

Philippine Stock Exchange index (PSEi)

6,217.56

▲ 152.33 PTS.

▲ 2.51%

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BusinessWorld

PSEI MEMBER STOCKS

AC Ayala Corp. P625.00 +P24.00 +3.99%	ACEN AC Energy Corp. P7.37 +P0.05 +0.68%	AEV Aboitiz Equity Ventures, Inc. P51.50 +P2.50 +5.10%	AGI Alliance Global Group, Inc. P9.10 +P0.07 +0.78%	ALI Ayala Land, Inc. P26.85 +P1.20 +4.68%	AP Aboitiz Power Corp. P29.50 +P0.65 +2.25%	BDO BDO Unibank, Inc. P117.80 +P1.30 +1.12%	BPI Bank of the Philippine Islands P88.00 +P1.50 +1.73%	CNVRG Converge ICT Solutions, Inc. P18.50 -P0.20 -1.07%	EMP Emperador, Inc. P19.70 +P0.30 +1.55%
GLO Globe Telecom, Inc. P2,150.00 +P70.00 +3.37%	GTCAP GT Capital Holdings, Inc. P473.00 +P5.00 +1.07%	ICT International Container Terminal Services, Inc. P185.00 +P5.00 +2.78%	JFC Jollibee Foods Corp. P200.00 +P7.00 +3.63%	JGS JG Summit Holdings, Inc. P48.75 +P0.85 +1.77%	LTG LT Group, Inc. P8.09 ---	MBT Metropolitan Bank & Trust Co. P49.95 +P2.20 +4.61%	MEG Megaworld Corp. P2.20 +P0.03 +1.38%	MER Manila Electric Co. P357.00 -P13.00 -3.51%	MONDE Monde Nissin Corp. P12.84 +P0.04 +0.31%
MPI Metro Pacific Investments Corp. P3.61 +P0.07 +1.98%	PGOLD Puregold Price Club, Inc. P30.50 -P0.40 -1.29%	RLC Robinsons Land Corp. P17.30 +P0.80 +4.85%	SECB Security Bank Corp. P89.90 +P2.05 +2.33%	SM SM Investments Corp. P801.50 +P32.00 +4.16%	SMC San Miguel Corp. P101.80 ---	SMPH SM Prime Holdings, Inc. P36.35 +P1.35 +3.86%	TEL PLDT, Inc. P1,700.00 +P3.00 +0.18%	URC Universal Robina Corp. P95.30 +P0.30 +0.32%	WLCON Wilcon Depot, Inc. P23.50 -P0.35 -1.47%

SEC warns public vs investing in three entities

THE Securities and Exchange Commission (SEC) has warned the public against investing in three unregistered entities that are not authorized to solicit investments.

The SEC issued advisories on June 24 against J Shoes Footwear Trading, Accure Wealth Finance, Southpole Finance or Southpole Administration of Financial Marketing.

"This advisory is prompted by inquiries, reports and information received by the commission that individuals and/or groups of persons claiming to represent an entity named J Shoes Footwear [or] J

Shoes Footwear Trading, are enticing the public to invest their money in the said entity with promise of high monetary rewards or profits equivalent to a guaranteed 8% monthly interest," the agency said.

It said the entity is not registered with the commission either as a corporation or partnership.

The public is advised "not to invest or to stop investing in the investment scheme being offered by any individuals claiming to represent said entity."

Meanwhile, Accure Wealth Finance, according to the SEC, "entices" the public to invest in

the entity "online or through the internet."

"An investor shall earn 5% up to 20% interest daily with a minimum investment of P200. Further, it also has a direct referral bonus of 20% on the 1st level and 2% from 2nd to 6th level," the agency said.

"Accure Wealth Finance is not registered with the commission," it noted.

On Southpole Finance or Southpole Administration of Financial Marketing, the agency said the entity is "offering investments to the public ranging from P500 up to P100,000."

"Investors earn 50% for the first 10-day period; 50% for the next 10-day period; and 200% for the following 10-day period, for total accumulated earnings of 300% in just 30 days."

"Investors may also earn through affiliate commissions, namely: direct referral bonus of 50% at the first level and indirect referral bonus of 1% at the second to 10th level," it added.

The entity, which the SEC said is not authorized to solicit investments from the public, is allegedly earning through buy and sell, finance, forex trading, and IQ Option MT5.

According to the agency, those who act as salesmen, brokers, dealers or agents or claim to act as such for such entities in selling or convincing people to invest in the investment scheme being offered, including solicitations and recruitment through the internet, may be prosecuted and held criminally liable under Section 28 of the Securities Regulation Code and penalized with a maximum fine of P5 million or penalty of 21 years of imprisonment or both.

"Also, those who invite or recruit others to join or invest in such venture or offer investment

contracts or securities to the public may incur criminal liability, or otherwise be sanctioned or penalized accordingly as held by the Supreme Court in the case of Securities and Exchange Commission vs. Oudine Santos," it also said.

