

Philippine Stock Exchange index (PSEi)

6,411.91

▲ 21.33 PTS.

▲ 0.33%

FRIDAY, JUNE 28, 2024

BusinessWorld

PSEI MEMBER STOCKS

AC Ayala Corp. P582.00 -P6.00 -1.02%	ACEN ACEN Corp. P5.00 +P0.14 +2.88%	AEV Aboitiz Equity Ventures, Inc. P38.80 -P0.05 -0.13%	AGI Alliance Global Group, Inc. P8.66 -P0.04 -0.46%	ALI Ayala Land, Inc. P28.50 -P0.45 -1.55%	BDO BDO Unibank, Inc. P128.20 -P1.80 -1.38%	BLOOM Bloomerry Resorts Corp. P9.51 +P0.01 +0.11%	BPI Bank of the Philippine Islands P119.10 -P0.50 -0.42%	CNPF Century Pacific Food, Inc. P32.15 -P0.30 -0.92%	CNVRG Converge ICT Solutions, Inc. P11.50 +P0.10 +0.88%
DMC DMCI Holdings, Inc. P11.14 +P0.12 +1.09%	EMI Emperador, Inc. P18.60 -P0.02 -0.11%	GLO Globe Telecom, Inc. P2,100.00 +P10.00 +0.48%	GTCAP GT Capital Holdings, Inc. P620.00 +P45.00 +7.83%	ICT International Container Terminal Services, Inc. P349.80 +P1.80 +0.52%	JFC Jollibee Foods Corp. P226.00 +P2.00 +0.89%	JGS JG Summit Holdings, Inc. P26.05 -P0.25 -0.95%	LTG LT Group, Inc. P9.75 +P0.02 +0.21%	MBT Metropolitan Bank & Trust Co. P67.55 +P0.45 +0.67%	MER Manila Electric Co. P366.00 -P8.00 -2.14%
MONDE Monde Nissin Corp. P9.40 -P0.27 -2.79%	NIKL Nickel Asia Corp. P3.71 -P0.04 -1.07%	PGOLD Puregold Price Club, Inc. P24.20 -P0.25 -1.02%	SCC Semirara Mining and Power Corp. P33.70 +P0.45 +1.35%	SM SM Investments Corp. P830.50 +P13.50 +1.65%	SMC San Miguel Corp. P100.30 -P0.10 -0.1%	SMPH SM Prime Holdings, Inc. P28.30 +P0.50 +1.8%	TEL PLDT Inc. P1,437.00 +P9.00 +0.63%	URC Universal Robina Corp. P111.20 +P3.40 +3.15%	WLCON Wilcon Depot, Inc. P17.90 +P0.30 +1.7%

Energy firms to see moderate 2nd quarter growth — analysts

ENERGY COMPANIES are expected to see moderate growth in the second quarter, driven by the increase in domestic demand and investments in renewable energy, according to analysts.

The economic recovery is seen to “stimulate industrial and commercial energy consumption, further supporting revenue growth,” Regina Capital Development Corp. Head of Sales Luis A. Limlingan said in a Viber message last week.

“Looking ahead, the energy sector is poised to continue its growth trajectory, particularly as companies adapt to the evolving landscape and embrace renewable energy solutions,” Seedbox Securities, Inc. Equity Trader Jayniel Carl S. Manuel said in a phone message.

Mr. Manuel said that the sector’s shift towards renewable energy “offers a promising path for sustainable growth and resilience” amid challenges brought by economic pressures such as interest rates and inflation.

Many listed energy companies posted favorable income results for the first quarter, citing gains from their energy sales and power generation businesses.

Those that reported lower earnings attributed decline to lower power prices.

Manila Electric Co. saw its attributable net income increase by nearly 19% to P9.6 billion from P8.07 billion last year, driven by energy sales and growth in other business segments.

Ayala-led ACEN Corp. reported a 34% increase in its first-

quarter attributable net income to P2.72 billion from P2.03 billion previously, driven by contributions from its newly operational solar and wind farms.

Aboitiz Power Corp. posted an attributable net income of P7.86 billion, 4.4% higher than last year’s P7.53 billion, on the back of higher generation portfolio margins.

Meanwhile, Lopez-led First Gen Corp.’s attributable net income declined by 11.7% to \$78.82 million from \$89.23 million, mainly driven by weaker power prices and higher expenses.

Semirara Mining and Power Corp. recorded a 28% decline in its consolidated net income to P6.54 billion from P9.03 billion due to weak coal and power selling price.

Mr. Limlingan said that energy companies may face challenges from high inflation and elevated interest rates, coupled with peso depreciation, which impact companies with US dollar-denominated debts or those reliant on imported materials.

He said, however, that companies with diversified energy portfolios and significant investments in renewable energy “are better equipped to leverage regulatory incentives and sustain growth.”

