

Philippine Stock Exchange index (PSEi)

6,850.16

▲ 20.12 PTS.

▲ 0.29%

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BusinessWorld

PSEi MEMBER STOCKS

AC Ayala Corp. P700.00 -P15.00 -2.1%	ACEN ACEN Corp. P4.38 +P0.03 +0.69%	AEV Aboitiz Equity Ventures, Inc. P47.25 -P0.25 -0.53%	AGI Alliance Global Group, Inc. P11.74 +P0.14 +1.21%	ALI Ayala Land, Inc. P34.90 +P0.40 +1.16%	BDO BDO Unibank, Inc. P153.60 +P3.60 +2.4%	BLOOM Blossom Resorts Corp. P11.50 -P0.22 -1.88%	BPI Bank of the Philippine Islands P113.40 +P0.80 +0.71%	CNPF Century Pacific Food, Inc. P36.00 -P0.15 -0.41%	CNVRG Converge ICT Solutions, Inc. P9.78 +P0.21 +2.19%
DMC DMCI Holdings, Inc. P11.00 +P0.28 +2.61%	EMI Emperador, Inc. P20.50 -P0.15 -0.73%	GLO Globe Telecom, Inc. P1,741.00 +P13.00 +0.75%	GTCAP GT Capital Holdings, Inc. P676.00 -P19.00 -2.73%	ICT International Container Terminal Services, Inc. P271.00 +P1.00 +0.37%	JFC Jollibee Foods Corp. P261.40 -P1.40 -0.53%	JGS JG Summit Holdings, Inc. P39.05 -P0.50 -1.26%	LTG LT Group, Inc. P9.59 ---	MBT Metropolitan Bank & Trust Co. P59.20 +P1.50 +2.6%	MER Manila Electric Co. P367.00 -P5.00 -1.34%
MONDE Monde Nissin Corp. P9.95 +P0.27 +2.79%	NIKL Nickel Asia Corp. P4.68 -P0.02 -0.43%	PGOLD Puregold Price Club, Inc. P27.45 -P0.30 -1.08%	SCC Semirara Mining and Power Corp. P32.70 +P0.35 +1.08%	SM SM Investments Corp. P915.00 +P5.00 +0.55%	SMC San Miguel Corp. P108.00 +P0.20 +0.19%	SMPH SM Prime Holdings, Inc. P34.65 -P0.15 -0.43%	TEL PLDT Inc. P1,295.00 -P5.00 -0.38%	URC Universal Robina Corp. P111.30 -P0.10 -0.09%	WLCON Wilcon Depot, Inc. P22.95 +P0.45 +2%

PSE: Short selling hinges on market recovery

By Revin Mikhael D. Ochave
Reporter

THE PHILIPPINE Stock Exchange, Inc. (PSE) is not bothered by the slow progress of its short selling product, its top official said.

"I'm not worried. As long as the short selling capability is there, that is the most important thing," PSE President and Chief Executive Officer Ramon S. Monzon told *BusinessWorld* on the sidelines of a launch event in Makati City last week when asked about the development of the market product.

The PSE launched short selling in November last year,

five years after issuing the revised guidelines on the trading strategy. However, the latest daily short selling report posted on the PSE's website showed that there have been no developments on the new trading product.

Mr. Monzon said the short selling product was introduced to entice more foreign investors to consider the local exchange.

"Everybody is saying that this short selling doesn't seem to have worked. We've worked on short selling and it is really to target the foreign investors so that when the emerging market or the Philippine economy loses favor, instead of selling out, they can hedge. That will create liquidity," Mr. Monzon said.

He added that short selling has not taken off because of the market's current performance.

"I don't expect short selling to take off in a big way right away because the market is down. Brokers have also to adopt their back office. That's all happening now," Mr. Monzon said.

"Hopefully, when the market is up, everything is in place," he added.

On Thursday, the 30-member Philippine Stock Exchange Index (PSEi) rose by 0.29% or 20.12 points to 6,850.16, while the broader all shares climbed by 0.2% or 7.45 points to 3,574.21.

The market had a shortened trading week due to the Chinese New Year holiday.



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Compared to the previous week, the PSEi rose by 2.13%, or 142.91 points, from the close of 6,707.25 on Feb. 2.

Short selling is a "trading strategy that involves the sell-

ing of a borrowed security with the intention of buying it back later at a lower price," which allows investors to hedge against the downside risk of an investment.

Eligible securities for short selling include all PSE index, PSE MidCap, and PSE Dividend Yield constituent companies and exchange traded funds.

Aboitiz plans bulk water supply project in Tarlac

ABOITIZ Equity Ventures, Inc. (AEV) is planning to develop a bulk water project within its economic estate in Tarlac City, the company's president said.

"Yes, we would [replicate the Davao City bulk water project]. We would like to be there where they welcome us. [We are targeting some] in the eco zone, in Tarlac for example, this was a big project. We were focusing on doing this," Sabin M. Aboitiz, president and chief executive officer of AEV, told reporters last week.

Last week, AEV's Aboitiz InfraCapital, Inc. inaugurated the Davao City bulk water supply project, which has a capacity of 300 million liters per day.

The P12-billion bulk water supply project, which started operating in December 2023, is a public-private partnership between Apo Agua Infraestructura, Inc., the water unit of Aboitiz InfraCapital, and Davao City Water District (DCWD).

For now, Mr. Aboitiz said the company will focus on expanding Davao City's bulk water supply proj-



BW FILE PHOTO

ect to other areas and within the concession area of DCWD.

DCWD is the water service provider of Davao City. It supplies water to around 240,000 customers in 116 barangays within its concession area.