BusinessWorld tried to reach out to J Shoes Footwear Trading and Accure Wealth Finance through the contact information provided on their websites or social media pages. There were no immediately available contact details for Southpole Finance or Southpole Administration of Financial Marketing. — **Arjay L. Balinbin**

Petroleum firms continue talks with Energy dep't on exploration in West Philippine Sea

TALKS continue between Philippine companies holding exploration service contracts with the government and the Energy department after the termination of joint oil and gas negotiations with China, the agency said over the weekend.

The Department of Energy (DoE) said it "firmly stands for the assertion of Philippine sovereign rights through the promotion of exploration" in the West Philippine Sea (WPS).

It made the statement after outgoing Foreign Affairs Secretary Teodoro L. Locsin, Jr. announced the termination of joint oil and gas negotiations with China, as reported on Thursday.

Mr. Locsin's announcement came after the Security, Justice, and Peace Cabinet Cluster (SJPCC) suspended in March this year all oil and gas activities in the WPS.

"Following the SJPCC's suspension order and now with the termination of negotiations with China, the [DoE], in coordination with the SJPCC for safety and

security concerns, continues to pursue talks with existing service contract holders so they can proceed with their work programs," the Energy department said.

The DoE said it previously held meetings with the holders of Service Contract (SC) 72 and SC 75 to restart their investments in exploring oil and gas in the contested seas.

The SC 72 concession is located in the WPS, west of Palawan island and southwest of the operating Malampaya gas field. The contract was put under force majeure on Dec. 15, 2014 due to the maritime dispute with China.

SC 72 is operated by PXP Energy Corp. subsidiary Forum (GSEC 101) Ltd. with a 70% participating interest. Within the exploration block is the Sampaguita gas discovery, which is estimated to contain about 2.6 trillion cubic feet of contingent gas resources.

In October 2020, the DoE notified PXP Energy and its partners that the force majeure imposed on SC 72 had been lifted with im-

mediate effect. The joint venture had 20 months from the date of the lifting of the suspension to drill two commitment wells.

For the DoE, the decision to lift the exploration ban "was an exercise in foresight given the current global energy crisis."

SC 75 in northwest Palawan is operated directly by PXP Energy with a participating interest of 50%. Its partners in the exploration block are state-owned PNOOC Exploration Corp. and PetroEnergy Resources Corp.

Similar to SC 72, the DoE lifted the force majeure over the block in October 2020.

The department said it had held 11 meetings and briefings with service contractors together with maritime law enforcement and security experts.

SUSPENSION OF EXPLORATION ACTIVITIES

The DoE said that among the reasons given by the SJPCC for the suspended activities starting

in March this year was China's harassment of the survey vessels hired by the service contractors.

"At that time, the negotiations with China were also cited as another reason for the suspension," it said in the statement.

With a few days left before the end of the Duterte administration, hopes fade of a joint exploration between the Philippines and China under their 2018 memorandum of understanding on cooperation in oil and gas development.

The memorandum created the inter-governmental joint steering committee that served as the official negotiating forum between the two countries. The committee convened only once on Oct. 28, 2019 and no agreement was reached during the meeting, the DoE said.

The Energy department said that "it has always strongly believed in the value of negotiating with China and other claimant-countries such as Vietnam." — **Victor V. Saulon**

SEC joins global group ANNA to boost market's security

THE Securities and Exchange Commission (SEC) said it recently secured membership as a partner in the Association of National Numbering Agencies (ANNA), a global association that seeks to foster standardization within the financial industry.

The agency's membership in ANNA is expected to help make the Philippine capital market more accessible and transparent, the SEC said in a statement over the weekend.

"Our membership in ANNA as a partner is a significant step toward making the Philippine market more accessible, transparent and, more importantly, secure," SEC Chairperson Emilio B. Aquino said.

As a partner, the SEC will act as the national numbering agency for the Philippines.

"The commission will be primarily responsible for the allocation of ISIN (International Securities Identification Number), Financial Instrument Short Name (FISN) and Classification of Financial Instruments (CFI) codes to all instruments in the market, including unlisted securities," the agency said.

It noted that it has already developed a national numbering system that will assign the securities identifiers — ISIN under ISO 6166, CFI under ISO 10962, and FISN under ISO 18774.

"The SEC National Numbering System (NNS) can assign securities identifiers to both corporate securities and securities issued by the government such as those issued by the Bureau of the Treasury and the Bangko Sentral ng Pilipinas."

According to Mr. Aquino, by adopting standard identifiers, recognized in now more than 120 jurisdictions, securities first issued within the country can be acknowledged and traded between buyers and sellers virtually anywhere in the world.

He added that the commission expects a more robust activity in the domestic capital market. — **Arjay L. Balinbin**

OUTLIER

Profit-taking drags Meralco as inflation, recession fears persist

INVESTORS took profit in Manila Electric Co. (Meralco) last week after it was dragged by the stock market's performance, which sank near the 6,000 level as soaring inflation and recession fears persisted.

Data from the Philippine Stock Exchange (PSE) showed a total of 1.497 million shares worth P548.141 million were traded from June 20 to 24.

Meralco shares went down by 2.2% week on week, finishing at P357 apiece on Friday from its P365 closing on June 17. For the year, the stock has gone up by 20%.

