Sales boost Megaworld Corp.'s 2nd quarter income to P4.15B

LISTED property developer Megaworld Corp. saw a 9% increase in its second-quarter attributable net income to P4.15 billion from P3.79 billion last year, driven by higher real estate sales.

Consolidated revenue for the April to June period rose by 27.8% to P20.22 billion from P15.82 billion in 2023, Megaworld disclosed in a stock exchange filing on Wednesday.

Second-quarter real estate sales increased by 31.5% to P12.7 billion from P9.66 billion the previous year.

Megaworld launched P18 billion worth of residential projects for the second quarter. These include 9 Central Park – West Wing at Northwin Global City in Bulacan, One Portwood Residences at Newport City in Pasay City, CostaVida Residential Resort at The Mactan Newtown in Lapu-Lapu City, Cebu, Lialto Beach and Golf Estates – Phase 1 at Lialto Beach and Golf Estates in Lian, Batangas, and Sonrisa Gardens at Baytown Palawan in Puerto Princesa, Palawan.

For the first half, Megaworld's attributable net income grew by 8.6% to P8.55 billion from P7.88 billion in 2023.

From January to June, consolidated revenue increased by 22% to P39.1 billion from P32.04 billion last year.

Real estate sales during the first six months surged by 30% to P24.82 billion, spurred by strong bookings and high demand for Megaworld's residential properties across township developments in Taguig City, Cavite, Bulacan, Palawan, and Cebu.

"We continue to see robust demand for our residential properties outside of Metro Manila. Before the year ends, we hope to launch more projects in the provinces as we remain on track to finish 2024 with 35 townships," Megaworld President Lourdes T. Gutierrez-Alfonso said.

Megaworld Hotels & Resorts' revenue during the first half jumped by 38% to P2.36 billion, bolstered by the resurgence of meetings, incentives, conventions, and exhibitions (MICE) activities and local tourism.

First-half leasing revenue increased by 6% to P9.33 billion. Megaworld Lifestyle Malls' revenue grew by 19% to P3.02 billion, thanks to higher tenant sales and increased foot traffic. Occupancy rates reached 93% as of the end of June.

Megaworld Premier Offices maintained stable revenue at P6.31 billion despite challenges in the Philippine office industry. The company secured new leases of office spaces totaling about 55,000 square meters, mostly in McKinley Hill, Eastwood City, and The Mactan Newtown.

The occupancy rate across its office developments reached 87%, surpassing the current industry average.

Megaworld recently announced its 33rd township, San Benito Private Estate, which will be a 25-hectare integrated active wellness township developed in partnership with the group that owns and operates The Farm at San Benito medical wellness resort.

On Wednesday, Megaworld shares fell by 0.56% or one centavo to P1.77 per share. — **Revin Mikhael D. Ochave**

Expense cuts offset Globe's revenue slide

GLOBE Telecom, Inc. saw an attributable net income of P7.74 billion for the second quarter, representing a 9.5% increase from the same period last year.

Gross revenues for the second quarter reached P44.32 billion, lower by 0.38% from P44.49 billion a year ago, the company's financial report showed.

The company's lower expenses for the period managed to offset its lower revenues, according to Globe's financial report.

For the April to June period, Globe's combined expenses reached P38.93 billion, marking a drop of 1.04% from the P39.34 billion previously.

For the six-month period, the Ayala-led telecommunications company managed to eke out an increase in its attributable net income despite flat revenue growth.

Globe also registered flat earnings of P14.55 billion, up by 1.6% from last year's P14.32 billion.

Globe's combined revenue for the first semester reached P89.63 billion compared with last year's P89.52 billion.

Globe's core net income, which excludes nonrecurring items and mark-to-market gains, reached P11.7 billion, higher by 20.6% from the P9.7 billion previously.

Broken down, service revenues reached P82.23 billion, marking an increase of 2.3% from P80.4 billion a year ago.

Among its service revenues, mobile revenues accounted for the biggest share at 71%, with P58.39 billion; home broadband at P12.1 billion; corporate data at P9.79 billion; fixed-line voice at P763 million.

