

Philippine Stock Exchange index (PSEi)

6,433.10

▲ 61.35 PTS.

▲ 0.96%

FRIDAY, MAY 31, 2024

BusinessWorld

PSEI MEMBER STOCKS

AC Ayala Corp. P595.00 -P3.00 -0.5%	ACEN ACEN Corp. P4.80 +P0.05 +1.05%	AEV Aboitiz Equity Ventures, Inc. P35.05 -P1.95 -5.27%	AGI Alliance Global Group, Inc. P9.27 +P0.47 +5.34%	ALI Ayala Land, Inc. P26.25 -P0.25 -0.94%	BDO BDO Unibank, Inc. P130.00 -P0.50 -0.38%	BLOOM Bloomerry Resorts Corp. P10.60 +P0.20 +1.92%	BPI Bank of the Philippine Islands P120.20 —	CNPF Century Pacific Food, Inc. P37.50 +P1.65 +4.6%	CNVRG Converge ICT Solutions, Inc. P10.76 +P0.76 +7.6%
DMC DMCI Holdings, Inc. P11.90 +P0.82 +7.4%	EMI Emperador, Inc. P18.74 +P0.04 +0.21%	GLO Globe Telecom, Inc. P1,970.00 +P60.00 +3.14%	GTCAP GT Capital Holdings, Inc. P602.00 -P8.00 -1.31%	ICT International Container Terminal Services, Inc. P341.60 +P12.00 +3.64%	JFC Jollibee Foods Corp. P216.40 +P0.40 +0.19%	JGS JG Summit Holdings, Inc. P31.00 +P1.80 +6.16%	LTG LT Group, Inc. P10.48 +P0.28 +2.75%	MBT Metropolitan Bank & Trust Co. P62.05 -P3.00 -4.61%	MER Manila Electric Co. P367.20 +P15.00 +4.26%
MONDE Monde Nissin Corp. P11.20 +P0.28 +2.56%	NIKL Nickel Asia Corp. P4.05 -P0.05 -1.22%	PGOLD Puregold Price Club, Inc. P25.20 +P1.25 +5.22%	SCC Semirara Mining and Power Corp. P33.90 +P0.90 +2.73%	SM SM Investments Corp. P870.00 -P15.00 -1.69%	SMC San Miguel Corp. P102.80 -P0.60 -0.58%	SMPH SM Prime Holdings, Inc. P26.95 +P0.90 +3.45%	TEL PLDT Inc. P1,480.00 +P100.00 +7.25%	URC Universal Robina Corp. P107.00 +P2.00 +1.9%	WLCON Wilcon Depot, Inc. P20.00 +P1.00 +5.26%

First Gen keen on building more LNG terminals with Tokyo Gas

LOPEZ-LED First Gen Corp. said it plans to develop more liquefied natural gas (LNG) terminals with Tokyo Gas Co. Ltd., a supplier of natural gas to Tokyo's main cities.

"I think we're very happy to work with Tokyo Gas to develop these kinds of projects in other locations outside of Batangas," First Gen Executive Vice-President and Chief Commercial Officer Jonathan Charles Russell said on the sidelines of the company's annual stockholder's meeting on Friday.

Mr. Russell said that Tokyo Gas is "now excited to become a stakeholder," as it has supported the company "all through the development and then the construction" of the Batangas LNG terminal.

"It's part of Tokyo Gas' plan to decarbonize countries in Southeast Asia. This is the first successful development for them. So I

think they're looking at this as a model for their businesses elsewhere," he said.

Last month, First Gen's subsidiary, First Gen LNG Holdings Corp. (FGEN LNG Holdings), finalized a shareholder's agreement and share subscription agreement with Tokyo Gas. Tokyo Gas will acquire a minority stake in FGEN LNG through this arrangement.

FGEN LNG Holdings will hold an 80% share, with Tokyo Gas holding the remaining 20% in FGEN LNG.

FGEN LNG, which is fully owned by First Gen, manages the interim offshore terminal project situated within its parent company's Clean Energy Complex in Batangas.

"So this was just really transitioning from essentially a collaboration where they're advancing to becoming officially an equity

holder in the First Gen LNG joint venture," First Gen President and Chief Operating Officer Francis Giles B. Puno said.

As a gas player from Japan, Mr. Puno said that Tokyo Gas is "one of the largest and one of the ones with the highest reputation."

"We're hoping to collaborate with them in terms of how we can, in fact, improve our efficiencies, including procurement of gas," Mr. Puno said.

Meanwhile, First Gen is seeking bids for an LNG supply to be used by its gas-fired power plants in First Gen Clean Energy Complex.

The company, through its wholly owned subsidiary First Gen Singapore Pte. Ltd., intends to procure a single LNG cargo amounting to 125,000 cubic meters, according to a bid notice.

