

Philippine Stock Exchange index (PSEi)

6,506.80

▲ 62.72 PTS.

▲ 0.97%

TUESDAY, APRIL 23, 2024

BusinessWorld

PSEI MEMBER STOCKS

AC Ayala Corp. P581.00 —	ACEN ACEN Corp. P3.37 —	AEV Aboitiz Equity Ventures, Inc. P39.00 —	AGI Alliance Global Group, Inc. P9.61 -P0.05 -0.52%	ALI Ayala Land, Inc. P27.95 +P0.45 +1.64%	BDO BDO Unibank, Inc. P143.60 -P3.20 -2.18%	BLOOM Bloomerry Resorts Corp. P10.10 +P0.11 +1.1%	BPI Bank of the Philippine Islands P125.00 +P4.00 +3.31%	CNPF Century Pacific Food, Inc. P37.50 +P2.00 +5.63%	CNVRG Converge ICT Solutions, Inc. P8.87 +P0.16 +1.84%
DMC DMCI Holdings, Inc. P10.10 +P0.10 +1%	EMI Emperador, Inc. P19.04 -P0.18 -0.94%	GLO Globe Telecom, Inc. P1,722.00 +P2.00 +0.12%	GTCAP GT Capital Holdings, Inc. P593.00 +P7.00 +1.19%	ICT International Container Terminal Services, Inc. P328.00 +P3.00 +0.92%	JFC Jollibee Foods Corp. P222.80 +P5.80 +2.67%	JGS JG Summit Holdings, Inc. P29.85 +P0.35 +1.19%	LTG LT Group, Inc. P9.61 +P0.03 +0.31%	MBT Metropolitan Bank & Trust Co. P70.00 +P1.00 +1.45%	MER Manila Electric Co. P350.00 —
MONDE Monde Nissin Corp. P10.38 +P0.18 +1.76%	NIKL Nickel Asia Corp. P3.99 +P0.01 +0.25%	PGOLD Puregold Price Club, Inc. P24.00 —	SCC Semirara Mining and Power Corp. P31.20 +P0.30 +0.97%	SM SM Investments Corp. P943.00 +P8.00 +0.86%	SMC San Miguel Corp. P104.40 —	SMPH SM Prime Holdings, Inc. P28.20 +P0.30 +1.08%	TEL PLDT Inc. P1,348.00 +P48.00 +3.69%	URC Universal Robina Corp. P92.00 +P2.10 +2.34%	WLCON Wilcon Depot, Inc. P16.00 —

SMIC, SM Prime to create \$3-B notes program

SM Investments Corp. (SMIC) and its property unit SM Prime Holdings Inc. are tapping the overseas market through a maiden \$3-billion euro medium-term note (EMTN) program, the largest issuance of its kind by a Philippine company, company officials said on Tuesday.

The funds will help the company's future requirements, SMIC Vice-Chairperson Teresita Sy-Coson told Reuters.

"We do not need it now but for the future," Ms. Coson added.

The companies, owned by the Philippines' richest family, are looking at issuing the entire \$3

billion in the next three to five years, Ms. Coson said.

The conglomerate has created an entity in Singapore to facilitate the issuance of the notes.

The EMTNs will fund financing needs including expansion and debt payments, SM Prime President Jeffrey Lim told Reuters.

EMTNs are a debt security that are issued and traded overseas.

SMIC, which has interests in the banking, retail, property, shipping, and leisure and gaming sectors, has allocated P100 billion (\$1.74 billion) for capital expenditure in 2024.

It plans to open four new shopping malls and launch 8,000 to 10,000 residential units.

BDO Unibank, the Philippines' largest lender in asset terms and a subsidiary of SMIC, has launched a \$2-billion EMTN program.

SM PRIME'S REIT IPO

Meanwhile, SM Prime said the public listing of its planned \$1-billion real estate investment trust (REIT) is not possible this year due to interest rate risks.

"Given the interest rate environment and market volatility, I don't think we can do it (REIT IPO) this year, but we will

continue to assess as we move forward," SM Prime President Jeffrey C. Lim said during a briefing on Tuesday.

"Next year, we'll see because we don't know what is going to happen in the next several months. I don't think it's the right time for us to do it," he added.

In August last year, SM Prime's parent firm SMIC said that the planned REIT IPO had been deferred due to market headwinds such as higher interest rates, inflation, and market sentiment.

The listing was initially targeted for the second half of last year.