To date, Globe said it is expecting mobile revenues to extend its gains, citing improving data consumption across all its brands.

The company is banking on a surge in mobile data traffic, which increased by 16% to 3,256 petabytes year on year, despite its mobile subscribers declining by 28% to 59.5 million.

"We are also thrilled that our landmark tower deal is nearing completion, with 88% of the covered towers successfully transferred to the towercos as of July, and we are on track to complete this transaction within the second half of the year," Globe President and Chief Executive Officer Ernest L. Cu said.

Globe said it has generated P85.2 billion from its tower sales after fully transferring some of its tower assets to Frontier Tower Associates Philippines, Inc. (Frontier Towers).

The telco has closed the sale of 1,037 towers valued at P13.17 billion, marking the completion of 3,529 towers to be acquired by Frontier Towers.

Rizza Maniego-Eala, Globe's chief financial officer, said the company will complete its tower sales within the year.

"We are hoping to complete 100% of our tower sales by this year. If we only complete about 92% by the end of December, we are still on track," she said.

In total, Globe has transferred 6,628 towers, generating a total of P85.2 billion, out of the 7,506 towers planned for the sale and leaseback arrangement.

At the local bourse, shares in the company gained P52 or 2.39% to close at P2,230 each. **— Ashley Erika O. Jose**

Nickel Asia says new projects target e-vehicle market

NICKEL ASIA Corp. on Wednesday said that it expects the operation of its three new mines to bolster the company's nickel production amid increased demand.

"Our three new nickel projects, namely Dinapigue, Bulanjao, and Manicani, will supplement our annual nickel ore production volumes to help supply the ever-growing demand for nickel ore driven by both the stainless steel and electric vehicle (EV) markets," Nickel Asia President and Chief Executive Officer Martin Antonio G. Zamora said in a statement.

Mr. Zamora added that the company has pipelined three new renewable energy projects to increase its goal of one gigawatt by 2028.

The company is expecting to start construction of the Subic-Cawag solar project by the fourth quarter of 2024.

Commercial operations are expected in the fourth quarter of the following year.

The company said that its solar project in Leyte is planned to be completed by the first quarter of next year. It is a joint venture between its unit Emerging Power, Inc. and Shell Overseas Investments B.V.

"Pre-development activities for a 45-MWp (megawatt-peak) solar project in Botolan, Zambales, are also ongoing," it added.

For the second quarter, Nickel Asia reported that revenues declined by 3.7% to P5.81 billion from P5.82 billion a year ago.

The sale of ore and limestone for the April to June period slipped by 0.17% to P5.81 billion from P5.82 billion in 2023.

For the first semester, the company reported that its net income fell by 59.3% to P1.12 billion compared to P1.75 billion in the same period last year.

Revenues declined by 14.8% to P9.29 billion from P10.92 billion in the same period last year.

Due to lower nickel ore prices, the company's ore and limestone sales dropped by 16.7% to P7.8 billion from P9.37 billion.

"The company realized P57.5 per US dollar from these nickel ore sales, a 4% increase from P55.33 last year," it said.

The weighted average nickel ore sales price declined by 26% to $16.60 per wet metric ton (WMT) from $22.32 per WMT in the same period last year.

Shares of Nickel Asia rose by 4.76%, or 15 centavos, to close at P3.3 per share on Wednesday. — **Adrian H. Halili**

Philippines in talks with JPMorgan for bond index inclusion, sources say

THE PHILIPPINES is in talks with JPMorgan Chase & Co. for the inclusion of its peso government bonds in the US bank's emerging-market debt gauge that's tracked by billions of dollars' worth of global funds.

Finance Secretary Ralph G. Recto told Bloomberg News that he knew there are discussions and that he was awaiting an update.

Joining the benchmark is typically a breakout moment for emerging economies, as the move attracts fresh inflows of overseas capital into their debt markets. India acceded to the gauge in late June, having been placed on watch for eligibility three years before.

For officials in Manila, the talks mark a potential turnaround after its global peso notes dropped out of the index due to illiquidity in January 2024. The Philippines has different types of local currency notes.