In October 2023, Aboitiz InfraCapital said that it would target to start the construction works for its fourth economic estate in the first semester of 2024.

Its 200-hectare Tarlac City estate is expected to attract more manufacturing companies, the company said.

Currently, Aboitiz InfraCapital has three economic estates which are the 826-hectare LIMA Estate in Batangas, the 63-hectare MEZ2 Estate in Mactan Cebu International Airport, and the 540-hectare West Cebu Estate in Balamban. — **Ashley Erika O. Jose**

Meralco activates new Taguig substations

MANILA Electric Co. (Meralco) has energized two new smart substations in Taguig City to cater to the growing demand in the business center, the power distributor said on Sunday.

Meralco has invested P413.98 million for the Fort Bonifacio Global City-2 gas insulated switchgear (GIS) substation to improve the power quality in Bonifacio Global City and nearby areas, the company said in a statement.

It involves the construction of a new 0.3-kilometer, 115-kilovolt (kV) line, and a new 34.5-kV distribution feeder.

Meanwhile, a total amount of P440.06 million was allocated to the McKinley Hill GIS substation. This includes the construction of underground 115 kV lines and two new 34.5 kV distribution feeders.

"As we energize these new substations, we also strengthen our commitment to continue delivering quality electricity service by strategically investing in projects to further improve our distribution system," Meralco Executive Vice-President and Chief Operating Officer Ronnie L. Aperochado said.



The company stated that among the communities and establishments that will benefit from the new substations are St. Luke's Medical Center, Shangri-La The Fort, Arthaland, Uptown Mall, One Residences, Venice Grand Canal Mall, Enderun Colleges, Inc., Commerce & Industry Plaza, Science Hub, One Le Grand Tower, 8 Upper McKinley Towers, and One World Square.

In September last year, Meralco energized a 115-kV-34.5-kV GIS sub-

station worth P597 million to provide power supply to Ayala Land, Inc.'s South estate and nearby communities in Taguig City.

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**

OUTLIER

Cemex shares surge amid DMCI acquisition speculation

THE stock price of Cemex Holdings Philippines, Inc. doubled last week following an investor rally amid speculation regarding DMCI Holdings' planned acquisition of the cement producer.

Data from the Philippine Stock Exchange (PSE) showed that the cement manufacturer's shares reached 214.98 million, valued at P334.34 million, from Feb. 5 to 9.

The price per share of Cemex closed at P1.80 on Friday, more than double the closing price of P0.89 the week before. Its stock price has surged from its P0.94 finish on Dec. 29, 2023.

Toby Allan C. Arce, head of sales trading at Globalinks Securities and Stocks, Inc., said the increase in Cemex stock prices was due to news circulating about DMCI's negotiations to acquire Cemex Holdings Philippines, the local unit of Mexico's Cemex S.A.B. de CV.

"This news has ignited a flurry of market activity, with investors closely monitoring developments and assessing the potential impact on both companies involved," Mr. Arce said in a Viber message.

According to a Reuters report, a source said that the Consunji Group's DMCI Holdings was seeking to acquire Cemex for as much as \$714.16 million or P40 billion. This exceeded the company's current valuation of P21 billion (\$374.93 million).

If the acquisition materializes, Mr. Arce said that it would provide a competitive advantage for the two holdings.

"Investors may interpret DMCI's interest in diversification positively, seeing it as a strategic move to expand its business portfolio and potentially tap into new revenue streams. This could lead to increased confidence in the company's long-term growth prospects, potentially driving up its stock price," he said.

Similarly, Aniceto K. Pangan, an equity trader at Diversified Securities, Inc., said in a Viber message that due to the speculation, "[Cemex] moved up as book value at P3.19 per share, higher than the current price."

With this trend, Mr. Pangan saw that the acquisition price might exceed the current price. Last week's closing price of P1.81 was the highest in 38 months, or since it reached P1.83 on Nov. 23, 2020.

According to Mr. Arce, Cemex's downturn in 2023 was due to oversupply in the industry, resulting in a downward spiral in prices.

"However, amidst these adversities, the potential acquisition presents an opportunity for synergy between Cemex and DMCI Holdings," he added.



CEMEX

Despite this, both analysts said that the issue remained subject to validation.

"With no definitive stance, the acquisition issue remains speculative and thus bound to correct," Mr. Pangan said.

In separate disclosures on the stock exchange, the two parties clarified that there was still no definitive transaction.

The building materials company also emphasized that they had not authorized nor issued any of the circulating information.

"While Cemex continues to explore any divestment opportunities as disclosed in the 2023 Tender Offer Report of Cemex Asian Southeast Corporation (the principal shareholder of the Corporation), the Corporation is not privy to any discussions by its shareholders and is not aware that there is any definitive transaction at this time," the disclosure said.

Although speculations increased investor interest for the week, without any definitive transaction nor assurances, volatility was to be expected, said Mr. Arce.

He added that "some investors may have adopted a wait-and-see approach, preferring to observe further developments before making significant investment decisions."

Mr. Pangan projected Cemex's fourth-quarter income to be at a loss similar to the third quarter. For the full year, he foresaw a P2 billion net income, higher than in 2022.

The company's net loss attributable to its parent totaled P582,572 for the third quarter of the previous year, exceeding the loss of P552,069 incurred from July to September 2022.

For the first nine months of 2023, the net loss totaled P1.24 million, compared to the loss of P818,773 recorded in the corresponding period of 2022.

Mr. Pangan placed Cemex's major support and major resistance at P0.89 and P1.84, respectively. — **Andrea C. Abestano**