“Basically, energy companies are navigating a dynamic and challenging environment, but those that successfully integrate renewable energy and innovative technologies are likely to thrive in the coming years,” Mr. Manuel said. — **Sheldeen Joy Talavera**

OUTLIER

Globe shares rise after Lynk partnership news

GLOBE TELECOM, Inc.’s shares rose last week after it sold assets to Phil-Tower Consortium, Inc. (PhilTower) and announced its partnership with Lynk Global, Inc.

Data from the Philippine Stock Exchange (PSE) showed a total of 535,785 Globe shares worth P1.1 billion exchanged hands from June 24 to 28, making the telecommunications company the seventh most actively traded stock last week.

Shares closed at P2,100 apiece last Friday, up 8.9% from P1,928 a week ago.

Year to date, the stock jumped 22.1% from the P1,720 finish on the last trading day of 2023.

Analysts attribute the week-on-week growth to positive developments surrounding the telecommunications company.

On Tuesday, Globe announced its partnership with Lynk, a global satellite company, to assess satellite-direct-to-phone communications in underserved areas in the Philippines.

Pilot areas for the program are Zambales, Pangasinan, Siargao, and Leyte. The program will make use of Lynk’s low-Earth-orbit (LEO) satellite constellation to deliver short messages and emergency alerts in areas without traditional network coverage.

The collaboration will last one year or until June 2025 with the goal to enhance connectivity in the country.

The partnership pushed Globe stocks up, reflecting investor optimism about the satellite-direct-to-phone services, Jervin De Celis, equity trader at Timson Securities, Inc., said in an e-mail interview.

“The market perceived this initiative as a strategic move to enhance connectivity in remote areas, which could drive future revenue growth,” he added.

“The potential for improved connectivity in underserved areas represents a growth opportunity for [Globe], potentially increasing its subscriber base and revenue,” Arielle Anne D. Santos, equity analyst at Regina Capital Development Corp., likewise said in a separate e-mail.

Meanwhile, Globe sold 48 towers worth P710 million to PhilTower, bringing the total disposition of assets to 1,148 out of 1,350 towers, Globe said in a statement on Monday.

Globe said that the transaction will yield funds for raising capital and improving balance sheet health.

“This transaction enhanced [Globe’s] liquidity and financial health, boosting investor confidence and contributing to stock price appreciation. The move aligns with the telecom industry trend of divesting in-



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frastructure to focus on core operations and partnerships,” Ms. Santos said.

Ms. Santos added that foreign investors and a reassessment of Globe’s valuation further pushed shares upward.

“Foreign investors were net buyers of at least 190 million pesos worth of Globe’s shares, indicating strong confidence in the company’s strategic direction,” Mr. De Celis likewise said.

Globe’s first-quarter revenue reached P45.31 billion, inching up 0.6% from P45.03 billion in the first quarter of 2023.

On the other hand, the company’s attributable net income went down 6.1% to P6.81 billion from P7.25 billion in the same period last year.

“Following [Globe’s] first quarter 2024) results, market sentiment has further improved, supported by significant upward revisions in target prices by brokerage firms. This reassessment underscores growing confidence in [Globe’s] strategic initiatives and growth prospects, fueling heightened investor interest and driving its stock price higher,” Ms. Santos said.

Mr. De Celis sees Globe’s second quarter revenue to reach P46.99 billion, while full-year revenue may reach P172.4 billion.

Ms. Santos expects the stock to continue moving upward this week.

“It will likely remain range-bound with some pullbacks from time to time, as the [relative strength index] is already in the overbought region. This suggests that while investor sentiment is currently strong, some profit-taking and short-term corrections are expected as the stock consolidates its recent gains,” she added.

“Since the stock has just broken out of its five-week consolidation period, the stock may experience a pullback early [this] week for a potential profit taking move from market players,” Mr. De Celis likewise said.

He placed Globe’s short-term support at P2,020 and resistance at around P2,230 should it continue its uptrend movement.

Ms. Santos placed her support at P2,014 and resistance at P2,160. — **Karis Kasarinlan Paolo D. Mendoza**

Former AboitizPower CEO to lead MGen

MERALCO PowerGen Corp. (MGen), the power generation investment arm of Manila Electric Co. (Meralco), has appointed Emmanuel “Manny” V. Rubio as its president and chief executive officer (CEO), effective July 1.

Mr. Rubio, formerly president and CEO of Aboitiz Power Corp. (AboitizPower), is expected to bring “a wealth of experience and expertise to MGen,” the company said in a statement on Sunday.

“Rubio’s career in the power industry is distinguished by a proven track record of exceptional leadership and success through the various executive positions he held in AboitizPower and its subsidiaries over the past years,” MGen said.

