

## Philippine Stock Exchange index (PSEi)

6,181.06

▲ 5.81 PTS.

▲ 0.09%

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BusinessWorld

## PSEI MEMBER STOCKS

<b>AC</b> Ayala Corp. P609.00 -P7.00 -1.14%	<b>ACEN</b> ACEN Corp. P5.06 +P0.05 +1%	<b>AEV</b> Aboitiz Equity Ventures, Inc. P47.15 +P0.15 +0.32%	<b>AGI</b> Alliance Global Group, Inc. P12.48 -P0.02 -0.16%	<b>ALI</b> Ayala Land, Inc. P28.05 +P0.90 +3.31%	<b>AP</b> Aboitiz Power Corp. P35.45 -P0.25 -0.7%	<b>BDO</b> BDO Unibank, Inc. P140.10 +P0.80 +0.57%	<b>BPI</b> Bank of the Philippine Islands P107.00 -P3.00 -2.73%	<b>CNVRG</b> Converge ICT Solutions, Inc. P8.00 +P0.23 +2.96%	<b>DMC</b> DMCI Holdings, Inc. P9.88 +P0.22 +2.28%
<b>EMI</b> Emperador, Inc. P20.85 -P0.05 -0.24%	<b>GLO</b> Globe Telecom, Inc. P1,801.00 -P1.00 -0.06%	<b>GTCAP</b> GT Capital Holdings, Inc. P572.50 ---	<b>ICT</b> International Container Terminal Services, Inc. P206.00 -P1.20 -0.58%	<b>JFC</b> Jollibee Foods Corp. P240.00 +P3.00 +1.27%	<b>JGS</b> JG Summit Holdings, Inc. P36.40 -P0.15 -0.41%	<b>LTG</b> LT Group, Inc. P9.01 -P0.11 -1.21%	<b>MBT</b> Metropolitan Bank & Trust Co. P55.40 +P0.20 +0.36%	<b>MER</b> Manila Electric Co. P345.00 +P1.40 +0.41%	<b>MONDE</b> Monde Nissin Corp. P6.91 -P0.29 -4.03%
<b>MPI</b> Metro Pacific Investments Corp. P5.17 +P0.12 +2.38%	<b>PGOLD</b> Puregold Price Club, Inc. P27.75 -P0.15 -0.54%	<b>SCC</b> Semirara Mining and Power Corp. P31.10 -P0.90 -2.81%	<b>SM</b> SM Investments Corp. P820.00 -P13.00 -1.56%	<b>SMC</b> San Miguel Corp. P105.50 +P1.00 +0.96%	<b>SMPH</b> SM Prime Holdings, Inc. P29.90 +P0.70 +2.4%	<b>TEL</b> PLDT Inc. P1,176.00 +P26.00 +2.26%	<b>UBP</b> Union Bank of the Philippines P68.30 -P0.70 -1.01%	<b>URC</b> Universal Robina Corp. P115.00 +P3.30 +2.95%	<b>WLCON</b> Wilcon Depot, Inc. P21.90 -P0.30 -1.35%

# SEC wants to lower 'friction' costs and underwriters' fees

THE SECURITIES and Exchange Commission (SEC) is seeking to reduce "friction" costs such as underwriters' fees to help boost the country's capital market.

"We're looking at revisiting all that to try and knock down some of these friction costs. One thing I'm looking at is underwriters fees. If you're familiar with the underwriters, these are the investment managers who focus and handle the issuances of the initial public offerings (IPOs)," SEC Commissioner Kelvin Lester K. Lee said during a media roundtable in Makati City last week.

"When I say frictional costs, the expenses for capital market issuances are generally high here in the Philippines because some are set by law and some are set by regulations," he added.

According to Mr. Lee, the move to reduce friction costs came after the SEC had recently been informed of high underwriters' fees.

"We have not yet made the decision in the SEC on how to deal with it. But certainly, this bears looking at already at this stage. It (friction cost) was flagged to us. We were informed of a certain set of friction costs," Mr. Lee said.

