

Philippine Stock Exchange index (PSEi)

6,903.53

▲ 5.36 PTS.

▲ 0.07%

WEDNESDAY, MARCH 27, 2024

BusinessWorld

PSEI MEMBER STOCKS

AC Ayala Corp. P640.00 +P10.00 +1.59%	ACEN ACEN Corp. P3.85 ---	AEV Aboltiz Equity Ventures, Inc. P46.85 -P0.15 -0.32%	AGI Alliance Global Group, Inc. P10.16 -P0.06 -0.59%	ALI Ayala Land, Inc. P32.25 +P0.20 +0.62%	BDO BDO Unibank, Inc. P154.50 +P3.50 +2.32%	BLOOM Blossom Resorts Corp. P11.04 -P0.04 -0.36%	BPI Bank of the Philippine Islands P118.10 +P0.10 +0.08%	CNPF Century Pacific Food, Inc. P40.00 +P3.20 +8.7%	CNVRG Converge ICT Solutions, Inc. P9.96 +P0.26 +2.68%
DMC DMCI Holdings, Inc. P11.36 -P0.84 -6.89%	EMI Emperador, Inc. P19.00 +P0.10 +0.53%	GLO Globe Telecom, Inc. P1,769.00 +P1.00 +0.06%	GTCAP GT Capital Holdings, Inc. P704.00 +P14.00 +2.03%	ICT International Container Terminal Services, Inc. P318.00 -P6.00 -1.85%	JFC Jollibee Foods Corp. P252.60 -P1.40 -0.55%	JGS JG Summit Holdings, Inc. P36.40 +P0.45 +1.25%	LTG LT Group, Inc. P9.99 +P0.09 +0.91%	MBT Metropolitan Bank & Trust Co. P65.15 -P0.05 -0.08%	MER Manila Electric Co. P357.00 -P4.00 -1.11%
MONDE Monde Nissin Corp. P10.92 +P0.18 +1.68%	NIKL Nickel Asia Corp. P4.00 ---	PGOLD Puregold Price Club, Inc. P26.80 +P1.05 +4.08%	SCC Semirara Mining and Power Corp. P34.90 -P0.10 -0.29%	SM SM Investments Corp. P972.00 -P10.00 -1.02%	SMC San Miguel Corp. P109.90 -P0.10 -0.09%	SMPH SM Prime Holdings, Inc. P32.70 -P0.30 -0.91%	TEL PLDT Inc. P1,370.00 -P5.00 -0.36%	URC Universal Robina Corp. P105.30 +P1.50 +1.45%	WLCON Wilcon Depot, Inc. P17.78 -P0.04 -0.22%

Ban on Binance seen to chill crypto landscape

By Revin Mikhael D. Ochave
Reporter

THE PHILIPPINES' ban on the crypto exchange Binance may have a "chilling effect" on the industry, according to analysts. "Overall, this action of the Securities and Exchange Commission (SEC) sends a chilling effect to all other exchanges, whether they are international or local," Innovative Movement of the Philippine Association of Crypto Traders (IMPACT) Founding Chairman Arlone P. Abello said in a Viber message last week.

"The time will come that questions may arise," he added.

Last week, the SEC requested the National Telecommunications Commission (NTC) to block access to Binance for operating in the Philippines without a license. Subsequently, the NTC ordered

internet service providers to block access to the cryptocurrency giant.

Jiro Luis S. Reyes, chief executive officer of the Filipino-led crypto education platform Bitskwela, said in a Viber message that the ban on Binance is a "net negative" for the country as it would affect adoption in the short term.

"This will definitely affect adoption, openness, and the financial benefit for Filipinos at least in the short run. This kind of opportunity in crypto only happens every few decades. We don't know how long it would take before the next global opportunity like this would occur. It would cost us too much in the long run to shy away from this emerging sector," he said.

Investments made by Filipinos in Binance are still intact, with the ban only barring access to the crypto exchange's domain, he noted.

He also said the SEC's ban could be bypassed with the use of a virtual private network (VPN) or a different domain name system (DNS).

"If you access the site through a VPN, from another country, or a different DNS, then as of writing, you may still access Binance. But these fixes may only be short-term and can be covered by either the SEC or Binance if they choose to do so."

For his part, Nichel Merlimichael O. Gaba, chief executive officer and founder of the Philippine Digital Asset Exchange (PDAX), said the domestic ban on Binance signals the maturation of the crypto industry and its increasing acceptance.

"The fact that it's no longer just available in offshore platforms but in also Bangkok Sentral ng Pilipinas-licensed financial institutions means we're heading in the direction where crypto will be more accepted (by) institu-

tions," Mr. Gaba told reporters on the sidelines of a media briefing last week.

"What would it mean for Filipinos who are using Binance? They will have to transition. It might not be an easy experience... But it's a transition that ultimately helps crypto grow into a mature and institutional industry... As crypto becomes more popular, we can expect regulators to continue raising the standards," he added.

Mr. Reyes said he remains optimistic about the growth of crypto in the country.

