Topline's P3.2-B IPO gets PSE nod, listing set for Dec. 12

CEBU-BASED fuel retailer Top Line Business Development Corp. (Topline) has secured the approval of the Philippine Stock Exchange (PSE) for its planned initial public offering (IPO) worth up to P3.16 billion.

Top Line's maiden offering will consist of 3.68 billion primary shares and an overallotment option of up to 368.31 million shares priced at up to 78 centavos apiece, the PSE said in an e-mailed statement on Thursday.

Based on a prospectus dated Oct. 31, the offer period will be from Nov. 27 to Dec. 3, while the tentative listing date is on Dec. 12. The final price will be determined on Nov. 18.

Top Line will be listed on the PSE's main board and will be traded via the ticker symbol "TOP."

At the maximum offer price of 78 centavos, Top Line aims to generate P2.75 billion in net proceeds. The company will not receive any proceeds from the overallotment option.

The company will use the proceeds to build fuel depots in Mactan, Cebu, and in Bohol that will have a combined storage capacity of 30 million liters.

A portion of the proceeds will also be allocated for the acquisition of fuel tankers and tank trucks, as well as the construction of ten Light Fuels service stations.

Investment & Capital Corp. of the Philippines and PNB Capital and Investment Corp. were appointed as the joint lead underwriters and joint bookrunners for the offer.

"Doing an IPO is a big step for companies aiming for growth and expansion. We are pleased that the equities market can support Top Line's business strategy by providing access to capital it needs to accelerate its development, which is crucial in solidifying its position in the industry," PSE President and Chief Executive Officer Ramon S. Monzon said.

Top Line started commercial fuel trading operations in 2017, mainly in Central Visayas. The company operates a retail distribution network via fuel station chain Light Fuels.

The company is slated to be the fourth IPO this year, joining gold and copper mining company OceanaGold (Philippines), Inc., and renewable energy companies Citicore Renewable Energy Corp. and NexGen Energy Corp. — **Revin Mikhael D. Ochave**

German GDP unexpectedly gains, dodging recession; inflation rises

BERLIN — Germany's gross domestic product (GDP) unexpectedly increased in the third quarter, skirting a recession, but inflation rose more than expected in October, interrupting the downward trend in Europe's troubled largest economy.

"This is still far from what we need, but at least it is a ray of hope," Economy Minister Robert Habeck said. "The economy is proving more robust than previously forecast and the technical recession expected by many has failed to materialise."

The economy expanded by 0.2% in the third quarter from the previous three months, driven by government and household spending, preliminary data from the federal statistics office showed on Wednesday.

Inflation, however, resurged to 2.4%, against a forecast by analysts polled by Reuters of 2.1% this month, after a year-on-year rise in consumer prices of 1.8% in September, based on data harmonised to compare with other European Union countries.

"The just-released flash estimate of German inflation in October could make some members of the European Central Bank (ECB) regret the latest rate cut and the ECB's new openness to more aggressive cuts," said Carsten Brzeski, global head of macro at ING.

Core inflation, which excludes volatile items like food and energy prices, was at 2.9% in October up from 2.7% in the previous month.

"The renewed rise in core inflation shows once again that the inflation problem has not yet been fully resolved and that patience is still required," said Sebastian Becker, economist at Deutsche Bank Research.

In the short term, the signs point to higher inflation for the time being, economists said.

"Nevertheless, the current weakening of the labor market suggests that the core rate is likely to fall again — albeit slowly — over the course of 2025," Mr. Becker said.

"If the inflation rate were to level off at just under 2%, everything would be in the green zone, said Friedrich Heinemann, economist at ZEW, but he added that this was not certain with a view to 2025.

"If there is a new escalating trade conflict with a US President Trump, the German economy will also feel the effects through higher import prices," Mr. Heinemann said.

Germany would be the big loser if a Trump presidency sparked a tit-for-tat trade war between the United States and Europe.

SIGN OF LIFE

"Under the weight of many structural weaknesses, the economy is sending out a sign of life," Alexander Krueger, chief economist at Hauck Aufhaeuser Lampe, said of the new data. "This is thanks to consumers, who have let their guard down a little."

A recession is normally defined as two consecutive quarters of economic contraction, and data from the second quarter had spurred recession fears.

The statistics office revised second quarter GDP to a 0.3% quarter-on-quarter contraction, from the 0.1% decline previously reported.

Analysts polled by Reuters had forecast a 0.1% quarter-on-quarter GDP decrease in adjusted terms.

"Although a technical recession was avoided, the German economy remains barely larger than it was at the start of the pandemic," said Carsten Brzeski, global head of macro at ING.

Economic weakness is expected to stay as Germany struggles with high energy costs, subdued global demand for its exports, and rising foreign competition.

"The growth outlook is somewhere between stagnation and a snail's pace," Mr. Krueger said.

WEAKER LABOR MARKET

Separately, the federal labor office said the number of people out of work in Germany rose more than anticipated in October.

It said the number of unemployed increased by 27,000 in seasonally adjusted terms to 2.86 million. Analysts polled by Reuters had expected a rise of 15,000.

