Philippine Stock Exchange index (PSEi) 6,119.88 ▲24.92 PTS. ▲0.40%

WEDNESDAY, FEBRUARY 19, 2025
BusinessWorld

PSEi MEMBER STOCKS

AC	Ayala Corp.	P566.50	+P15.00	+2.72%
ACEN	ACEN Corp.	P3.25	+P0.05	+1.56%
AEV	Aboitiz Equity Ventures, Inc.	P32.50	+P0.65	+2.04%
AGI	Alliance Global Group, Inc.	P7.25	-P0.25	-3.33%
ALI	Ayala Land, Inc.	P24.80	+P1.25	+5.31%
AREIT	AREIT, Inc.	P39.50	——	
BDO	BDO Unibank, Inc.	P141.90	-P1.10	-0.77%
BLOOM	Bloomberry Resorts Corp.	P3.59	——	
BPI	Bank of the Philippine Islands	P127.60	-P1.40	-1.09%
CBC	China Banking Corp.	P87.10	+P0.05	+0.06%
CNPF	Century Pacific Food, Inc.	P39.40	+P0.90	+2.34%
CNVRG	Converge ICT Solutions, Inc.	P17.42	+P0.12	+0.69%
DMC	DMCI Holdings, Inc.	P11.76	+P0.12	+1.03%
EMI	Emperador, Inc.	P12.46	+P0.14	+1.14%
GLO	Globe Telecom, Inc.	P2,286.00	-P14.00	-0.61%
GTCAP	GT Capital Holdings, Inc.	P530.00	+P11.00	+2.12%
ICT	International Container Terminal Services, Inc.	P347.00	-P3.00	-0.86%
JFC	Jollibee Foods Corp.	P252.20	-P4.80	-1.87%
JGS	JG Summit Holdings, Inc.	P17.20	+P1.14	+7.10%
LTG	LT Group, Inc.	P11.62	+P0.22	+1.93%
MBT	Metropolitan Bank & Trust Co.	P71.55	-P2.45	-3.31%
MER	Manila Electric Co.	P500.00	+P9.00	+1.83%
MONDE	Monde Nissin Corp.	P8.42	-P0.03	-0.36%
PGOLD	Puregold Price Club, Inc.	P26.45	+P0.90	+3.52%
SCC	Semirara Mining and Power Corp.	P37.75	+P0.75	+2.03%
SM	SM Investments Corp.	P795.00	-P3.00	-0.38%
SMC	San Miguel Corp.	P84.00	-P0.15	-0.18%
SMPH	SM Prime Holdings, Inc.	P23.15	+P0.30	+1.31%
TEL	PLDT Inc.	P1,398.00	-P2.00	-0.14%
URC	Universal Robina Corp.	P71.50	+P4.75	+7.12%

Tokyo Gas enters PHL through FGEN LNG stake

TOKYO GAS Co., Ltd., Japan's largest natural gas utility company, has completed its acquisition of a 20% equity stake in FGEN LNG Corp., the liquefied natural gas (LNG) terminal subsidiary of Lopez-led First Gen Corp.

"This subscription will deepen our partnership and enhance synergy that will boost our efforts in support of the Philippines' energy security and stability, even as we all pursue decarbonization," Francis Giles B. Puno, vice-chairman and chief executive officer of FGEN LNG and concurrent president of First Gen, said in a statement on Wednesday.

The acquisition marks the Japanese company's first investment in a commercially operational liquefied natural gas terminal project overseas. First Gen did not disclose the transaction amount.

Tokyo Gas is one of the world's largest LNG buyers, with an annual purchase volume of 13 million tons.

It operates over 63,000 kilometers of gas pipelines, serving approximately 8.8 million customers.

In May last year, First Gen LNG Holdings Corp., a wholly owned subsidiary of First Gen, executed a shareholders' agreement and a share subscription agreement with Tokyo Gas for the latter to subscribe to shares in FGEN LNG.

Upon effectivity, FGEN LNG Holdings will hold an 80% stake, while Tokyo Gas will own the remaining 20% in FGEN LNG.

FGEN LNG is the owner and operator of the offshore LNG terminal project located within First Gen's Clean Energy Complex in Batangas City.