"Given that the majority of Filipinos are turning to local or international alternatives, this slump will be picked back up in the medium to long run. We're in a bull run, and Filipinos simply won't and can't afford to miss this chance," he said.

The ban on Binance will have a positive impact on local exchanges such as PDAX and Coins.ph since

these are registered as virtual asset service providers (VASPs), he noted.

"Why doesn't Binance just get a VASP? The quick answer is they can't... They would have to buy an existing one if they wanted to get a hold of it," he added.

On Sept. 1, 2022, the Bangko Sentral ng Pilipinas imposed a three-year moratorium on the issuance of new VASP licenses, subject to reassessment based on market developments and the impact of existing VASPs on the financial system.

For Mr. Abello, the ban will not have a significant effect, as traders will find other means to transfer their funds.

"I don't think this (the ban) is going to dampen the appetite of traders, knowing I've seen many communities that will look for other means or other wallets to transfer their assets rather. However, from a perspective of

a trader, they will be more a bit mindful of secondary exchanges, so they will transfer to those recognized in the Philippines such as Coins.ph," he said.

He also said that crypto stakeholders are considering using legal means in response to the ban on Binance.

"We're expecting that some people who have legal knowledge can question this approach through the Court of Appeals in the form of a temporary restraining order."

Moving forward, Mr. Abello said there should be discussions between regulators and stakeholders instead of imposing bans.

"Aside from the SEC banning, they need to have guidance on what needs to be done. They need to have clarity because if we don't provide clarity, what will happen is that these traders might fall into scams, meaning we need to give them guidance on how to properly use their funds," he added.

IEMOP: Spot prices to rise during hot season

ELECTRICITY prices in the Wholesale Electricity Spot Market (WESM) are expected to increase during the dry season this year due to a surge in demand, the Independent Electricity Market Operator of the Philippines (IEMOP) said.

"In terms of the WESM prices, I think it will increase at around P5 to P7 [per kilowatt-hour] since as we can see the demand from February going to March is increasing as the... hot weather increases," Chris Warren C. Manalo, assistant manager of IEMOP's market simulation and analysis division, said at a briefing last week.

"As demand increases, the prices also increase, and it is also noteworthy some of the plants like the hydro plants are in the limit of the water level," he added.

IEMOP operates the WESM, where energy companies purchase power when their long-term contracted power supply is insufficient to meet customer needs.

Isidro E. Cacho, Jr., IEMOP's head of corporate strategy and communications, said that increases in peak demand compared

to last year are expected in the main grids.

Demand in the Luzon grid is projected to grow by 6% to 13,273 megawatts (MW); the Visayas grid by 7% to 2,628 MW; and the Mindanao grid by 8% to 2,650 MW.

"Hopefully, if there would be no forced outages, we don't see any significant increase in prices. But with the increased demand, most likely there would be possible slight increase in price," Mr. Cacho said.

In terms of supply, forced outages could contribute to the possibility of a yellow alert, as projected by the Department of Energy, especially considering that hydropower plants are operating below capacity levels.

"The possibility of yellow alert will only happen if there are really major plant outages, unplanned or forced outages. Otherwise, we don't see any issue in terms of supply in the Visayas and Luzon, especially now with the Mindanao augmenting Visayas and to some extent Luzon with 450 megawatts," Mr. Cacho said.

The Mindanao-Visayas Interconnection was fully energized in January, connecting the Mindanao

and Visayas grids via a 184-circuit-kilometer high-voltage direct current submarine cable.

Mr. Cacho said the Luzon grid is expecting the commercial operations of the 1,300-MW liquefied natural gas combined cycle plant of Excellent Energy Resources, Inc., a subsidiary of San Miguel Global Power Holdings Corp.

He also said the full energization of the Cebu-Negros-Panay backbone project's third stage (CNP3) by the end of March "will provide significant improvement in the reliability and security of supply" particularly in Negros and Panay. The CNP3 will link the islands of Negros and Cebu via overhead lines from Bacolod City to San Carlos City in Negros Occidental and a submarine cable to Toledo City in southwestern Cebu.

"And with the launch *ng* reserve market, the reliability, well of course security and reliability, it has really significantly augment [the supply]," Mr. Cacho said.

The full commercial operations of the reserve market commenced in January, allowing for the optimization of the market operator and system operator interfaces, as well as the automated real-time dispatch of committed ancillary services. — **Shelden Joy Talavera**

OUTLIER

ICTSI flat ahead of Holy Week break

RAZON-LED International Container Terminal Services, Inc. (ICTSI) ended flat last week ahead of the Holy Week break.

A total of 4.6 million ICTSI shares worth P1.47 billion were traded from March 25 to 27.

Financial markets were closed from March 28 to 29 in observance of the Holy Week. Shares closed at P318 apiece on Wednesday, inching down by 0.1% from its P318.40 close on March 22.

Year to date, the stock has surged by 28.8%. "[Last] week, ICTSI experienced minimal movement ahead of the Holy Week break, indicating a generally neutral market sentiment that led to its sideways trend," Jemimah Ryla R. Alfonso, an equity analyst at Regina Capital Development Corp., said in an e-mail.