"Everyone's pushing for stronger capital markets for the Philippines," said Helen Go Oleta, a fund manager at RCBC Trust Corp. The development would be welcome as it would "provide a very healthy two-way market."

The Philippines is not the only country to have been removed from the index in recent years. Russia got excluded in 2022 following the invasion of Ukraine, while Egypt was cut earlier this year after suffering dire shortages of foreign exchange.

A spokesperson for the Wall Street bank did not respond to Bloomberg's e-mail and telephone call requesting comment. — ***Bloomberg***

Agricultural output,
from S1/1

Lower output was also seen in rubber (-7.5%), cassava (-7.2%), eggplant (-7%), sweet potato (-5.8%), ampalaya (-5.1%), coconut (-4%), banana (-3.3%), mango (-2.8%), pineapple (-2.7%), tobacco (-1.9%), coffee (-1.87%) and potato (-1%).

Only calamansi (6.4%), cacao (5.9%), and cabbage (2.7%) posted growth in production in the second quarter.

"These drops are the effects of El Niño during the first semester of the year. Crops, particularly rice and corn, either did not survive or suffered yield losses due to lack of water," Federation of Free Farmers National Manager Raul Q. Montemayor said in a Viber message.

The state weather bureau declared the start of the El Niño weather event in June 2023, bringing below-normal rainfall conditions, dry spells and droughts. El Niño ended in early June, but dry conditions are expected to continue.

Based on the Agriculture department's final bulletin, farm damage from El Niño hit P15.3 billion, with total crop losses at 784,344 metric tons. Rice and corn were the most affected crops.

"The explanation of (the DA) that the drop was due to delayed planting by some farmers does not seem realistic... So it was not a delay in planting but an inability to plant due to lack of rain," Mr. Montemayor said.

However, Mr. De Mesa said the DA had supported the agriculture sector during El Niño, earmarking P14.54 billion in financial aid for affected farmers, production support and loans.

LIVESTOCK DROP

Livestock production shrank by 0.3% in the quarter ending June, reversing the 0.7% expansion a year ago. It accounted for 15.3% of the total agricultural output during the April-to-June period.

Data from the PSA showed a drop in the value of production for goat (-2.7%), carabao (-2.4%) and hog (-0.3%). Higher production was seen in dairy (9.7%) and cattle (0.2%).

In the January-to-June period, the value of livestock production slid by 1.9%, a reversal of the 2.4% growth in 2023.

Former Agriculture Secretary William D. Dar said in a text message that the livestock industry, particularly hogs, is still affected by ASF.

"The 0.3% decline (in hogs) is small. Most likely, the market weights of hogs are smaller due to extreme heat, which affected the feed intake and therefore the feed conversion as well," National Federation of Hog Farmers, Inc. Vice-Chairman Alfred Ng said in a Viber message.

Hogs account for 12.4% of livestock production.

GAINS IN POULTRY, FISHERIES

Poultry output, which accounts for 16.9% of the total agricultural output, jumped by 8.7% in the April-to-June period, an improvement from the 1.5% growth a year ago.

Higher production was seen for chicken eggs (9%), chicken (8.9%), duck (1.3%) and duck eggs (0.8%).

From January to June, the value of poultry production rose by 7.3% from 2.3% a year ago.

Former Agriculture Undersecretary Fermin D. Adriano said the growth in poultry output during the period was due to poultry growers' improved efforts to curb the spread of bird flu.

"It is easy for poultry production to recover because there are now chicken breeds which can be harvested for less than a month. Old stock affected by bird flu can easily be replenished," he said in a Viber message.

Mr. Dar said the growth in poultry was driven by the sustained investments of large poultry companies including small- and medium-sized growers.

Meanwhile, fishery production increased by 2.2% in the second quarter, a turnaround from the 13.8% decline a year ago. The subsector made up 14.6% of the total farm output.

Year to date, the value of fishery output inched up by 1.1%, a turnaround from the 7.5% decline last year.

"Fisheries were coming from a very low base, so it was relatively easy for the sector to show an uptick. Maybe the hot weather induced more phytoplankton production," Mr. Montemayor said.

