

Philippine Stock Exchange index (PSEi)

7,367.66

▼45.50 PTS.

▼0.61%

WEDNESDAY, OCTOBER 23, 2024

BusinessWorld

PSEI MEMBER STOCKS

| | | | | | | | | | |
|---|--|---|---|---|--|---|---|---|--|
| AC Ayala Corp. P720.00 +P5.50 +0.77% | ACEN ACEN Corp. P5.00 -P0.16 -3.1% | AEV Aboitiz Equity Ventures, Inc. P36.65 -P0.30 -0.81% | AGI Alliance Global Group, Inc. P9.33 -P0.07 -0.74% | ALI Ayala Land, Inc. P35.35 -P0.45 -1.26% | BDO BDO Unibank, Inc. P163.30 -P0.70 -0.43% | BLOOM Blossberry Resorts Corp. P7.70 -P0.14 -1.79% | BPI Bank of the Philippine Islands P143.80 +P0.80 +0.56% | CNPF Century Pacific Food, Inc. P41.10 -P1.10 -2.61% | CNVRG Converge ICT Solutions, Inc. P17.10 -P0.10 -0.58% |
| DMC DMCI Holdings, Inc. P11.70 -P0.10 -0.85% | EMI Emperador, Inc. P18.76 +P0.04 +0.21% | GLO Globe Telecom, Inc. P2,310.00 -P80.00 -3.35% | GTCAP GT Capital Holdings, Inc. P710.00 --- | ICT International Container Terminal Services, Inc. P407.00 -P10.40 -2.49% | JFC Jollibee Foods Corp. P275.20 -P3.40 -1.22% | JGS JG Summit Holdings, Inc. P25.65 -P0.45 -1.72% | LTG LT Group, Inc. P10.06 +P0.02 +0.2% | MBT Metropolitan Bank & Trust Co. P78.00 -P1.00 -1.27% | MER Manila Electric Co. P495.00 +P2.00 +0.41% |
| MONDE Monde Nissin Corp. P11.50 +P0.42 +3.79% | NIKL Nickel Asia Corp. P3.37 --- | PGOLD Puregold Price Club, Inc. P32.90 +P0.10 +0.3% | SCC Semirara Mining and Power Corp. P34.25 +P0.25 +0.74% | SM SM Investments Corp. P960.00 +P4.00 +0.42% | SMC San Miguel Corp. P87.00 -P1.20 -1.36% | SMPH SM Prime Holdings, Inc. P31.40 -P0.45 -1.41% | TEL PLDT Inc. P1,480.00 -P15.00 -1% | URC Universal Robina Corp. P100.10 -P0.90 -0.89% | WLCON Wilcon Depot, Inc. P16.74 +P0.14 +0.84% |

PSE eyes Q1 2025 for GPDR launch, derivatives by 2026

THE PHILIPPINE STOCK Exchange (PSE) plans to launch its global Philippine depositary receipts (GPDRs) and derivatives offerings within the next two years to enhance liquidity and improve the local stock market, its president said.

"In terms of expanding our product offerings, the PSE will offer two new products in the next two years, the GPDRs and derivatives; the GPDRs are targeted to be implemented by the first quarter (Q1) of 2025," PSE President and Chief Executive Officer Ramon S. Monzon said during a forum organized by the UK MOBILIST Programme and the PSE in Taguig City on Wednesday.

"We are targeting to launch our derivative products by the first quarter of 2026 as we have to work on the regulatory frameworks at both the Securities and Exchange Commission (SEC) and

the Bureau of Internal Revenue (BIR)," he added.

GPDRs refer to peso-denominated instruments that represent an economic interest, but not voting rights, in an underlying security listed in an overseas exchange.

The holder has the option to convert the GPDR to the equivalent shares or units of the underlying security, subject to requirements by the issuer.

"This innovation will allow local investors to diversify their portfolios by trading foreign securities within the domestic market," Mr. Monzon said.

"Philippine listed companies, on the other hand, will likewise be traded in other exchanges, which in turn should generate additional liquidity for the local market," he added.

On the introduction of derivatives, Mr. Monzon said the PSE is conducting learning sessions

with other stock exchanges and foreign market participants such as the Hong Kong and Taiwan Stock Exchanges, Citibank, and HSBC.

The derivatives market comprises derivatives or instruments whose values are derived from other underlying assets. Derivatives include options and futures contracts.

"The introduction of derivatives is expected to enhance market transparency and liquidity by providing market-based pricing information," Mr. Monzon said.

