

Philippine Stock Exchange index (PSEi)

6,630.68

▼55.41 PTS.

▼0.82%

MONDAY, JANUARY 29, 2024

BusinessWorld

PSEI MEMBER STOCKS

AC Ayala Corp. P661.00 -P14.00 -2.07%	ACEN ACEN Corp. P4.18 ---	AEV Aboltiz Equity Ventures, Inc. P48.00 -P0.60 -1.23%	AGI Alliance Global Group, Inc. P11.30 -P0.02 -0.18%	ALI Ayala Land, Inc. P33.50 -P0.50 -1.47%	BDO BDO Unibank, Inc. P144.90 +P0.10 +0.07%	BLOOM Bloomerry Resorts Corp. P10.80 -P0.18 -1.64%	BPI Bank of the Philippine Islands P112.00 -P1.70 -1.5%	CNPF Century Pacific Food, Inc. P32.10 +P0.10 +0.31%	CNVRG Converge ICT Solutions, Inc. P9.20 -P0.05 -0.54%
DMC DMCI Holdings, Inc. P10.60 +P0.10 +0.95%	EMI Emperador, Inc. P20.65 -P0.05 -0.24%	GLO Globe Telecom, Inc. P1,700.00 -P20.00 -1.16%	GTCAP GT Capital Holdings, Inc. P633.00 -P22.50 -3.43%	ICT International Container Terminal Services, Inc. P236.00 ---	JFC Jollibee Foods Corp. P264.00 -P10.60 -3.86%	JGS JG Summit Holdings, Inc. P37.50 -P0.55 -1.45%	LTG LT Group, Inc. P9.50 ---	MBT Metropolitan Bank & Trust Co. P56.50 -P1.30 -2.25%	MER Manila Electric Co. P376.00 -P1.40 -0.37%
MONDE Monde Nissin Corp. P8.34 -P0.09 -1.07%	NIKL Nickel Asia Corp. P4.74 -P0.09 -1.86%	PGOLD Puregold Price Club, Inc. P28.45 -P0.10 -0.35%	SCC Semirara Mining and Power Corp. P31.85 ---	SM SM Investments Corp. P922.00 -P3.00 -0.32%	SMC San Miguel Corp. P111.20 -P0.30 -0.27%	SMPH SM Prime Holdings, Inc. P33.70 ---	TEL PLDT Inc. P1,284.00 -P10.00 -0.77%	URC Universal Robina Corp. P113.00 +P0.50 +0.44%	WLCON Wilcon Depot, Inc. P21.90 ---

Razon-led ICTSI awarded 25-year Iloilo port contract



ILOILO PORT set for modernization as ICTSI secures 25-year concession.

THE Philippine Ports Authority (PPA) has awarded International Container Terminal Services, Inc. (ICTSI) a 25-year contract to operate the Iloilo Commercial Port Complex in Western Visayas.

The contract includes a concession fee of P750 million, covering a period of six to 10 years, excluding taxes, PPA General Manager Jay Daniel R. Santiago said in his notice of award to ICTSI. This amount is 50%

higher than the P500 million minimum fixed fee set by the agency in its bid invitation.

"You are hereby instructed to formally enter into contract with us... within 30 calendar days from the signing of the port terminal management contract," he said in the letter.

Razon-led ICTSI, the sole bidder for the project, will assume control of the facility after the contract signing and once the PPA has issued the notice to proceed.

"ICTSI will focus on improving terminal productivity and service quality by investing in the development and rehabilitation of the terminal infrastructure and the deployment of cargo-handling equipment," the listed company said in a statement.

"Capacity efficiency constraints have hampered its full potential. ICTSI's involvement aims to tackle these challenges head-on, unlocking the port's economic engine," it added.

The Iloilo Commercial Port Complex, which will be named Visayas Container Terminal after the handover, has approximately 627 meters of operational quay length and 20 hectares of land for container and general cargo storage, warehousing, and other cargo-handling activities.

"We recognize the port's pivotal role in driving Iloilo's economic and social growth," Christian R. Gonzales, ICTSI executive vice-president, said in a statement.