Gains were seen in skipjack or *gulyasan* (141.2%), bigeye tuna (94.1%), yellowfin tuna (43.2%), frigate tuna or *tulingan* (33.7%), P. Vannamei (33.6%), blue crab (7.4%), fimbriated sardines (5.9%) and cavalla or *talakitok* (4%).

On the other hand, production declined for tiger prawn or *sugpo* (-40.3%), grouper or *lapu-lapu* (-34.8%), seaweed (-25.8%), slipmouth or *sapsap* (-24.7%), big-eyed scad or *matangbaka* (-22.3%), mudcrab or *alimango* (-18.3%), round scad or *galunggong* (-13.6%), squid (-6.8%), tilapia (-6%), milkfish or *bangus* (-4.6%), threadfin bream or *bisugo* (-4.4%), and Bali sardinella or *tamban* (-0.1%).

Mr. Adriano noted that the open fishing season in Philippine waters coupled with better weather contributed to the increase in fishery production.

The DA is targeting 1-2% agricultural growth in 2024, taking into account the effects of the El Niño and La Niña weather events.

Jobless rate,
from S1/1

In June, month-on-month job gains were recorded in construction (up 680,000 to 5.77 million), agriculture and forestry (up 571,000 to 9.53 million), and wholesale and retail trade (490,000 to 10.6 million).

"The government's swift implementation of infrastructure projects and the continued improvement of operating conditions for manufacturing firms have led to these employment gains. Increasing investments in renewable energy, water supply, and mining and quarrying have also supported employment growth in these areas," National Economic and Development Authority Secretary Arsenio M. Balisacan said in a statement.

On the other hand, the biggest monthly job loss was seen in public administration and defense, which cut 466,000 jobs to 2.67 million. Job losses were also seen in education (down 184,000 to 1.51 million), and transportation and storage (down 152,000 to 3.57 million).

Meanwhile, construction saw the largest annual increase in jobs, adding 938,000 jobs to 5.77 million. Significant job gains were also seen in wholesale and retail trade (up 527,000 to 10.6 million), and accommodation and food service activities (up 396,000 to 2.62 million).

Year on year, agriculture and forestry cut 916,000 jobs to 9.53 million. Annual job losses were also seen in public administration and defense (down 340,000 to 2.67 million) and fishing and aquaculture (down 81,000 to 1.09 million).

Sentro ng mga Nagkakaisa at Progresibong Manggagawa Secretary-General Josua T. Mata questioned what he called the "flawed employment strategy" of the government.

"Worker underutilization remains high. The combined underemployment and unemployment rate rose from 14% in May 2024 to 15.2% in June 2024. This means nearly one in six workers are either unemployed or underemployed and unable to fully contribute to the economy," he said in a Viber message.

The country's labor force reached 51.9 million in June, increasing by 926,000 from 50.97 million in May.

On an annual basis, the labor force increased by 730,000 from 51.17 million.

This translated to a labor force participation rate of 66%, higher than the 64.8% in the previous month, but lower than 66.1% last year.

The average Filipino employee worked for 40.9 hours a week, up from 40.6 hours in May and from the 40 hours in June 2023. — **Charles Worren E. Laureta**

Forex,
from S1/1

Meanwhile, the country's reserve position in the IMF slid by 2.8% to $719.9 million as of end-July from $740.4 million as of end-June.

Special drawing rights, or the amount the country can tap from the IMF, was unchanged at $3.75 billion.

"The Philippines' gross international reserves slightly increased in July, primarily due to higher gold valuations and positive investment returns. This maintains a robust external liquidity buffer, essential for safeguarding the country's financial stability," Security Bank Corp. Chief Economist Robert Dan J. Roces said in a Viber message.

Rizal Commercial Banking Corp. Chief Economist Michael L. Ricafort said the GIR level continued to rise due to the new record highs in world gold prices, which boosted the value of the BSP's gold holdings.

Mr. Ricafort said the country's dollar reserves could improve in the coming months amid steady growth in overseas Filipino worker remittances, business process outsourcing revenues, foreign tourism revenues, and foreign direct investments.

The BSP expects the GIR level to settle at $104 billion by yearend.