The LNG cargo will be delivered at the port located in the

complex to be loaded into the BW Batangas, a floating storage regasification unit.

The announcement of the selected bidder will be made on June 11, with the delivery window starting from July 1 to July 5.

In April, First Gen awarded a contract to Chinese company CNOOC Gas and Power Trading & Marketing Ltd. following its fifth tender process for LNG cargo.

The company received a delivery of 130,000 cubic meters in May from CNOOC, which was its fourth LNG shipment contracted over the past 12 months.

First Gen currently operates four gas-fired power plants, totaling 2,017 megawatts in capacity. These plants have been receiving gas from the Malampaya field, which serves as the Philippines' only natural gas source. — **Sheldeen Joy Talavera**

Megaworld seeks 5-star rating for Grand Westside Hotel

TAN-LED Megaworld Corp.'s hospitality unit is seeking a five-star rating for its soon-to-open premium hotel in Parañaque City, a company official said.

The Grand Westside Hotel will be the most premium hotel of the company, Megaworld Hotels & Resorts Head of Distribution Pebbles S. Caramat told reporters on Tuesday last week.

"We have just finalized the documents for the star rating (of Grand Westside Hotel)," she noted.

"But the way we position it, it's really a premium brand compared to all the properties we have built in our township," she added.

She said that the size of the room would be slightly larger compared to the standard size in other Megaworld hotels.

"It will have a grand lobby and even retail shops within the vicinity."

The hotel, anticipated to open partially this month, will be linked to Megaworld's Lifestyle Mall and the casino slated to open opposite the hotel.

If realized, the Grand Westside Hotel, located in Entertainment City in Parañaque City, will be the company's first hotel with a five-star rating.

"We'll see, but it will likely be between a 4.5- to five-star rating, and it will definitely be the highest compared to our other developments," said Ms. Caramat.

Grand Westside will have two towers that will house more than 1,500 keys and will be adjacent to the Kingsford Hotel.

"We are almost done with the interiors. Besides the size and the number of rooms, there would be upgrades, of course, on the facilities and amenities that this one would have," Ms. Caramat said.

"And we are also connecting with the Westside Township, which is the newest township in the metro currently being built around the hotel," she added.

For an establishment to achieve a five-star rating, the Department of Tourism said it must score between 851 and 1000 points.

The criteria for the star-rating assessment are divided into seven categories: arrival and departure, public areas, bedrooms, bathrooms, food and beverage, amenities, and business practices. — **Justine Irish D. Tabile**

Razon's Prime Solar eyes floating solar projects

PRIME Solar Solutions Corp., a subsidiary of Razon-led Prime Infrastructure Capital, Inc. (Prime Infra), is exploring the possibility of venturing into floating solar projects, leveraging the water assets owned by its parent company.

"We're considering floating solar (projects); It's a very good type of solar system," Prime Infra President and Chief Executive Officer Guillaume Lucci said on the sidelines of the inauguration of a solar power plant in Batangas last week.

"It all comes down to economics and grid access, and so on and

so forth. But we're absolutely open to floating solar, and we strongly support it," he added.

Mr. Lucci said that the company is evaluating the possibility of constructing additional solar power plants following the inauguration of Prime Solar's 64-megawatt (MW) Tanauan solar power plant.

In addition to Prime Solar's two solar power plants, one in Tanauan, Batangas, and one in Maragondon, Cavite, which have a combined capacity of 128 MW, he said that the company plans to add 10-12 MW to each of the facilities.

He also said that the additional capacities "will happen within the calendar year," and that the company is "already working on it."

Last week, Prime Infra announced that its two pump projects, valued at \$7.6 billion (P444 billion), had been certified by the Department of Energy as "energy projects of national significance," qualifying it for expedited permit processing.

The Pakil Pumped Storage Power Project is under Prime Infra's wholly owned subsidiary Ahunan Power, Inc. with a proj-

ect investment amounting to \$5.03 billion.

It will have a storage capacity of 14,000 megawatt-hours (MWh) daily and a generating output capacity of 1,400 MW.

The Wawa Pumped Storage Project is being developed by Olympia Violago Water Power, Inc., another subsidiary of Prime Infra.

The project has an investment worth \$2.57 billion and will have a storage capacity of 6,000 MWh per day and a generating unit capacity of 600 MW. — **Sheldeen Joy Talavera**

OUTLIER

MSCI rebalancing, foreign selling drop BDO Unibank shares

SY-LED BDO Unibank, Inc. (BDO) declined last week amid the impact of MSCI rebalancing, foreign buying, and poor investor sentiment towards banks.

A total of 29.72 million BDO shares worth P3.91 billion were traded from May 27 to 31, data from the Philippine Stock Exchange (PSE) showed, making it the second most actively traded stock for the week.