Meanwhile, Mr. Lee said the SEC is "generally supportive" of House Bill (HB) No. 8958 or the proposed Capital Markets Efficiency Promotion Act as long as it is focused on supporting the capital market and lowering friction costs.

"We are generally for it — anything to lower friction costs, at this stage. But we still need to see the specifics of the bill. We

haven't seen the full bill yet," Mr. Lee said.

"The proposed amendments are in line with the efforts and initiatives of the SEC to boost the capital markets and support the growth of the capital markets and increase market liquidity," he added.

HB 8958, filed by Albay Rep. Jose Ma. Clemente S. Salceda on Aug. 23, seeks to lower the taxes on stock transactions to 0.1% from 0.6%, impose a 0.1% debt transaction rate except for government securities, and lower the dividends tax to non-resident foreigners to 10% from 25% to harmonize the cash and property dividends rate.

The bill, which seeks to amend the Tax Code, is pending with the House Committee on Ways and Means.

"[This tax reform] can be simpler and faster than the Passive

Income and Financial Intermediaries Taxation Act or PIFITA, which might be too comprehensive and broad-ranging that time might not be on our side," Mr. Salceda said in a previous statement.

However, Mr. Lee said that one challenge to the proposal is the potential effect on the government's tax collection and revenue generation efforts.

"I understand that the challenge is anytime you make changes to the taxes, it might affect the finances of the government because anytime you reduce taxes, it will affect the Treasury. I'll defer to the Treasury on their position on that," Mr. Lee said.

"But from our perspective, if the focus is on boosting the capital market, then we are generally game for it," he added. — **Revin Mikhael D. Ochave**

## OUTLIER

# PLDT dips after MSCI rebalancing activities and market sentiment

SHARES in PLDT Inc. inched down last week, mainly due to profit taking driven by the last day of Morgan Stanley Capital International (MSCI) rebalancing, as well as developments to boost customer experience.

Data from the Philippine Stock Exchange (PSE) showed the Pangilinan-led company ranking ninth in value turnover with P880.18 million worth of 748,020 shares exchanging hands from Aug. 29 to Sept. 1.

The telco giant's shares closed at P1,176 apiece on Friday, inching down by 2% from its P1,200 close on Aug. 25.

Year to date, the stock was also down by 10.7%.

On Aug. 28, local financial markets were closed for the National Heroes Day holiday.

Rastine Mackie D. Mercado, research director at China Bank Securities Corp., said the stock's price movement last week was primarily influenced by broad-based profit-taking activities heading into the last day of MSCI rebalancing last Thursday.

"The conclusion of the MSCI rebalancing is when funds that are tracking the MSCI indices have to comply with the updated weights following the quarterly index review," Mr. Mercado said in an e-mail.

The effectivity date of changes is

Sept. 1, so all portfolios have to adhere to the updated weights by Aug. 31, he added. The said index is designed to measure the performance of the large and mid-cap segments of the Philippine market, covering about 85% of the local equity market.

Last week, PLDT and its wireless subsidiary Smart Communications, Inc. were reportedly keen on exploring the use of artificial intelligence (AI) technology to make their network operations more efficient and to improve customer experience.

In a press release, PLDT and Smart President and Chief Executive Officer Alfredo S. Panlilio said that the group has been considering AI and studying how it can help grow the business and be more efficient and more customer-centered.

PLDT and Smart currently employ AI and machine learning on their self-optimizing network, joining global operators in the rapid adoption of the technology.

Other reports also say PLDT's business-to-business platform, PLDT Enterprise, has successfully deployed its Internet of Possibilities (IoP) platform through Smart, for Car-track Technologies Philippines, Inc. — **Abigail Marie P. Yraola**

# Globe foresees revenue rise after deactivated SIMs

GLOBE TELECOM, Inc. expects to sustain revenue growth despite the mandatory subscriber identity module (SIM) card registration which resulted in the deactivation of about 30 million unregistered SIMs.

"We see that SIM registration has no material impact on revenues. We've observed our top-ups remain unaffected and acquisitions in the last five weeks are still at least 50% higher than pre-deadline run-rates," Darius Delgado, head of Globe consumer mobile business, said in a statement on Sunday.