Regina Capital Development Corp. Head of Sales Luis A. Limlingan said via Viber message that Meralco's strong performance for most of last week was due to its defensive nature and strong yield before succumbing to profit-taking on Friday as recession fears and inflationary pressures pushed the market to fall to its lowest level since the pandemic broke out.

"The stock underperformed this week due to the continued selling pressure on the PSEi (PSE index) being brought by local inflationary pressure and global recession fears," Unicapital Securities, Inc. Equity Trader Christopher Adrian T. San Pedro said in an e-mail.

Meralco's decline last Friday was due to last-minute profit-taking from investors during the pre-close market session, he said.

The stock market had been sinking as investors stayed cautious ahead of the Bangko Sentral ng Pilipinas (BSP) decision on interest rates, along with recession fears as rising prices continued to dampen the market.

The PSEi dropped to 6,065.23 on Thursday, its

lowest in nearly two years since the 6,019.26 finish on Oct. 19, 2020, before recovering to close at P6,217.56 on the last trading day of the week.

Meanwhile, the BSP announced its second consecutive rate hike by 25% last June 23 to address rising inflation.

The increase put the benchmark rate at 2.5%, as predicted by nine out of 16 analysts in a *BusinessWorld* poll.

The ongoing Russia-Ukraine conflict since late February sent oil and other commodity prices to multiyear highs due to supply constraints, affecting economies worldwide.

Analysts are monitoring closely the upcoming inflation data for their next move.

"I believe for as long as we have a hawkish BSP towards policy normalization, stock market volatility is here to stay," Mr. San Pedro said.

"For Meralco to be considered one of the preferred strategic long-term investments, it is expected to remain a defensive stock in times of market volatility given its inelasticity of demand to rising consumer prices," he added.

Mr. Limlingan said: "Market movement will likely be data-dependent as investors will take cues on any economic releases that will affect inflation, such as the price of commodities. It will also be the end of semester window dressing."

Meralco's first-quarter revenues went up by a fourth to P85.905 billion from P64.712 billion in the same period last year.

Its attributable net income likewise rose by 28.3% to P5.564 billion in the first three months of the year from P4.334 billion previously. — **Bernadette Therese M. Gadan**

FULL STORY



Read the full story by scanning the QR code or by typing the link <<https://bit.ly/30pJwy7>>

NorthWind cleared to build transmission facility for Bangui wind farm-Luzon grid

NORTHWIND Power Development Corp. has secured regulatory approval to build a point-to-point energy transmission facility that will connect its 51.9-megawatt (MW) Bangui Bay wind farm to the Luzon grid.

In a decision promulgated last week, the Energy Regulatory Commission (ERC) said it had authorized the company to develop the limited transmission line that will connect its project to the 69-kilovolt (kV) bus at the Laoag substation to the National Grid Corp. of the Philippines (NGCP).

"The dedicated point-to-point limited transmission facilities shall be

used solely by Phase I and Phase II, and Phase III of the Bangui Bay Project, respectively," the ERC said.

However, it said NorthWind is not authorized to own the 52.2-kilometer 69-kV transmission line and the 69-kV bus at the Bangui substation. These facilities must be turned over to state-led National Transmission Corp. and privately owned NGCP.

NorthWind owns and operates the wind project located at Bangui, Ilocos Norte. The wind farm is composed of 26 wind turbines, which were developed in three phases.

The company holds a wind energy service contract with the Department of Energy, granting it the exclusive right to explore, develop and utilize the wind energy resources within its designated contract area.

The first phase of the Bangui Bay project is comprised of 15 Vestas V82 wind turbine generator units, each with a capacity of 1.65 MW. The initial phase has a rated capacity of 24.75 MW.

Construction for the first phase began in May 2004 while commercial operations started in June 2005. It is connected to the Luzon grid via a direct connection to NGCP's Laoag substation.

The initial phase and its connection facilities, including related auxiliary equipment, were required in NorthWind's electricity supply agreement with Ilocos Norte Electric Cooperative, Inc. (INEC).

Meanwhile, the project's second phase comprises five Vestas V82 wind turbine generator units, each with a capacity of 1.65 MW, increasing the wind farm's capacity to 33 MW.

The project's third phase involved the construction of six 3.15-MW 3.0 108 DD Siemens wind turbine generators, further increasing the wind farm's ca-

capacity to 51.9 MW. It started commercial operations in October 2014.

Based on NorthWind's filing with the ERC, sometime in 2007 when its electricity supply agreement with INEC was still in effect, the electric cooperative constructed a 10-megavolt ampere (MVA) substation in Burgos and connected the same to the company's transmission line.

NorthWind said its transmission line was designed for its exclusive use — to connect its Bangui wind farm to the Luzon grid. It said the cost of the connection facilities is a combination of about \$1.76 million for its foreign

component and P148.98 million for the local component.

Subsequently, NorthWind and INEC agreed to terminate their supply agreement with the condition, among others, that INEC's substation in Burgos would continue to be connected to NorthWind's transmission line.

To date, NorthWind said INEC's Burgos substation continues to be connected to the company's transmission line.

The Bangui Bay wind farm is said to be the first wind energy project developed and operated in the Philippines and Southeast Asia. — **VVS**