Philippine Stock Exchange index (PSEi)

AEV

Globe Telecom, Inc.

P2.278.00

P22.00 -0.96%

6,296.20

▼ 82.66 PTS.

V 1.29%

FRIDAY, JANUARY 24, 2025 **BusinessWorld**

PSEI MEMBER STOCKS

AC Ayala Corp. P568.00 P4.00 -0.70% ACEN ACEN Corp. P3.55

P34.60 +P0.60 +1.76% GLO

AGI Alliance Global Group, Inc. P8.64 +P0.02 +0.23%

ALI Ayala Land, Inc. P25.20 P0.40 -1.56%

BDO BDO Unibank, Inc. P140.50 -P7.10 -4.81%

BLOOM Bloomberry Resorts P3.82

BPI Bank of the Philippine Islands P124.50 +P0.50 +0.40%

CNPF Century Pacific Food, Inc. P41.70 -P1.20 -2.80%

CNVRG P17.00 -P0.90 -5.03%

DMC -P0.12

EMI Emperador, Inc. +P0.06 +0.33%

> Puregold Price Club, Inc. P28.30

GTCAP P563.00

-P7.00 -1.23%

ICT nternational Container Terminal Services, Inc. P385.20 -P5.00 -1.28%

JFC P247.60 -P1.00 -0.40%

JGS JG Summit Holdings, Inc. P17.78 +P0.18 +1.02%

LTG LT Group, Inc. P11.20 -P0.06 -0.53%

MBT P70.55 -P0.75 -1.05%

MER Manila Electric Co. P486.00 -P7.00 -1.42%

MONDE P7.01 -3.58%

NIKL Nickel Asia Corp. +P0.04 +1.30%

PGOLD P0.25 +0.89%

SCC Semirara Mining and Power Corp. P36.40 +P0.10 +0.28%

SM SM Investments Corp. P845.00 P15.00 -1.74%

SMC San Miguel Corp. P83.20

SMPH SM Prime Holdings, Inc P23.85 -P0.40 -1.65%

CEBULAND

MASTERS

We Build with You in Mind

TEL PLDT Inc. P1,301.00 +P6.00 +0.46%

URC Jniversal Robina Corp. P66.90 P0.05 -0.07%

WLCON Wilcon Depot, Inc. P9.35 +P0.07 +0.75%

OUTLIER

Semirara shares rise on higher coal shipments and capex

SEMIRARA Mining and Power Corp. (SMPC) saw its shares rise last week following news of high coal shipments and higher capital spending for 2025.

The Consunji-led energy company was the 15th most actively traded stock last week, with a total of 10.75 million shares worth P388.45 million changing hands from Jan. 20 to 24, data from the Philippine Stock Exchange showed.

Shares of the company closed at P36.40 apiece, 2% higher than the P35.70 close a week prior. For the year, the stock's price rose 4.3% from its P34.90 close on the last trading day of 2024.

Positive investor sentiment following news on SMPC hitting a record high on coal shipments in 2024 made the Consunji-led energy company one of the most active stocks traded last week, analysts said.

"We think flows for SMPC in recent weeks are mainly due to positive investor sentiment following their press release on hitting record-high coal shipments in 2024, which should help offset concerns regarding the impact of stabilizing coal selling prices over the past years," said Rastine Mackie D. Mercado, research director at

China Bank Securities Corp., in an e-mail. Mr. Mercado added that the capex (capital expenditure) guidance reinforces SMPC's commitment to its coal business despite stabilizing global coal prices, and another major upside catalyst is the potential development of its

700-megawatt San Rafael coal power plant. "SMPC made record shipments last year as it increased both foreign and domestic shipments by 4% even though it was a volatile year for coal prices. The company gained investors' confidence as directors were buying the stock as well," Mercantile Securities Corp. Head Trader Jeff Radley C. See said in a Viber message.

Mr. See added that the company plans to extend the mining life for their current mining sites Molave Pit and Narra Pit, then eventually Acacia Pit.

In a press release, SMPC reported 16.5 million metric tons (MT) in coal shipments for 2024, a 4.4% increase from the previous year, surpassing the previous year's alltime high of 15.8 million, driven by stronger demand from China and domestic markets.

Broken down, foreign shipments rose by 4% to 8.4 million MT, with exports to China increasing by 46% to 7.6 million MT. Domestic shipments of coal also grew by 4% to 8.0 million MT, driven by increased sales to local cement producers and Calaca power plants.

Peter Louise D. Garnace, equity research analyst at Unicapital Securities, Inc., said in an e-mail that the company's higher 2025 capex guidance boosted positive sentiment

"Management's higher 2025 capex guidance boosted positive sentiment on the stock as the company allotted over P5.8 billion for the coal segment for re-fleeting initiatives and additional mining and support equipment," said Mr. Garnace.

"With this additional capex, we see SMPC sustaining a strong coal production target, mitigating the negative impact of weak coal prices on the company's topline," he added.

Last week, SMPC reported that it expects its capex budget for this year to reach P6.9 billion, with a significant portion going to its coal business. SMPC said that P5.8 billion is allocated to the coal segment for "re-fleeting initiatives and additional acquisition of mining and support equipment."

