -P0.02 -0.4%	PGOLD Puregold Price Club, Inc. P28.65 +P0.15 +0.53%	SCC Semirara Mining and Power Corp. P31.15 +P0.15 +0.48%	SM SM Investments Corp. P902.00 +P12.00 +1.35%	SMC San Miguel Corp. P121.00 +P3.00 +2.54%	SMPH SM Prime Holdings, Inc. P33.55 +P0.05 +0.15%	TEL PLDT Inc. P1,290.00 +P9.00 +0.7%	URC Universal Robina Corp. P121.40 -P0.10 -0.08%	WLCON Wilcon Depot, Inc. P23.25 -P0.20 -0.85%

GCash eyes initial public offering by second half

ELECTRONIC wallet platform GCash is planning to conduct its initial public offering (IPO) by the second half of the year as the company awaits a more favorable market, its president said.

"We're preparing internally so that we can be ready for this year; it is a question of the market," Oscar A. Reyes, Jr., president and chief executive officer of G-Xchange, told reporters on the sidelines of a press briefing last week.

"From how it looks, the market doesn't seem hopeful right now. I think we're waiting for the

market to recover. Hopefully by the second half," he added.

G-Xchange is the operator of GCash. The parent firm of GCash, Globe Fintech Innovations, Inc., is an affiliate of listed telecommunications company Globe Telecom, Inc.

GCash is waiting for the market to improve, Mr. Reyes said.

China Bank Capital Corp. Managing Director Juan Paolo E. Colet said the second half may be the best time for an IPO this year, as the US Federal Reserve is widely expected to begin cutting rates by that time.

"This will certainly be a very exciting IPO. We expect strong appetite from local and foreign investors given the market-leading position and tech-themed growth story of GCash," Mr. Colet said in a Viber message on Sunday.

The Philippine central bank is expected to cut benchmark interest rates by June to match the US Federal Reserve easing its policy rates.

However, a favorable market environment will not guarantee a successful IPO, according to Globalinks Securities and Stocks, Inc. Head of Sales Trading Toby Allan C. Arce, who added that investors

would assess the company's performance and its growth strategy.

"The second half of 2024 could be a decent window for a GCash IPO, but it's not guaranteed success. Careful evaluation of market conditions, GCash's performance, and investor sentiment will be crucial for ensuring a smooth and successful listing," Mr. Arce said.

The current digital payments trend is also expected to drive investors' appetite, he added.

"The ongoing trend towards digital payments and financial services could benefit GCash and appeal to investors looking for

exposure to this growing market," Mr. Arce said.

To date, GCash has over 80 million registered users. It has made over financial transactions for more than 60 million registered users.

Mr. Reyes said the company is looking to expand its reach as it eyes to secure approvals in other markets. "Good news is we actually got approval to fully launch in 16 countries already," he said.

GCash has launched its "beta version" allowing users in the UK, Italy, Australia, US, Canada, and Japan to use the electronic wallet platform.

"The next 10 countries were already approved as well. We'll be going to the Middle East soon. As well as a couple of more countries in Europe and more in Asia as well, within the first quarter," he said.

Meanwhile, analysts said that Globe being a listed company will not impact GCash's planned IPO, as some Globe investors will find the IPO attractive.

"The fact that Globe is already listed will not impact the GCash IPO. Some Globe investors might actually shift funds to GCash for better upside risk exposure," Mr. Colet said. — **Ashley Erika O. Jose**

DITO CME sets P30-billion capex budget for 2024

DITO CME Holdings Corp. (DITO) is setting aside P30 billion for its capital expenditures (capex) this year, mainly for network rollout, the company's top official said.

"Our capex guidance should be anywhere between P25 billion and P30 billion," Ernesto R. Alberto, DITO CME president and chief executive officer, told reporters last week.

The company is focusing on gaining its market share and commercial rollout, he said.

"We will be coming up with exciting new, differentiated products both on connectivity and broadband, mobile data, or fixed wireless."

The company plans to launch products relevant to large, medium, and small enterprises, Mr. Alberto said.