The facility caters to Iloilo province and the entire Panay Island. Situated apart from older port facilities on Panay Island's southern coast in Panay Gulf, it benefits from being one of the country's safest harbors, according to ICTSI.

Guimaras Island protects the port from storms, making it suitable for docking ships and vessels, the company noted. — **Ashley Erika O. Jose**

CNN Philippines to cease operations starting Jan. 31

TELEVISION network CNN Philippines will cease operations beginning Jan. 31 due to significant financial losses, its operator Nine Media Corp. (NMC) announced on Monday.

"It is with deep regret that the management of Nine Media Corp. announces the discontinuation of its news and production operations on all media platforms, branded as CNN Philippines (CNNPH)," the company said in a statement.

Despite efforts to adapt to the changing media landscape, financial losses prompted this move, according to the company.

CNN Philippines started operating on free TV in March 2015 through an airtime deal with Radio Philippines Network, costing P8.2 million monthly. NMC reported a financial loss of P5 billion.

Toby Allan C. Arce, head of sales trading at Globalinks Securities and Stocks, Inc., said that CNN Philippines' closure will likely impact listed media companies if the shutdown is deemed as a broader trend in the



RUBAITUL AZAD/UNSPLASH

media industry and may lead to risk for some investors.

"If the shutdown is perceived as an isolated incident due to specific issues faced by CNN Philippines, it may not have a significant impact on the overall media industry," he said in a Viber message.

For his part, Juan Paolo E. Colet, managing director at China Bank Capital Corp., said: "It reinforces the notion that if you are a media-oriented investor, it is best to bet on an established media business with a good track record of making money."

"The exit of CNN Philippines will favor the major news media companies, especially GMA, TV5, and ABS-CBN. The shutdown shows just how tough it is to run a profitable broadcast media business in the Philippines," he also said in a Viber message.

"Profitability prospects in the media industry are currently challenged by the rising adoption of digital channels and growing traction of content creation," China Bank Securities Corp. Research Associate Stephen Gabriel Y. Oliveros said in an e-mail.

The broader reach of advertising in social media has also become a challenge for media giants like CNN Philippines, he said, noting that advertisers are using digital channels for ad placements.

"These factors could have reduced demand for the intermediary services of traditional media companies, which in turn, adversely affected one of their primary sources of income — advertising revenues," he added. — **Ashley Erika O. Jose**

ABS-CBN says Sky starts shift to dedicated internet provider

ABS-CBN Corp. said its subsidiary Sky Cable is embarking on its transition to becoming a dedicated internet service provider following its acquisition by Pangilinan-led PLDT Inc.

In a stock exchange disclosure on Monday, ABS-CBN said Sky will have its final broadcast on Feb. 26 and will discontinue its services starting Feb. 27. ANC, the ABS-CBN News Channel, will continue its operations, the media company said.

"Sky received from the National Telecommunications Communications various Certificates of registration as a value-added service provider to offer Internet Access services

across the Philippines to allow it to be a dedicated and independent internet service provider," the company told the stock exchange.

ABS-CBN's Sky Cable has sold its broadband business and related assets to PLDT through the sale of its 100% combined issued and outstanding capital stock to the telecommunications company.

The transaction was approved by the Philippine Competition Commission on Jan. 22, pending a number of closing conditions.

Last year, PLDT announced its plan to acquire Sky Cable for P6.75 billion, as the company targets to expand its coverage and services.

The transaction involves the sale of about 1.38 billion common shares at P4.90 apiece, with the purchase price based on the agreed equity valuation of Sky Cable's shares as of Dec. 31, 2022.

At the local bourse on Monday, shares in ABS-CBN fell by nine centavos or 1.96% to end at P4.51 apiece; while shares in PLDT closed P10 or 0.77% lower at P1,284 each.

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**

SM Prime Holdings eyes P100-B capex for 2024

SM Prime Holdings, Inc. plans to allocate up to P100 billion for its capital expenditure (capex) budget this year, the Sy-led company said.