The bank's share price finished at P130 apiece, 4.2% lower than its May 24 close of P135 each. Year to date, the stock's price fell by 0.38%.

"Index movement was caused by MSCI rebalancing which the effectivity is on May 31. It looks like the bears took over last week as the stock closed at the lows with foreign sellers reaching P350 million," said Jeff Radley C. See, head trader at Mercantile Securities Corp., in an e-mail.

BDO is one of 233 additions in MSCI's Small Cap Index, an index designed to measure the performance of small-cap stocks. This rebalancing was implemented on May 31.

The MSCI indices are reviewed quarterly and rebalanced twice a year to ensure that an index still acts as an effective benchmark for the market it represents.

In a separate PSE report, data showed that the bank has a foreign selling of P703 million last week.

Cristina S. Ulang, research head at First Metro Investment Corp., said in an e-mail that there was poor sentiment towards banks in general due to the resurgence of interest rates and the weak peso outlook.

"BDO is in fact among the strongest banking franchises in the country with robust revenue growth outlook. Interest income is set to grow further from corporate loans in particular as it benefits from the funding requirements of the more active rollout of government infrastructure and public-private partnership

projects in the second half of 2024," said Ms. Ulang.

"It is in the forefront of arranging funding for big ticket infra projects... It is also growing its high-margin middle-market and consumer loan portfolio that were up 7% and 13%, respectively, in the first quarter of 2024," she added.

In the first quarter of 2024, BDO recorded a 12.1% increase in its attributable net earnings to P18.50 billion from P16.50 billion the prior year.

BDO's net interest income grew by 12.8% year on year in the first quarter to P48.95 billion from P43.39 in the same period last year.

For the January-to-March period, the bank's gross revenue reached P66.81 billion, higher by 23.9% from P53.93 billion recorded in the first quarter of 2023.

The Monetary Board this month kept its policy rate at a 17-year high of 6.5% for a fifth straight meeting following cumulative hikes worth 450 bps from May 2022 to October 2023 to help bring down elevated inflation.

Ms. Ulang gave the bank a support level of P125 per share and a resistance level of P145 per share.

Mr. See pegged support levels at P122 and P126 per share, while resistance levels are P150 and P170 per share.

The bank has a total of 1,731 operating branches and more than 5,500 automated teller machines nationwide. It has 16 international offices, including full-service branches in Hong Kong and Singapore, in Asia, Europe, North America, and the Middle East.

"BDO's wide branch network provides a competitive low-cost source of funding with current account savings account deposits reaching P2.5 trillion in the first quarter. That should help keep loan spreads robust even with the interest rate cycle set for an easing mode in second half of 2024," Ms. Ulang said. — **Lourdes O. Pilar**

Megawide targets PPP opportunities in land transport, school buildings

LISTED infrastructure conglomerate Megawide Construction Corp. remains interested in public-private partnership (PPP) projects for land transport and school buildings, its chairman said.

"It depends on the list of the National Economic and Development Authority (NEDA); they have this PPP framework, and we are just waiting," Megawide Chairman and Chief Executive Officer Edgar B. Saavedra told reporters on the sidelines of a

groundbreaking ceremony in Pasig City last week.

In 2023, President Ferdinand R. Marcos, Jr. signed a measure aimed at streamlining the framework for PPPs.

Republic Act No. 11966, or the PPP Code, amended the Build-Operate-Transfer Law to create a unified legal framework for all PPPs at both national and local levels.

Megawide is currently involved in various government infrastructure projects such as portions of the Metro

Manila Subway Project and the Malolos-Clark Railway Project.

"Our Malolos project, we are already at 15%. But we cannot go full swing due to right-of-way issues in some areas. We have also started our part in the subway project. But there are some pockets where we cannot start construction also because of right of way problems," Mr. Saavedra said.

He also said that some Japanese companies have expressed interest in

partnering with Megawide's subsidiary PH1 World Developers, Inc. for real estate projects.

"There are talks with Japanese partners who want to work with PH1 on real estate projects, but we're still exploring," he said.

"Some want to partner with us per project, but nothing is final," he added.

PH1 is the real estate arm of Saavedra-led listed infrastructure conglomerate Megawide Construction Corp. Its projects include Modan

Lofts Ortigas Hills condo project in Taytay, My Enso Lofts in Quezon City, The Hive Residences condo in Taytay, and The Northscapes housing development in Bulacan.

For the first quarter, Megawide had P183.4 million in consolidated net income, a reversal of the P74-million net loss last year. Consolidated revenue rose by 19% to P5.2 billion.

Megawide shares were last traded on May 31 at P312 per share. — **Revin Mikhael D. Ochave**