"These are new commercial activities we are banking on in our desire to monetize the billions of dollars of investments we have in the past years," he said.

Further, Mr. Alberto said that the company is still in discussions regarding its planned fundraising.

In 2023, the company announced that it would hold another fundraising to secure financing for DITO Telecommunity Corp.'s projects.

Last year, DITO Telecommunity had a commitment to allot P27 billion for capex to expand its coverage.

"Discussions are continuing, as you know telco business is capital intensive. The amounts that we have seen so far are not sufficient to make a formidable telco play in this country," he said.

DITO Telecommunity has a commitment to cover 84% of the population this year.

"Our priority is to complete the 84%, then audit. Our aspiration is at the end of the year, 84% brand new network rollout," he said. — **Ashley Erika O. Jose**

OUTLIER

Investors profit-take on Ayala Land's outlook

SHARES in the Ayala-led property developer Ayala Land, Inc. dropped last week as investors took profits amid signals of rate cuts this year, which could support the company's rosy outlook.

A total of 44.23 million shares, worth P1.52 billion, were traded from Jan. 8 to 12, according to data from the Philippine Stock Exchange (PSE), making it the eighth most actively traded stock last week.

Shares of the property development company dropped by 0.7% week on week, closing at P34.05 piece last Friday from its P34.30 closing price on Jan. 5.

Year to date, Ayala Land's stock slid by 1.2%.

To kick off the year, Ayala Land announced its plans to boost activities with the aim of doubling its earnings by 2028.

The property developer's double-digit growth, seen during the third quarter of 2023, supported Ayala Land's aggressive stance on its medium-term goal.

In the January to September 2023 period, the company's net income grew by 28.5% to P20.94 billion from P16.3 billion in the same period in 2022.

Net attributable income also surged by 37.9% year on year to P18.39 billion from P13.34 billion.

In an e-mail exchange, Timson Securities, Inc. Equity Trader Jervin S. de Celis said that Ayala Land's plans to double its earnings in the next five years can be supported by better economic conditions anticipated this year.

"Foreigners are noticeably net buyers of the stock since the first week of November and I guess their appetite for [Ayala Land's] stock is stemming from the strong earnings performance of the company for the [nine]-month period of 2023 and the anticipation for the rate cuts in 2024," he said.

"The stock price has been moving sideways since the [third] week of December.

After touching the P35 level this week, it has since then retraced to P34 and may form a support level at around P32.50 within this month," he added.

On a quarterly basis, Ayala Land's net attributable income increased by 33% to P7 billion during the July-to-September period last year.

Its third quarter net income also rose by 28.1% to P7.88 billion.

The property developer arm of Ayala Corp. also announced last week its loan deal with Metropolitan Bank & Trust Co. (Metrobank) worth P15 billion to fund its capital expenditure and debt refinancing.

Metrobank became the second largest lender to Ayala Land after the loan.

The country's inflation slowed to 3.9% in December last year, with full-year inflation settling at 6%, meeting the BSP's targets for 2023.

This was also the third-straight month of easing since the 6.1% inflation in September last year.

Mr. De Celis placed his full year income forecast for the stock to reach at least P20 billion, advising investors to lookout for headwinds this year namely El Niño and the ongoing conflict in Yemen, which could affect prices of oil once again.

For the week, he placed his support and resistance levels at P32.50 and P35, respectively.

"[T]he big players in the [Philippine] real estate market have weathered the effects of the pandemic as well as the skyrocketing inflation and interest rates for the past couple of years, so while there are headwinds coming from the local and international scene, 'sustained local macroeconomic expansion and sound economic policies' as Colliers mentioned in their December 2023 report will likely support the industry's fast recovery this year and beyond," Mr. De Celis said. — **Bernadette Therese M. Gadon**

Meralco commits to ERC guidelines for contract termination

MANILA Electric Co. (Meralco) has assured that contracts resulting from bids will adhere to the new rules of the Energy Regulatory Commission (ERC) on termination.

