

Philippine Stock Exchange index (PSEi)

6,469.23

▼ 51.52 PTS.

▼ 0.79%

THURSDAY, DECEMBER 21, 2023

BusinessWorld

PSEI MEMBER STOCKS

AC Ayala Corp. P710.00 -P12.00 -1.66%	ACEN ACEN Corp. P3.71 -P0.32 -7.94%	AEV Aboitiz Equity Ventures, Inc. P49.00 -P0.20 -0.41%	AGI Alliance Global Group, Inc. P9.61 -P0.47 -4.66%	ALI Ayala Land, Inc. P33.85 -P0.15 -0.44%	BDO BDO Unibank, Inc. P130.40 +P1.40 +1.09%	BLOOM Bloomerry Resorts Corp. P9.80 -P0.10 -1.01%	BPI Bank of the Philippine Islands P104.60 +P1.30 +1.26%	CNPF Century Pacific Food, Inc. P31.00 -P0.60 -1.9%	CNVRG Converge ICT Solutions, Inc. P8.00 +P0.16 +2.04%
DMC DMCI Holdings, Inc. P9.37 +P0.09 +0.97%	EMI Emperador, Inc. P20.70 ---	GLO Globe Telecom, Inc. P1,710.00 -P8.00 -0.47%	GTCAP GT Capital Holdings, Inc. P585.00 +P6.00 +1.04%	ICT International Container Terminal Services, Inc. P238.00 -P5.20 -2.14%	JFC Jollibee Foods Corp. P242.00 ---	JGS JG Summit Holdings, Inc. P41.00 -P1.00 -2.38%	LTG LT Group, Inc. P8.86 -P0.02 -0.23%	MBT Metropolitan Bank & Trust Co. P50.85 -P0.45 -0.88%	MER Manila Electric Co. P387.00 -P2.00 -0.51%
MONDE Monde Nissin Corp. P8.14 +P0.19 +2.39%	NIKL Nickel Asia Corp. P5.05 -P0.05 -0.98%	PGOLD Puregold Price Club, Inc. P27.00 ---	SCC Semirara Mining and Power Corp. P28.40 +P0.05 +0.18%	SM SM Investments Corp. P903.00 -P1.50 -0.17%	SMC San Miguel Corp. P111.00 -P2.70 -2.37%	SMPH SM Prime Holdings, Inc. P33.00 -P1.00 -2.94%	TEL PLDT Inc. P1,291.00 -P9.00 -0.69%	URC Universal Robina Corp. P115.00 -P2.00 -1.71%	WLCON Wilcon Depot, Inc. P21.30 -P0.70 -3.18%

Prime Energy plans \$187M for Malampaya Phase 4 in 2024

PRIME Energy Resources Development B.V. announced on Thursday a plan to spend \$187 million (around P10.4 billion) next year for the Malampaya Phase 4 project.

The project involves drilling at least two deepwater wells in the Camago and Malampaya East fields by 2025, with the potential for commercial gas production pending successful drilling results, Prime Energy said in a statement.

"If the drilling is successful and proves that gas reserves can be produced commercially, the necessary pipelines will be installed and tied into the existing Malampaya production facilities," the company noted.

"Production from the new wells is expected in 2026," it added.

Extensive investment is crucial for the execution of the project, requiring advanced drilling equipment, subsea equipment, umbilicals, pipelines, and securing a drilling rig, according to Prime Energy Managing Director Donnabel Kuizon Cruz.

"The planned drilling and development requires an investment of more than \$600 million," she said.

Prime Energy and its partners secured a 15-year renewal of Service Contract No. 38 (SC 38) until 2039, signed by President Ferdinand R. Marcos, Jr. and Secretary of Energy Raphael P.M. Lotilla on May 15 this year, paving the way for exploration and development of additional gas reserves.