Before the acquisition deal, Tokyo Gas partnered with First Gen in December 2018 for the development and construction of the terminal, which broke ground in May 2019.

Earlier this year, the company secured a permit from the Department of Energy, allowing it to operate and maintain its interim offshore LNG terminal for its own use for 25 years.

For the nine months ending in September, First Gen's attributable net income fell by 16.1% to \$39.8 million due to lower contributions from its renewable energy business.

Gross revenues went down by 5.9% to \$568.48 million while gross expenses increased by 3.5% to \$1.46 billion.

First Gen and its subsidiaries are primarily engaged in the power generation business and operate power plants that run on geothermal, wind, solar, hydro, and natural gas.

At the local bouse on Wednesday, shares in the company closed unchanged at P16.98 each. — **Sheldeen Joy Talavera**

Developers struggle to adjust condo prices as costs remain high — Cushman & Wakefield

PROPERTY DEVELOPERS in Metro Manila are unable to adjust condominium prices as inflation and supply chain issues keep costs high, according to real estate services firm Cushman & Wakefield.

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"Developers are grappling with increased input costs due to persistent global inflation and supply chain issues, exacerbated by geopolitical tensions. These factors hinder their ability to adjust prices quickly, leading to slower sales and impacting revenues," Claro dG. Cordero, Jr., director and head of research, said in a statement on Tuesday.

The mid-end segment faces a supply-demand mismatch, mainly driven by elevated condominium prices. Buyers also prefer larger units, while available studio types are often less than 25 square meters (sq.m).

Condominium prices dropped by 9.4% year on year, reversing the 8.3% increase recorded last year and the 10.6% rise in the previous quarter, according to the latest data from the Philippine central bank.

"Until a balance is achieved between buyers' expectations and developers' pricing, excess inventory in the mid-end residential condominium sector will persist," Mr. Cordero said.

The Metro Manila market has a total supply of 450,000 mid- and high-end condominium units, with around 8% remaining unsold.

Before the pandemic, the annual average completion rate for residential condominiums was 35,000 units. Over the past five years, it has declined to 25,000 units.

Outside Metro Manila, unsold inventory is lower at 5%, with about 250,000 completed units.

Dominant locations include Metro Cebu at 54%, followed by the Cavite-Laguna-Batangas corridor (24%), Metro Davao (13%), and Metro Iloilo (3%).

In the Metro Manila office market, vacancy rates are expected to stabilize at around 17–18% in 2025, Cushman & Wakefield said.

"Despite the return of office space from POGO (Philippine offshore gaming operators) companies, absorption rates have improved from pandemic lows but remain influenced by flexible work trends and corporate policies. On the other hand, some companies mandating a return to the office are positively impacting demand growth," it said.

In central business districts (CBDs), average office rentals have declined by 2.9% annually, while rental rates in non-CBDs fell by 4.2%.

"This trend reflects a continued flight to quality, with CBD office developments benefiting from their superior finishes, amenities, and tenant mix," Cushman & Wakefield said.

It also noted the rise of office spaces in non-CBDs, with 2.9 million sq.m. added outside Makati and Bonifacio Global City in the past decade. This was driven by flexible work trends and developments outside CBDs.

For retail, the property consultant noted an increase in redevelopments of existing spaces, incorporating additional features to enhance the shopping experience. Mid-end and high-end shopping malls have an average annual supply of about 376,000 sq.m., Cushman & Wakefield reported.

In the hotel segment, Cushman & Wakefield cited uneven regional recovery due to the untapped potential of many tourist destinations. It expects 1,600 additional keys in the mid-end and higher-end hotel and serviced residence segments this year.

However, it may take five years to reach the projected 70,000 keys due to construction delays.

Meanwhile, Cushman & Wakefield highlighted rising demand in the logistics and industrial sub-sector, driven by the growth of the digital economy.

However, it emphasized the need to improve the quality of logistics facilities to meet the demands of new occupiers. Challenges in the sector include achieving sustainability targets, clarifying restrictions related to data privacy laws, and addressing the high costs, availability, and viability of support utilities.