The initial public offering's (IPO) proceeds will be used for the company's expansion plans as well as its reclamation project in Manila Bay.

The Philippine central bank opted to keep its target reverse repurchase rate at 6.5% for a fourth consecutive meeting earlier in the month. Interest rates on the overnight deposit and lending facilities were also maintained at 6% and 7%.

"It's a matter of timing. We continue to look at retail REIT as an option, but it's a timing matter considering the market conditions at this point in time," SM Prime Chief Finance Officer John Nai Peng C. Ong said.

SM Smart City Infrastructure and Development Corp. President Glenn D. Ang said separately that the company's reclamation project is on track and will be handed over in 2028 despite the REIT IPO's delay.

"We are following our timeline. It has not moved yet. Insofar as the delay that was mentioned, we have worked out a concept program in order to speed up, catch up on our timeline. So far we're on track. As we committed, this will be handed over in 2028," he said. — **Reuters and Revin Mikhael D. Ochave**

Apple, Google app stores in PHL asked to remove Binance

THE SECURITIES and Exchange Commission (SEC) has requested the removal of Binance's applications from the app markets of Apple and Google in the Philippines.

The commission sent separate letters to Apple and Google on April 19, the SEC said in a statement on Tuesday.

"The SEC has identified Binance and concluded that the public's continued access to these websites/apps poses a threat to the security of the funds of investing Filipinos," said SEC Chairperson Emilio B. Aquino.

"Removing and blocking the applications of Binance will prevent the further proliferation of its illegal activities in the country and pro-

tect the investing public from its detrimental effects on our economy," he added.

The SEC recently asked the National Telecommunications Commission to block access to websites used by Binance in the Philippines to curb its alleged unauthorized investment solicitation activities.

The commission said that Binance has not secured a license to solicit investments from the public, nor to create or operate an exchange for the buying and selling of securities, as mandated by the Securities Regulation Code.

As early as November of last year, the SEC cautioned the public against investing in and using Binance.

"The SEC urges Filipino investors with investments in Binance to immediately close their positions and/or transfer their cryptocurrency holdings to their own crypto wallets or in accounts with cryptocurrency service providers that are duly registered in the Philippines," it said.

Binance offers a platform for trading financial instruments and investment products, including spot trading using leverage, futures contracts, option contracts, cryptocurrency savings accounts, cryptocurrency staking services, and a platform for initial coin offerings.

The platform has an average daily trading volume of \$65 billion, covering more than 402 cryptocurrencies, with a membership of over 183 million. — **Revin Mikhael D. Ochave**

SMC seeks SEC nod for P20-B bond offer

ANG-LED San Miguel Corp. (SMC) is seeking the approval of the Securities and Exchange Commission (SEC) for its planned P20-billion fixed-rate peso denominated bond offering to support the conglomerate's fundraising initiatives.

The company filed the amended registration statement and preliminary offer supplement for the bond offer on April 22, SMC said in a stock exchange disclosure on Tuesday.

Based on its offer supplement dated April 22, the company expects to net P14.81 billion from the base offer and P19.75 billion if the oversubscription option is exercised.

The bond issuance will have a base offer of P15 billion with an oversubscription option of up to P5 billion consisting of Series O bonds due 2030 and Series P bonds due 2034.

The issue and listing date is expected on June 28 while the offer period is scheduled to run from June 17 to June 21.

The price setting and allocation is the week of June 10 while the receipt of the Securities and Exchange Commission (SEC) of the permit to sell is by June 14.

According to SMC, up to over P17 billion worth of net proceeds will be used for investments and other related projects in the company's Bulacan airport project as well as to fund the redemption of Series I Bonds issued in July 2021.

The company will also use up to P2.44 billion of the net proceeds as repayment of its Series F bonds issued in March 2018.

SMC said the bond offer secured the PRS Aaa rating with a

stable outlook by the Philippine Rating Services Corp. on April 22.

The PRS Aaa rating is the highest rating issued by PhilRatings. Those with the rating are "of the highest quality with minimal credit risk" while the issuing company has an "extremely strong" capacity to meet its financial commitment on the obligations.

SMC tapped Bank of Commerce, BDO Capital & Investment Corp., and China Bank Capital Corp. as the joint issue managers of the offer.

Bank of Commerce, BDO Capital, and China Bank Capital join Asia United Bank Corp., BPI Capital Corp., Philippine Commercial Capital, Inc., PNB Capital and Investment Corp., RCBC Capital Corp., and SB Capital Investment Corp. as the joint lead underwriters and bookrunners of the issuance.