"To underpin the significant investment required, Prime Energy and its partners have sought the support of the DoE (Department of Energy) to ensure that there is a market for the new gas volumes, and to streamline and simplify the permits and requirements imposed by various government agencies which could hamper the completion of Malampaya Phase 4 on time and within budget," the company said.

At the same time, Prime Energy said that China has not claimed the Malampaya contract area, expressing confidence in uninterrupted drilling and development activities set to take place in 2025 and 2026.

Last week, Mr. Marcos cited the need to address "issues" in the South China Sea to initiate energy exploration projects before the depletion of the Malampaya.

In May, Mr. Marcos said that the government would continue



BW FILE PHOTO

talks with China regarding claims and concerns about the Malampaya gas fields.

"The only way to resolve the issues that are outstanding is to once again keep talking and to come to a consensus to come to an agreement and to continue to negotiate," Mr. Marcos said in a May 5 statement.

The Malampaya consortium is composed of Prime Energy, Udena Group's UC38 LLC, and the state-owned Philippine National Oil Energy Corp.

Prime Energy, a subsidiary of Prime Infrastructure Capital, Inc., holds a 45% operating stake in the Malampaya consortium.

The Malampaya gas field, the country's sole natural gas provider, is expected to be depleted by 2027.

Malampaya is located in the West Philippine Sea, about 65 kilometers offshore from Palawan. It produces around 146 billion cubic feet of gas per year, according to the Energy department.

— **Sheldeen Joy Talavera**

SEC lets PSE to acquire more shares in PDS Group

THE Securities and Exchange Commission (SEC) has granted the application of the Philippine Stock Exchange, Inc. (PSE) for exemptive relief, allowing it to exceed the mandatory ownership in Philippine Dealing System Holdings Corp. (PDS Group).

In a media release on Thursday, the SEC said that its Commission En Banc approved on Dec. 19 the petition of PSE for additional shares in PDS Group, the operator of the fixed-income exchange.

This means PSE is now allowed to exceed the mandatory limit of 20% on ownership and voting rights in an exchange, permitting it to own up to 100% of the PDS Group, subject still to certain conditions.

As of today, PSE owns 20.98% of the issued and outstanding capital stock of the PDS Group.

Earlier, PSE announced its intention to acquire full ownership of the PDS Group.

With this move, the SEC is permitting unified or integrated local bourses, referring to a financial market where assets like stocks and bonds are traded under a single entity.

The Securities Regulation Code states that no industry or business group may beneficially own or control, directly or indirectly, more than 20% of the voting rights of the exchange.

"The SEC, however, may adopt rules, regulations or issue an order, upon application, exempting an applicant from the ownership limit if such ownership or control will not negatively impact on the exchange's ability to effectively operate in the public interest," the commission said.

"In this case, PSE would essentially merge with Philippine Dealing & Exchange Corp. (PDEX) and the Philippine Depository & Trust Corporation (PDTC) to create a unified marketplace," Globalinks Securities and Stocks, Inc. Head of Sales Trading Toby Allan C. Arce said in a Viber message.

The PDS Group is composed of the Philippine Dealing & Exchange Corp. (PDEX), which operates the organized secondary market for trad-

ing fixed-income securities issued by corporations. It also calculates the Philippine Dealing System Treasury Reference Rates, which serve as the benchmark for the valuation and marking-to-market of interest rate-sensitive instruments.

"Combining operations could streamline processes, reduce overhead, and optimize infrastructure, leading to cost savings and improved profitability," Mr. Arce added.

The Commission En Banc has also approved the transfer of the shares of stock of an exchange controller to allow the PSE to acquire shares in PDS that are currently owned by other PDS shareholders.

"An integrated bourse would enable the PSE to offer efficient listing and trading solutions across a variety of securities, including equities, bonds, and eventually options. Hopefully this leads to a deeper and more active secondary market for bonds and other fixed income instruments," China Bank Capital Corp. Managing Director Juan Paolo E. Colet said in a Viber message.

A larger and diversified exchange could be more "competitive," as it would attract international capital and investments, Mr. Arce said.