"With the new ERC guidelines, it is already stated there that before terminating [contracts], these need to go through the ERC," Lawrence S. Fernandez, Meralco's vice-president and head of utility economics, said on the sidelines of a media briefing last week.

"We will comply with that provision," he added.

Meralco has recently launched the bidding for the procurement of its energy requirements, covering capacities of 1,800 megawatts (MW), 1,200 MW, and 660 MW.

The new bids for the 1,800 MW and 1,200 MW capacities aim to secure new suppliers following the termination of their power supply agreements (PSAs).

Last year, the ERC released guidelines governing the PSAs entered into by distribution utilities.

Under ERC Resolution No. 16, Series of 2023, the commission noted that no party to the PSA should be allowed to terminate the contract within a specified period "unless expressly allowed under these guidelines."

Among the allowable grounds cited in Section 34 of the resolution is termination with prior approval from the ERC.

Mr. Fernandez, meanwhile, said that the recommendations from the ERC for the terms of reference (ToR) for the bidding covering 1,800 MW were also applied to the ToR for the 1,200-MW bidding. — **Sheldeen Joy Talavera**

FULL STORY

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SEC warns against investing in Titan Capital Markets and Kalinga Venture Group

THE Securities and Exchange Commission (SEC) has warned the public against investing in Titan Capital Markets and Kalinga Venture Group OPC, saying these entities are not authorized to sell securities.

In an advisory, the commission said that Titan Capital Markets/Titan Capital Markets Pty. Ltd. allegedly earns through bot trading or staking.

The entity offers investments ranging from \$100 to \$3,000, promising earnings between 21% monthly for 90 days and 24% monthly for 180 days, depending on their subscription plan, it added.

Investors could also earn a 15% referral bonus and a "Titan Partners Reward" of 2% up to 10%.

The SEC said that Titan Capital Markets/Titan Capital Markets Pty. Ltd. is not registered as a corporation or a partnership and has not

obtained the required registration to solicit investments.

It added that the scheme employed by Titan Capital Markets/Titan Capital Markets Pty. Ltd. has characteristics of a Ponzi scheme, where "monies from new investors are used in paying 'fake profits' to prior investors and are designed mainly to favor its top recruiters and prior risk-takers, which is detrimental to subsequent members in case of a scarcity of new investors."

"The Securities Regulation Code (SRC) requires that said offer and sale of securities must be duly registered with the commission and that the concerned entity and/or its agents should have the appropriate registration and/or license to sell such securities to the public," the commission said.

At the same time, the SEC said that Kalinga Venture Group OPC/Kalinga Venture In-

ternational/Kalinga Wealth & Business Development Services allegedly offers various investment subscription plans that could earn 25% to 170% income in 9 to 40 days.

The entity claimed that its sources of income include binary trading, foreign exchange market trading, gold jewelry trading, financing, and ad revenue, it said.

The SEC said that Kalinga Venture Group OPC is registered with the government as a corporation but is not authorized to issue, sell, or offer for sale securities.

The commission also said that entities named Kalinga Ventures Capital/Kalinga Venture International/Kalinga Wealth & Business Development Services are not registered with the commission and are not authorized to offer, solicit, sell, or distribute any securities to the public. — **Revin Mikhael D. Ochave**

CTA denies Melco Resort VAT refund claim

THE Court of Tax Appeals (CTA) has upheld its decision to reject Melco Resorts Leisure Corp.'s appeal for a refund of P45.5 million in allegedly wrongly paid value-added tax (VAT) on local purchases of goods and services, along with P47.26 million in VAT on services passed on by its suppliers during the first and second quarters of 2017.

In a 45-page decision dated Jan. 9, the CTA said that it found no reason to overturn its second division's ruling, as the firm was only entitled to a P9,373 VAT refund.

"We affirm the Second Division's judgement that on the whole, respondent, according

to the documents presented was only able to prove that it is entitled to a refund in the amount of P9,737 representing VAT on its importation of goods other than capital goods," said the ruling penned by Associate Justice Belen M. Ringpis-Liban. — **John Victor D. Ordoñez**

FULL STORY

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