The company was able to sustain growth in the first half as the 53.73 million registered SIMs

represent almost a hundred of its revenue-generating subscriber base, the listed telecommunications company said.

"It's evident that we have already covered 99% of our revenue base," Mr. Delgado said.

The National Telecommunications Commission reported SIM card registrations of 113.97 million, equivalent to 67.83% of the estimated 168.02 million cards in circulation. Globe had registered 53.73 million or 61.9% of its total.

Globe noted that the SIM registration, which led to the deactivation of users who failed to register by the deadline, had no significant impact on the company's revenue for this year.



Republic Act No. 11934 or the SIM Registration Act directed all mobile phone and prepaid broadband users to register their SIMs by July 25. Users who failed to register by the deadline had their SIMs deactivated.

The company has deactivated about 30 million SIMs, which are mostly inactive users, Mr. Delgado said.

"As we've always emphasized, we do not focus on subscriber count but rather on the quality of customers. And we have seen that our AR-PU (average revenue per user) are absolutely improving quarter on quarter as mobility increases," said Maria Louisa Guevarra-Cabreira, chief commercial officer of Globe.

In the second quarter, Globe reported a 17.7% increase in attributable net income to P7.07 billion from P6.01 billion in the same period last year.

From April to June, the company's gross revenues reached P44.49 billion, an increase of 1.7% from P43.76 billion in the corresponding period of 2022. — **Ashley Erika O. Jose**



The contingent of Barangay Gusa bagged the championship of the recently concluded Higalaay Festival dance competition in Cagayan de Oro City. The group showcased their winning performance at SM City CDO Uptown in line with the Vibrant Higalaay celebration in Cagayan de Oro City.

# Maynilad mulls up to \$1-billion IPO

MAYNILAD WATER Services, Inc. is considering an initial public offering (IPO) in Manila that could raise \$750 million to \$1 billion, according to people with knowledge of the matter.

The Philippine water and wastewater services provider could be valued at as much as \$4 billion in the listing, said the people, who asked not to be identified as the information is private. Deliberations are ongoing and details such as the size of the offering could change, the people said.

Maynilad is evaluating proposals from financial advisers and is plan-

ning for a listing in 2025, its President Ramoncito S. Fernandez said in a text message in response to a query on Friday. Regarding the details of the IPO, he said it's too early to tell.

At \$1 billion, Maynilad's IPO could be the biggest in the Philippines since 2021 when Monde Nissin Corp. raked in slightly over \$1 billion in its listing, according to data compiled by Bloomberg. The water services firm's offering could also give a boost to the first-time share sales in Manila, which hosted three deals and raised only \$72 million so far this year, down from

\$352 million in the same period in 2022.

Maynilad provides water and wastewater services for 17 western cities in greater Manila. It operates about 7,491 kilometers worth of pipelines. If laid end-to-end from Manila, these pipes can reach the United Arab Emirates, according to the company's website. — **Bloomberg**

## FULL STORY

Read the full story by scanning the QR code with your smartphone or by typing the link  
[tinyurl.com/y3rvsj4r](https://tinyurl.com/y3rvsj4r)

## Outstanding Filipinos for 2023



The 2023 Metrobank Foundation Outstanding Filipinos received their prizes during the conferment ceremony at Grand Hyatt Manila on Aug. 29. (From left): Metrobank President Fabian S. Dee; Federal Land Chairman Alfred V. Ty; Staff Sergeant Danilo S. Banquiao; Lieutenant Colonel Joseph J. Bitancur; Colonel Joseph Jeremias Cirilo C. Dator PA; Rex M. Sario MAT; Jovelyn G. Delosa Ph.D.; Sen. Francis Joseph G. Escudero; First Lady Louise Araneta-Marcos; Metrobank Chairman Arthur V. Ty; Edgar R. Durana; June Elias V. Patalinghug MAED; Police Colonel Renell R. Sabaldica; Police Major Mae Ann R. Cunanan; Police Chief Master Sergeant Dennis D. Bendo; and Metrobank Foundation President Aniceto M. Sobrepeña.