The data came with German automaker Volkswagen locked in talks over potential mass layoffs and wage cuts.

"Job security instead of wage increases could soon be the new mantra in the German labor market," Mr. Brzeski said.

The seasonally adjusted jobless rate was stable at 6.1%.

"The autumn upturn in the labor market has largely failed to materialize this year," said labor office head Andrea Nahles. — ***Reuters***

PXP Energy trims Q3 losses amid lower costs

PANGILINAN-LED PXP Energy Corp. trimmed its third-quarter (Q3) attributable net loss to P7.54 million from P10.24 million a year ago.

The upstream oil and gas firm's petroleum revenues for the period declined by 7.7% to P21.86 million from P23.68 million in the previous year, PXP said in a regulatory filing on Thursday.

Costs and expenses fell 12.8% to P29.13 million from P33.4 million after recording lower petroleum production costs and general and administrative expenses.

For the nine months ending in September, the company cut its attributable net loss to P16.7 million from P22.9 million a year ago.

PXP also reported a lower core net loss at P17.8 million from P23.9 million previously. This was attributed to "slightly higher average crude oil price and volume lifted from SC (Service Contract) 14C-1 Galoc operations, a reduction in overhead, and lower net interest expense."

SC 14C-1 is a block containing the producing Galoc Oil Field situated offshore Northwest Palawan. The oil field has already yielded about 24.2 million barrels (bbls) since production started in October 2008, according to PXP.

From January to September, consolidated petroleum revenues climbed by 2.8% to P64.8 million, following a slight increase in the average crude oil price to $81.2 per bbl from $80.5 per bbl, on top of higher output sold in SC 14C-1 Galoc at 478,999 bbls.

Consolidated costs and expenses went down by 4.8% to P78.2 million due to a significant reduction in recurring overhead and lower net interest expenses. However, this was slightly offset by higher petroleum production costs. — **Sheldeen Joy Talavera**

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Apple unveils more powerful versions of MacBook Pro

APPLE on Wednesday unveiled new MacBook Pro models that feature more powerful processors for tasks such as photo and video editing, aiming to bolster its appeal among creative professionals.

The new line of MacBook Pro laptops will start at $1,599 for the 14-inch variant, with the higher-end versions sporting more powerful M4 Pro and M4 Max processors.

The 16-inch screen variant with the base specification M4 chip will sport a starting price tag of $2,499.

Customers have been looking to upgrade to personal computers with more powerful chips to ensure their systems can process artificial intelligence tools.

Apple Intelligence can be accessed in most regions worldwide when the device and Siri language are set to US English, with a free software update available starting Wednesday for Macs with M1 chips or later. — ***Reuters***

Volkswagen demands 10% wage cuts to save jobs as profits plunge

WOLFSBURG, Germany — Volkswagen (VW) asked its workers to take a 10% pay cut on Wednesday, arguing it was the only way that Europe's biggest carmaker could save jobs and remain competitive as profits plunged to a three-year low and union bosses threatened strikes.

It was the first official confirmation of cost-cutting measures VW wants to implement to turn around its fortunes as high costs and weak demand in China dragged down sales and left its factories bloated from overcapacity.

The company did not address directly the issue of whether it planned to close factories in Germany for the first time in Volkswagen's 87-year history, though labour representatives said that option remained on the table.

VW's problems have fed wider anxieties about Germany's status as an industrial powerhouse and the competitiveness of European carmakers against encroaching global rivals.

German automakers also fear the impact of a standoff between the European Union and Beijing, with EU tariffs of up to 45.3% on Chinese electric vehicles coming into force this week.

"We urgently need a reduction in labor costs in order to maintain our competitiveness. This requires a contribution from the workforce," Arne Meiswinkel, the VW brand's personnel chief who leads negotiations for the carmaker, said.

Volkswagen released its third-quarter results on the same day as the second round of what have been acrimonious talks between the company and unions over wages and its broader future.

The two sides agreed to keep talking and will meet again on Nov. 21.

For Volkswagen, the third-quarter results were further evidence that major change was needed to keep the company competitive.

But worker representatives accuse management of bungling decisions and tearing up a treasured consensus on decision making. They came into talks demanding a 7% pay rise and threatened strikes from December unless the company definitively ruled out plant closures.

"From the company's point of view, plant closures are still on the table, i.e. they have not been completely ruled out," Volkswagen works council head Daniela Cavallo said.

"Today is at best the starting signal for a marathon in which both sides have finally understood that they have to cross the finish line together."

Ahead of the talks, which took place at the stadium where the VfL Wolfsburg Bundesliga team plays its football, fretful employees and trainees left handwritten and typed letters on display on tables.

Volkswagen on Wednesday reported a 42% drop in third-quarter profit to its lowest level in three years.

"This highlights the urgent need for significant cost reductions and efficiency gains," finance chief Arno Antlitz said in a statement.

Mr. Antlitz said he was confident that the company could reach an agreement with workers but could not rule out strikes, with the company considering more than €10 billion ($10.8 billion) in cost cuts.

He said there was a comeback plan for China that includes spruced up software and driving assistance, expecting to regain market share from 2026 or 2027. — ***Reuters***