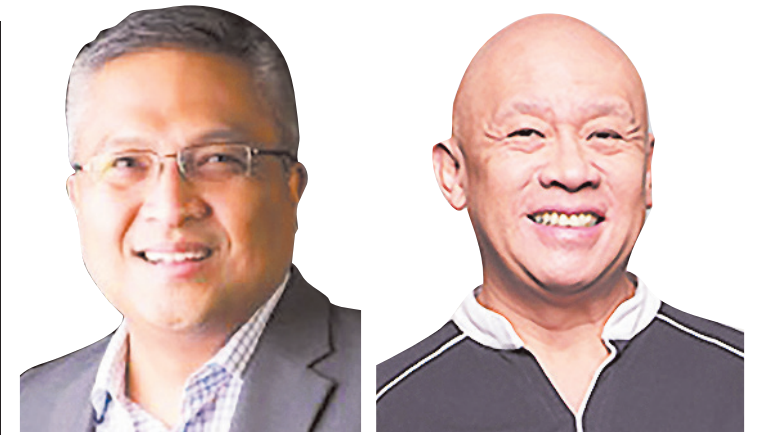
"PSE index futures with the PSE index as the underlying asset will be the first derivatives product to be traded," he added.

The PSE previously sought public comment on its proposed GPDR rules, which provide that the securities must be listed, traded, and in good standing in a World Federation of Exchanges-member exchange.

The rules also stated that GPDRs may be issued by PSE trading participants, banks, and nonbank financial institutions authorized by the Bangko Sentral ng Pilipinas, and investment companies under Republic Act No. 2629 or the Investment Company Act.

In September, the SEC said it was looking at the establishment of a derivatives market to improve the domestic capital market and provide more options for investors.

"Developments in the derivatives market as a whole have contributed to more complete financial markets, improved market liquidity, and increased the capacity of the financial system to price and bear risk effectively—ultimately, ushering in stronger economic growth over time," SEC Commissioner McJill Bryant T. Fernandez said. — **Revin Mikhael D. Ochave**



CARL RAYMOND R. CRUZ (left), ERNEST L. CU (right)

FMCG veteran Carl Cruz to replace Ernest Cu as Globe CEO

By Ashley Erika O. Jose
Reporter

AYALA-LED Globe Telecom, Inc. has named Carl Raymond R. Cruz as deputy chief executive officer (CEO), effective Jan. 1, 2025, with Ernest L. Cu continuing as CEO until the 2025 annual stockholders' meeting (ASM).

Mr. Cruz has also been nominated for Globe's board of directors and as CEO for election at the 2025 ASM.

For now, Mr. Cruz will report to Mr. Cu, who will remain chairman of 917Ventures, Inc.; Globe Fintech Innovations, Inc. (Mynt); Kickstart Ventures, Inc.; and STT GDC Philippines, Inc.

Mr. Cu has been a director at Globe since 2009 and has also served on the board's executive committee. That same year, he was officially appointed as the company's president and CEO.

According to Globe, Mr. Cruz, 54, has more than three decades of experience in the fast-moving consumer goods (FMCG) industry, specifically in general management and marketing.

He is also the current CEO and managing director of Airtel Nigeria, a telecoms and mobile money services provider in Africa.

Mr. Cruz has also served as the managing director of Unilever West Africa, where he led its operations in Nigeria, Ghana, and Francophone Africa.

He holds a bachelor's degree in marketing management from De La Salle University.

CHALLENGES TO FACE

"Mr. Cruz will face a range of challenges as he steps into the role in 2025... [He] would bring substantial leadership experience, but the telecom industry poses different dynamics than his previous sectors," Globalinks Securities and Stocks, Inc. Head of Sales Trading Toby Allan C. Arce said in a Viber message.

For Chinabank Capital Corp. Managing Director Juan Paolo E. Colet, the appointment of Mr. Cruz is considered a welcome development considering his track record of "successfully leading large, consumer-focused organizations in developing and emerging markets."

However, market watchers also warned that Mr. Cruz will have a heavy burden as he takes on his new role, given the challenging market environment in the digital landscape, competition in the telecommunications industry, and the growth of Globe's financial services such as GCash.

"He will need to drive innovation, particularly in expanding Globe's digital ecosystem, while also navigating regulatory pressures and evolving customer demands for better connectivity and digital services," Mr. Arce said.

"The market will be particularly attuned to Mr. Cruz's vision and strategic direction for Globe. Two key questions in front of him are where he sees the big opportunities for growth and how he plans to turn those opportunities into actual stakeholder value," Mr. Colet said.

Stock market analysts also said Globe's decision to retain Mr. Cu as chairman of Mynt, GCash's holding company, is meant to assure investors, especially those wary of changes, that Globe will continue its initiatives, with GCash being the company's growth catalyst.

"Mr. Cu's continued presence as chairman of Mynt reassures investors that he will see to the completion of his initiatives there, especially the much-anticipated IPO of GCash," Mr. Colet said.

"Additionally, he will need to build upon the legacy of the long-standing CEO [Mr. Cu], maintaining operational excellence while shaping a new vision for Globe's future," Mr. Arce said.

At the stock exchange on Wednesday, shares in the company closed P80, or 3.35% lower, at P2,310 apiece.

Malampaya Phase 4 certified for permit perks

PRIME ENERGY Resources Development BV's Malampaya Phase 4 Project has received certification for expedited permit processing perks, the Razon-led company announced on Wednesday.

The Department of Energy certified the gas project as an energy project of national significance (EPNS), Prime Energy said in a statement.