The SEC recently approved the P20-B bond offer, which will be issued from the remaining P50-billion shelf-registered bonds.

The corporate regulator previously approved SMC's shelf registration of Series 2 preferred shares consisting of up to 866,666,700 shares to be offered within a three-year period.

SMC recorded a 67% jump in its 2023 net income to P44.7 billion carried by growth across its businesses.

The conglomerate attributed the better financial performance to its businesses such as San Miguel Brewery, Inc., Ginebra San Miguel, Inc., Petron, and SMC Infrastructure, along with the integration of Eagle Cement Corp.'s financial results.

— **Revin Mikhael D. Ochave**

Ayala's St. Joseph Drug acquisition triggers intensive review from competition watchdog

THE PHILIPPINE Competition Commission (PCC) said it has started an in-depth review of Ayala Healthcare Holdings, Inc.'s (AC Health) proposed acquisition of a 49% stake in St. Joseph Drug.

The competition watchdog was notified on Jan. 13 regarding the proposed transaction between AC Health's pharmaceutical arm, AHCHI Pharma Ventures, Inc. (APV) and St. Joseph Drug operator Joleco Resources, Inc., the PCC said in a statement on Tuesday.

APV seeks to acquire a substantial stake in Joleco Resources. The two companies signed definitive agreements for the transaction on Dec. 15 last year.

Under its Phase 1 review, the PCC-Mergers and Acquisitions (M&A) office pointed to possible competition concerns in the retail sale of pharmaceutical and non-pharmaceutical items across 28 localities in Ilocos Region and Cordillera Administrative Region.

With this, the PCC's M&A office recommended the opening of a Phase 2 review that requires a more detailed and extensive assessment on whether the transaction may lead to a substantial lessening of competition in the relevant markets.

The PCC is tasked to review M&As to ensure that the deals "will not substantially lessen competition in the relevant mar-



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kets and harm consumer welfare" under Republic Act No. 10667 or the Philippine Competition Act.

APV operates the Generika Drugstore. It is also engaged in the pharmaceutical importation and distribution via Medica and MedEthix.

AC Health is the healthcare subsidiary of Ayala Corp. Its portfolio consists of the pharmacy chain Generika Drugstore,

pharmaceutical importer and distributor Medica and MedEthix, multi-specialty clinics, ambulatory centers and full-service hospital network Healthway, and healthcare aggregator app KonsultaMD.

Established in 1958, St. Joseph Drug has more than 112 stores in North Luzon.

On Tuesday, Ayala Corp. shares were unchanged at P581 apiece. — **Revin Mikhael D. Ochave**

Aboitiz InfraCapital focusing on bulk water portfolio development — CEO

ABOITIZ InfraCapital, Inc. has announced plans to expand its water projects beyond current initiatives.

The company intends to replicate successful ventures in other provinces, local government units, or water districts, Aboitiz InfraCapital President and Chief Executive Officer (CEO) Cosette V. Canilao said during a virtual press briefing on Monday.

She cited the operation of the Davao City bulk water supply project,

which boasts a capacity of 300 million liters per day.

"We are focusing more on building our bulk water portfolio," she added.

The P12-billion bulk water supply project, which commenced operations in December 2023, is a public-private partnership project between Apo Agua Infraestructura, Inc., the water unit of Aboitiz InfraCapital, and Davao City Water District.

"At the same time, we are looking at the Estate Water and also managing the water operations, for example in Mactan on how we can implement the water harvesting and at the same time, water recycling," Ms. Canilao said.

The company's existing business units include the Aboitiz Integrated Economic Centers in Batangas and Cebu.

Currently, the company is also managing the LIMA Water, its business unit providing

water and wastewater services to LIMA Estate, a mixed-use development estate.

"The intersection now of synergies within (Aboitiz InfraCapital) is that we are looking at how we can bring parts of the group such as (Aboitiz Power Corp.) in working together and finding more solutions to provide water, for example to Cebu which has a water demand that's in excess of the current supply right now," she said.

Its water treatment facility in Davao is being powered by the hydroelectric power plant of Aboitiz Power.

To recall, Aboitiz InfraCapital has partnered with Keppel Infrastructure Fund Management Pte Ltd. to explore desalination projects in the country.

It has proposed to supply the Metro Cebu Water District with 30 million liters per day of desalinated bulk water. — **Ashley Erika O. Jose**