"Across all key Philippine real estate sub-sectors, the increased demand for higher-quality, well-located, and resilient developments is significantly shaping the future real estate landscape," Mr. Cordero said. "Investors and tenants prioritize properties in prime locations with superior amenities and robust infrastructure." — **Beatriz Marie D. Cruz**

MPIC's Pangilinan sees double-digit profit growth for 2024

METRO PACIFIC INVESTMENTS Corp. (MPIC) sees double-digit profit growth for 2024, driven by its power business and other subsidiaries.

"The numbers are looking good, driven by all of the subsidiaries. The outstanding example would be Manila Electric Co. (Meralco). Meralco's numbers would be quite good for 2024," MPIC Chairman, President, and Chief Executive Officer Manuel V. Pangilinan told reporters recently.

Mr. Pangilinan said MPIC's net income for 2024 may have increased by double digits.

2024 marks MPIC's first full year as a private company after voluntarily delisting from the Philippine Stock Exchange in October 2023.

For 2023, MPIC posted an 89.7% increase in attributable net income to P19.92 billion, up from P10.5 billion in 2022, driven by growth in its power, toll roads, and water businesses.

Operating revenue rose 20.5% to P61.33 billion.

MPIC has a presence in the toll roads sector through Metro Pacific Tollways Corp. and in the water sector via Maynilad Water Services, Inc. and Metro Pacific Water.

The conglomerate also has investments in healthcare, light rail, fuel storage, real estate, waste management, and agribusiness.

MPIC is one of the three key Philippine units of Hong Kong-based First Pacific Co. Ltd., alongside Philex Mining Corp. and PLDT Inc.

Hastings Holdings, Inc., a unit of PLDT Beneficial Trust Fund subsidiary MediaQuest Holdings, Inc., holds a majority stake in *BusinessWorld* through the Philippine Star Group, which it controls. — **Revin Mikhael D. Ochave**

MGen unit energizes 19.8-MW solar farm in Nueva Ecija

MGEN Renewable Energy, Inc. (MGreen), the renewable energy arm of Meralco PowerGen Corp. (MGen), has energized its solar power plant in Bongabon, Nueva Ecija, which can generate 19.8 megawatts alternating current (MWac) of clean energy.

The solar power project was completed at least six months ahead of schedule and could supply power to at least 20,000 households, the company said in a media release on Wednesday.

"More than just a solar power plant, MGreen Bongabon Solar is about creating opportunities, reducing our carbon footprint, and setting a new standard for renewable energy initiatives in our country," said Dennis B. Jordan, president and chief executive officer of MGreen.

Currently, MGreen has a gross generating capacity of 612 MW of renewable energy. The newly completed facility will contribute to MGen's goal of developing up to 1,500 MW of attributable renewable energy capacity by 2030.

"We acknowledge the role of this facility in fostering energy independence and reducing our carbon footprint," said Sharon O. Montaner, director at the Energy Regulatory Commission. "The Bongabon Solar project is an example of how private sector initiatives align with the GEA (Green Energy Auction) program, providing the much-needed boost to our country's clean energy capacity."

This year, MGreen anticipates the completion of another solar plant in Cordon, Isabela, with a capacity of 52.8 MWac, and the expansion of an existing solar facility in Baras, Rizal, increasing its capacity to 12.6 MWac.

The company is also looking forward to completing the first phase of the MTerra Solar project in Nueva Ecija next year.

The project consists of a 3,500-megawatt-peak (MWp) solar power plant and a 4,500-megawatt-hour (MWh) battery energy storage system. Once completed by 2027, it is expected to provide clean energy to more than two million households.

MGen, the power generation arm of Manila Electric Co. (Meralco), holds a portfolio with a combined gross capacity of 2,602 MW from both traditional and renewable energy sources.

Meralco's controlling stakeholder, Beacon Electric Asset Holdings, Inc., is partly owned by PLDT Inc. Hastings Holdings, Inc., a unit of PLDT Beneficial Trust Fund subsidiary MediaQuest Holdings, Inc., has an interest in *BusinessWorld* through the Philippine Star Group, which it controls. — **Sheldeen Joy Talavera**