"On the other hand, a dominant PSE could stifle competition and innovation, making it harder for smaller players to compete and limiting investor choice," he said.

The SEC has also ordered the PSE to submit regular updates, which include timelines of plans, commitments, reduction in fees, valuation, enhancements of systems, and launch of new products quarterly after the acquisition.

"Increased control over markets raises concerns about the PSE's influence on price discovery and potential manipulation. Strong oversight and transparency are crucial. While the overall market benefits, smaller investors may face challenges adapting to a new structure and potentially higher fees," Mr. Arce said. — **Ashley Erika O. Jose**

Meralco commissions new Balagtas 115 kV-34.5 kV Substation



The Manila Electric Company (Meralco) recently commissioned the new Balagtas 115 kilovolts (kV)-34.5 kV Substation located along McArthur Highway in Bulacan, which improved the distribution system and power quality in the area. The project involved the construction of a 115 kV switchyard, installation of an 83 MVA power transformer bank, construction of a new 115 kV line with a total length of eight (8) kilometers, and three (3) 34.5 kV new distribution feeders.

The Balagtas Substation addressed the critical loading of Sta. Maria and Saog substations, improved the reliability and flexibility of Meralco's distribution system, and provides

additional capacity to accommodate the increasing load demand in Balagtas and other adjacent areas including the initial power demand of the proposed new Bulacan airport and railway. The new substation will also help in the immediate restoration of electricity service in the areas of Balagtas, Sta. Maria, Bocaue, and Marilao in Bulacan during incidents of power outages.

Meralco continuously invests and works for the improvement of its distribution system to ensure the delivery of safe, stable, and reliable electricity service to its customers as part of its commitment to #KeepingTheLightsOn and #PoweringABrighterTomorrow.

Ayala unit invests in North Luzon-based pharma company St. Joseph Drug

AYALA CORP., through its unit Ayala Healthcare Holdings, Inc. (AC Health), has acquired a minority stake in pharmaceutical company St. Joseph Drug, the listed company announced on Thursday.

In a regulatory filing, Ayala Corp. said that AC Health's pharmaceutical arm, AH-CHI Pharma Ventures, Inc. (APV), signed definitive agreements with St. Joseph Drug (Joleco Resources, Inc.) on Dec. 15 for the acquisition of a "significant" minority stake.

APV serves as the listed company's vehicle for its pharmaceutical businesses, which include Generika Drugstore and the pharmaceutical importation and distribution arms, Medica and MedEthix.

The company did not disclose both the transaction amount and the percentage of the stake to be acquired.

"This is a well-thought-out acquisition that gives AC Health access to a promising regional pharmacy chain. The investment could drive expansion in provincial markets and aligns with AC Health's broader strategy of growing its pharmacy platform," China Bank Capital Corp. Managing Director Juan Paolo E. Colet said in a Viber message.

This move would allow AC Health to expand its pharmaceutical footprint in the Philippines, Mr. Colet said.

"I wouldn't rule out the possibility of AC Health eventually taking majority control of St Joseph Drug," he added. — **Ashley Erika O. Jose**

FULL STORY



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Meralco eyes 3 sites for micro-modular reactor

MANILA Electric Co. (Meralco) is considering three areas for its pre-feasibility study to deploy micro-modular reactor (MMR) systems, a company official said.

In a briefing on Tuesday, Meralco Executive Vice-President and Chief Operating Officer Ronnie L. Apocho said that most of the sites considered by the Department of Energy (DoE) are outside the company's franchise areas.

"Because this is a Meralco undertaking, we want [the areas to be] within our franchise. So,

we're considering at least three sites but we just have to harmonize with [Undersecretary Sharon S. Garin]," he said.

The three areas under consideration are Talim Island in Laguna de Bay, municipality of San Rafael in Bulacan, and Isla de Provisor in Manila. — **Sheldeen Joy Talavera**

FULL STORY



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