The company said Mr. Rubio is expected to oversee “the success of the company’s plans and strategies that are well aligned with the government’s pursuit to achieve energy security and global sustainability goals.”

“Manny Rubio will play a very important role as MGen actively pursues growth prospects that will bring long-term value not just to the company, but also to the projects’ host communities and our country,” Meralco Chairman and CEO Manuel V. Pangilinan said.

“We are excited to have him on board as we look forward for his fresh perspectives and innovative ideas that will steer the power generation company towards becoming a reliable partner of the government in achieving inclusive and sustainable economic growth,” he added.

Mr. Rubio succeeds Jaime T. Azurin as member of MGen Board of Directors, which is also chaired by Mr. Pangilinan. Mr. Azurin will remain as president of Global Business Power Corp., a wholly owned subsidiary of MGen.

The company said his leadership will help achieve its goal to expand its presence in the renewable energy space with additional 1,500-megawatt (MW) capacity. It will also help the company realize its significant investments including the planned integrated liquefied natural gas (LNG) facility that is currently in the pipeline. — **Sheldeen Joy Talavera**

FULL STORY



Read the full story by scanning the QR code or by typing the link
tinyurl.com/2k76p8bs

Arthaland nears acquisition deal

LISTED property developer Arthaland Corp. said it is nearing a deal to acquire two properties for development over a 10 to 15-year period.

“We’ve made significant gains in steps to close and finalize the acquisition of these properties,” Arthaland Executive Vice-President Christopher G. Narciso said during the company’s annual stockholders’ meeting on Friday last week.

“One is a 3.6-hectare property, which we refer to as Project Olive, situated by the entry of one of the most premium central business districts in Metro Manila; another one is a five-hectare property... situated in the heart of a very prime metro city in Southern Philippines,” he added.

Mr. Narciso also said that Arthaland is in talks to acquire more properties across Metro Manila to boost the company’s project pipeline.

“Apart from these multi-hectare properties, we are also currently negotiating various properties in and around Metro Manila for dual tower projects and single tower projects,” he said.

CPG expands portfolio with mid-rise residential projects

CENTURY PROPERTIES Group, Inc. (CPG) said it continues to drive its growth with upcoming launches in the mid-rise residential segment and new housing projects.

CPG President and Chief Executive Officer Jose Marco R. Antonio announced during the company’s virtual annual stockholders’ meeting on Friday that five new projects under its PHirst housing brand will be launched this year.

“Under our PHirst brand, we will be launching five new projects in 2024, covering 85 hectares with over 8,000 units worth P18 billion of fresh inventory,” he said.

“Three of these developments will be in Calabarzon while the other two will be in Central Luzon,” he added.

Mr. Antonio said that CPG also has upcoming mid-rise projects within its Azure North development in San Fernando, Pampanga, with an inventory worth P16.2 billion.

“The upcoming projects within the Azure North estate will include six mid-rise towers that can potentially contribute an inventory valued at P16.2 billion,” he said.

“The first mid-rise building to be launched this year will consist of 374 units, with an esti-

“We will disclose additional information on these opportunities at the appropriate time,” he added.

Meanwhile, Arthaland Vice-Chairman and President Jaime C. Gonzalez said the company is focusing more on residential projects instead of office projects as it monitors the impact of remote work on office space demand.

“We are focusing on residential projects because we need to understand the full impact of work-from-home and hybrid programs that many companies are implementing, driven mostly by the young employees, as well as the impact of artificial intelligence in what might result in a change in the way work is being performed,” he said.

“Until we fully understand this impact, we are being very careful in implementing projects involving office space,” he added.

For the first quarter, Arthaland’s net income dropped by 13.3% to P123.15 million from P142.08 million a year ago.

Arthaland shares were last traded on June 28, closing at P0.485 per share. — **Revin Mikhael D. Ochave**

mated sales value of P2.8 billion and a capital expenditure of P1.2 billion,” he added.

Azure North is a resort-inspired estate that has a man-made beach with a white sand beach lagoon and a wave pool, as well as an exclusive clubhouse.

PHirst Park Homes, Inc. President Ricky M. Celis said the PHirst brand is poised to launch 35 new projects over the next five years with an estimated value of P110 billion.

He added that the company is focusing its expansion efforts on Visayas and Mindanao.

“This will bring in 50,000 units worth P110 billion and 490 hectares of new stock covering price points ranging from P850,000 to P8 million, involving a combination of the signature stand-alone horizontal development model and the master-planned township format,” he said.

For the first quarter, CPG recorded a P409.53-million attributable net income, more than double the P174.02 million a year ago. Revenue rose by 7.2% to P3.58 billion led by the contribution of the PHirst brand.

CPG shares were last traded on June 28, closing unchanged at P0.335 apiece. — **Revin Mikhael D. Ochave**