SMPC's subsidiary SEM-Calaca Power Corp. accounted for P0.7 billion, while P0.4 billion is allocated to Southwest Luzon Power Generation Corp.

For the third quarter, SMPC posted a net income of P3.11 billion, down 8.3% from P3.40 billion in the same period last year. Revenues grew by 12.5% to P13.08 billion from P11.63 billion in the previous year.

Meanwhile, for the first nine months, SMPC's net income fell by 30.5% to P15.71 billion from P22.62 billion in the same period last year. Year to date, SMPC's gross revenue amounted to P49.67 billion, d clining 11.6% from P56.20 billion reported

"For full year 2024, our revenue and net income forecasts are at P64 billion and P20.2 billion, respectively," Mr. Mercado added.

He gave initial support and resistance at P35.70 per share and P37.00 per share,

Mr. See said that SMPC will report a lower net income after taxes in 2024 compared to 2023. He gave support and resistance levels of P37.75 per share and P40.70 per share.

'We project SMPC's fourth-quarter revenue to be higher quarter on quarter amid strong demand from China as well as increased sales to local cement producers and power plants. However, on a year-on-year basis, we expect lower revenues primarily driven by an almost 30% decline in global coal prices," said Mr. Garnace.

He pegged SMPC's resistance around P37.00 apiece, while support at P35.00 apiece. - Lourdes O. Pilar

CLI targets P10 billion from bond issuances this year

CEBU LANDMASTERS, Inc. (CLI) plans to raise P10 billion through bond offerings this year, according to its chairman.

CLI Chairman and Chief Executive Officer Jose R. Sobera-

no III said during a media briefing in Makati City last week that P5 billion in sustainability-linked bonds will be listed by the first week of March, while another P5 billion will be issued by the fourth quarter.

The two planned offerings represent the second and third tranches of CLI's P15-billion shelfregistered debt securities program, respectively.

"The next tranche of P5 billion is already in the works. The target listing is by the first week of March. We're already book-building now," Mr. Soberano said.

"We plan another P5 billion (bond issuance) in the last quarter to close out the P15 billion. These are probably to refinance," he added.

The second tranche consists of a

base offer of up to P3 billion and an oversubscription option of up to P2 billion of pesodenominated Series D Bonds due in 2028 and Series E Bonds due in 2030.

In December last year, CLI said the second tranche received a "PRS Aa plus" credit

rating with a stable outlook from the Philippine Ratings Services Corp. (PhilRatings), citing the company's sustained earnings growth and competitive advantage in the Visayas and Mindanao markets.

Obligations with a "PRS Aa" rating are "high quality" and subject to very low credit risks, reflecting the company's "capacity to meet financial commitments." A stable outlook means the rating is likely to be maintained in the next 12 months.

The company listed the first

tranche of the P15-billion shelf-registered debt securities program in October 2022. Last week, CLI said it would al-

locate P12 billion for the initial phases of its two maiden projects in Luzon, which consist of a horizontal development and a condominium project.

The company is likely to launch its first Luzon project by 2026.

The property developer has launched close to 130 projects across 17 cities since being established in 2003. Its portfolio consists of residential developments, offices, hotels and resorts, co-living and co-working spaces, mixed-use projects, and largescale townships.

CLI shares were last traded on Jan. 24 at P2.65 apiece. – Revin Mikhael D. Ochave

BusinessWorld

AirAsia plans MRO facility in Philippines — DoF

THE AirAsia group has expressed plans to establish a maintenance, repair, and operations (MRO) facility in the Philippines, according to the Department of Finance (DoF).

The MRO facility is expected to create more jobs and "position the Philippines as a regional hub for aviation services," the DoF said in a statement after Finance Secretary Ralph G. Recto met with AirAsia Chief Executive Officer (CEO) Anthony Francis "Tony" Fernandes.

They discussed the strategic opportunities for the airline's expansion in the Philip-

pines, the department said. Mr. Recto attended the World Economic Forum in Davos, Switzerland, from January 20 to 24 as special envoy of President Ferdinand

R. Marcos, Jr. and head of the Philippine delegation.

In a separate post, the Finance chief also had a meeting with HCLSoftware's Chief Revenue Officer Rajiv Shesh and Chief Product Officer Kalyan Kumar to discuss a potential partnership pushing the digitalization of the country.

HCLSoftware focuses on technology solutions, specializing in intelligent operations, data and analytics, and cybersecurity.

"The company expressed keen interest in supporting research and development initiatives and fostering local talent to cultivate a new generation of highly skilled tech professionals in the Philip-

pines," the DoF said. The technology firm has committed to collaborating with the government in developing software technologies and sharing best practices.

On Jan. 24, the DoF said that Mr. Recto also met with Chairman of the Supervisory Board Karl Guha and CEO Steven van Rijswijk of the European bank ING to explore more partnership opportunities with the Philippines, particularly in leveraging artificial intelligence.

In 2025, ING will launch its use of generative artificial intelligence (GenAI) in the country, "making it the next country after the Netherlands and Germany to host live GenAI applications."

Mr. Recto also had a meeting with HSBC CEO for Asia and the Middle East Surendra Rosha on the bank's operations in the Philippines. - Aubrey Rose A. Inosante