"I think we're looking at close to [the P80 billion we had in 2023] or about P100 billion," SM Prime President Jeffrey C. Lim told reporters on the sidelines of The Business Manual CEO Awards in Taguig City late Sunday.

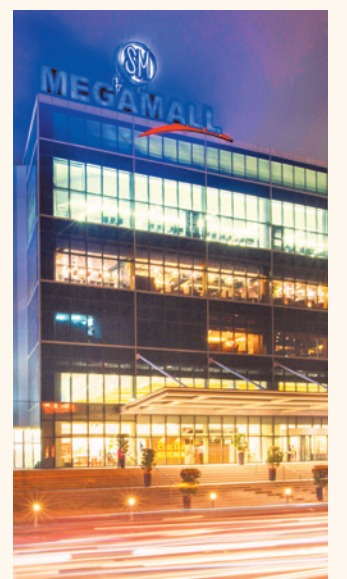
On the company's planned initial public offering (IPO), Mr. Lim said that SM Prime is still studying the market conditions.

"We'll have to study and look at the market, so we just have to wait a bit," he said.

SM Prime Vice-President for Investor Relations Alexander D. Pomento said in a separate interview that the company could proceed with its IPO as early as the second quarter if market conditions improve.

"It's really just waiting for the market conditions to improve because we're talking about a big-size company. Given the liquidity of the market, it's a big constraint right, but the program's still there. It's a question of when, not if," he said.

In August of last year, SM Prime's parent company, SM Investments Corp. (SMIC), announced that the planned IPO had been deferred due to market headwinds such as higher interest rates, inflation, and market sentiments. The listing was initially targeted for the second half of last year.



BW FILE PHOTO

The company's planned real estate investment trust offering is likely to be valued at around \$3.5 billion to \$4 billion and will initially consist of 12 to 15 assets, drawn from the 82 malls it currently owns.

SMIC, through SM Prime, is developing a 360-hectare reclamation project in Pasay City directly connected to the Mall of Asia Complex worth around P100 billion.

For the first nine months, SM Prime recorded a 37% increase in its consolidated net income to P30.1 billion from P22 billion a year ago, carried by higher revenues from its mall and residential businesses.

On Monday, SM Prime shares closed unchanged at P33.70 apiece while SMIC stocks fell P3 or 0.32% to P922 each. — **Revin Mikhael D. Ochave**

COL Financial sets 7,100 level as base projection for PSEi in 2024

ONLINE stock brokerage firm COL Financial Group, Inc. has set the 7,100 level as its base projection for the country's main index in 2024, driven by strong economic growth projections.

COL Financial also expects the stock market to reach levels between 8,200 and 9,400, COL Financial Chief Equity Strategist April Lynn Lee-Tan said during a media briefing on Monday.

However, the Philippine Stock Exchange index (PSEi) could drop to 5,800 and go as low as 4,300 if the market is affected by risks, she noted.

"At a base case scenario, the target is 7,100. Where does that come from? Because we're forecasting a 10% earnings per share (EPS) growth for this year. So most likely it is 7,100," Ms. Tan said.

"There is a very positive narrative for Philippine stocks that would seem to imply that a bull market is underway this year," she added.

According to Ms. Tan, the PSEi could reach as high as the 9,400 level if it reverts back to the ten-year historical price-to-earnings (P/E) ratio of 16.2x. Alternatively, it could go as low as the

4,300 level if it posts a 9x P/E and a 10% annual drop in EPS.

She said some of the drivers for the PSEi's growth in 2024 include slower inflation and interest rates, increased government spending, affordable and under-owned stocks, and the resilience of the country's economy.

"Philippine stocks could finally enter a bull market this year as the outlook for economic growth looks bright, and as stocks are cheap and under owned," Ms. Tan said.

Despite the positive outlook, Ms. Tan said the risks faced by the

local bourse include higher inflation and interest rates, an escalation of geopolitical tension, negative surprises to the government budget, and the potential impact of a possible recession in the US economy on Philippine securities. — **Revin Mikhael D. Ochave**

FULL STORY

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