"ICTSI was a touch lower [week on week] as likely driven by quarter-end profit-taking," China Bank Securities Research Director Rastine Mackie D. Mercado said in an e-mail.

Last week, ICTSI announced plans to expand its shipment monitoring application to include terminals outside the Philippines. Currently, the ICTSI App covers MICT, Laguna Inland Container Terminal, NorthPort, Subic Bay International Terminals, and Mindanao Container Terminal.

According to analysts, this announcement did not heavily impact trading of the stock last week but will be beneficial in the future.

"The price action of ICT [last week] primarily mirrors the overall mood in the market, meaning that the favorable news released during this period failed to make a noticeable impact on its price," Ms. Alfonso said. "It appears that investors are either indifferent or minimally responsive to these developments."

"We think that this development is part of ICTSI's normal course of business as it further expands the reach of its digital solutions in servicing its clients. As such, we think that the stock's price movement this week may have been more influenced by fund flows and profit-taking," Mr. Mercado said.

ICTSI's attributable net income decreased by 17.3% annually to \$511.53 million in 2023 from \$618.46 million the previous year.

"For the full year 2024, we forecast a 30% [year-on-year] increase in the company's bottom line. For [the first quarter of 2024], we also see a double-digit growth in its bottom line, just a little below P200 [billion]," Ms. Alfonso said.

Mr. Mercado expects ICTSI to post a net income of \$740 million this year.

Timson Securities, Inc. Equity Trader Jervin S. De Celis sees ICTSI at a short-term support of P305 this week.

"No resistance level yet since foreign buying at the last minute of trading sometimes sends the stock price several pesos higher," Mr. De Celis said. — **Karis Kasarinlan Paolo D. Mendoza**

Notice of Closure of Credit Suisse AG Representative Office, Philippines

Notice is hereby given that on November 30, 2023, the Board of Directors of CREDIT SUISSE AG ("CSAG") approved the closure of the CS AG Representative Office in the Philippines (the "Representative Office"), a representative office in the Philippines of CSAG, a Swiss Company, with its registered office at the 19th Floor, Tower 2, The Enterprise Center, 6766 Ayala Avenue, Makati City, Philippines. The Representative Office ceased operations on June 30, 2023. A petition for withdrawal of the license to transact business in the Philippines of the Representative Office will be filed with the Securities and Exchange Commission upon completion of documentary requirements.

All persons having any claims against the Representative Office are requested to present their claims to:

CREDIT SUISSE AG REPRESENTATIVE OFFICE, PHILIPPINES.
c/o Romulo Mabanta Buenaventura Sayoc & de los Angeles
8767 Paseo de Roxas
21F Philamlife Tower
Makati, Metro Manila 1226
Philippines

ATTENTION: Atty. Herminio S. Ozaeta, Jr.

This announcement will serve as notice to all persons concerned of the aforementioned closure of CS AG Representative Office, Philippines.

B.W. Mar. 18, 25 and Apr. 1, 2024

PLDT unit turns to green energy solutions to lower power needs

THE WIRELESS unit of PLDT Inc. has tapped artificial intelligence (AI)-powered solutions to advance its operations while also reducing its cell sites' power needs, the telecommunications company said.

Smart Communications, Inc., PLDT's subsidiary, has deployed green radio network solutions for all its wireless radio sites, the company said in a media release on Sunday.

This would allow Smart to reduce its energy needs and lower its carbon dioxide emissions.

"Smart's nationwide network is supported with advanced [and] intelligent functionalities maximizing operational effi-

ciencies. Running the network constantly even when traffic is much lower, especially during evening hours, is costly and inefficient in the use of network resources," PLDT and Smart Head of Network Quality Radames Vittorio B. Zalameda said.

The company said it started implementing the solutions across the company's network last year.

The green radio network solution allows Smart to consolidate and conserve radio resources by allowing it to adjust the load capacity automatically and remotely.

"Intelligent and automated shutdowns, sleep, adaptive power to traffic consumption,

and multilayer radio power optimization are among the newest eco-friendly innovations that Smart has implemented on its network to help cut its energy cost," Smart said.

Since utilizing the technology, the company was able to reduce its power consumption by around 10,900 megawatt-hours, which is the equivalent of carbon dioxide emission from the energy consumption of 920 households per year.

Smart said the AI-powered solution has time-based activation options enabling it to activate the technology based on the traffic trend.

"Our green radio innovation is proven to harness artificial

intelligence to track activity on our network so that we can reduce the power consumption of our cell sites whenever they are not being fully utilized," Mr. Zalameda said.

The company's initiative to tap emerging technologies to lower its energy requirements is part of PLDT group's decarbonization goal where the company is targeting to cut its carbon emissions by 40% by the end of the decade.

Hastings Holdings, Inc., a unit of PLDT Beneficial Trust Fund subsidiary MediaQuest Holdings, Inc., has a majority stake in *BusinessWorld* through the Philippine Star Group, which it controls. — **Ashley Erika O. Jose**