"With the EPNS certification in place, Prime Energy and the all-Filipino consortium are committed to working closely with the government to meet the nation's growing energy demands and ensure a more secure and sustainable energy future," Prime Energy President and Chief Executive Officer Donabel Kuizon Cruz said.

The certification, under Executive Order No. 30 signed in 2017, expedites the issuance of regulatory procedures and processes of local and national government agencies.

To qualify, energy projects must invest at least P3.5 billion, significantly contribute to economic development, have a significant environmental impact or involve complex technical processes and engineering designs, and require substantial infrastructure.

Malampaya Phase 4, which is under the Malampaya Deep Water Gas-to-Power Project, involves the drilling of the Camago and Malampaya East production wells and the drilling of the Bagong Pag-asa exploration well.

The planned drilling is expected to require an investment of more than \$600 million.

For 2024 alone, the planned expenditure is about \$187 million, which would be spent on the procurement of drilling equipment, subsea equipment and umbilicals, and pipelines, and securing the drilling rig, according to Prime Energy.

Drilling is planned for 2025 with the aim to deliver new gas by 2026.

The project is operated by the Malampaya consortium, which is composed of Prime Energy, UC38 LLC, Prime Oil & Gas, Inc., and state-owned PNOC Exploration Corp.

The consortium secured a 15-year renewal of Service Contract No. 38 through 2039, paving the way for the exploration and development of additional gas reserves.

In August, it awarded a contract worth approximately \$180 million to Netherlands-based Allseas Nederland (Brasil) BV, a subsidiary of Allseas Group specializing in offshore pipeline installation.

"With the EPNS certification in place, Prime Energy and the all-Filipino consortium are committed to working closely with the government to meet the nation's growing energy demands and ensure a more secure and sustainable energy future," Ms. Cruz said.

— **Sheldeen Joy Talavera**

Aboitiz Construction, Inc. takes on new berth project in Davao

ABOITIZ CONSTRUCTION, Inc., the construction arm of the Aboitiz group, has signed a partnership deal with DICT Bulk Terminal, Inc. (DBTI), a container port terminal in Mindanao, for the development of a new berth for cement shipments at the Davao International Container Terminal in Panabo City, Davao del Norte.

Aboitiz Construction will design and build DBTI's fifth berth, measuring 200 meters by 18.5 meters, the company said in an e-mailed statement on Wednesday.

DBTI is a joint venture company between Davao International Container Terminal and Philcement Corp.

The facility will serve as a port for cement and other materials and will be equipped with handling and fendering systems, Aboitiz Construction said, adding that it can also accommodate vessels with a deadweight of as much as 60,000 tons.

"This project marks an important step in our ongoing mission to improve logistics in the region and contribute to the region's economic vitality. We have previously

partnered with DICT, and we are excited to renew our commitment to this collaborative journey," said Aboitiz Construction Chief Operating Officer Ramez Sidhom.

Davao International Container Terminal previously engaged Aboitiz Construction for the construction of its Berth 4 project in 2021.

Its recent partnership with Davao International Container Terminal is expected to be finished within a 10-month period.

"This partnership signals another important milestone

between our two groups as this is the fifth project we have undertaken together. For DICT, this is also a significant undertaking as we look to continue diversifying the products and commodities that can be transported directly to the Davao Region," said DBTI President Ricardo F. Lagdameo.

DICT currently operates a 730-meter berth designated for break bulk and container vessels. The port also has a 20-hectare container yard and a 15-hectare empty container depot. — **Ashley Erika O. Jose**

SM Prime Holdings to open 87th mall, SM City J Mall, in Mandaue, Cebu

SM PRIME Holdings, Inc. (SM Prime) will open its 87th mall, SM City J Mall in Mandaue City, Cebu on Friday (Oct. 25), the company announced on Wednesday.

The four-level mall, located along A.S. Fortuna Street in Barangay Bakilid, has over 100,000 square meters of gross floor area that offers various retail, dining, and entertainment options.

"The opening of SM City J Mall reflects our confidence in the robust economic growth of Central Visayas. This new mall is designed to cater to the

increasing demand for premium commercial and lifestyle experiences in Mandaue City," SM Prime President Jeffrey C. Lim said.

"Our expansion into thriving regional hubs like Mandaue City is integral to our strategy of driving economic progress across the Philippines and delivering sustainable value to our stakeholders," he added.

SM Prime said that about 80% of SM City J Mall's gross leasable area has been pre-leased, led by anchor tenants such as The SM Store, SM

Hypermarket, SM Appliance Center, Watsons, Uniqlo, Levi's, Miniso, Pet Express, Sports Central, Ace Hardware, BDO, and Chinabank.

The mall will have two director's club cinemas, a food hall, lifestyle services, and parking for 1,000 vehicles.

Mandaue City is a first-class city in the central-eastern coastal region of Cebu province.

It is the industrial hub in the Central Visayas region and houses about 10,000 industrial and commercial locators.

The Central Visayas region had the highest economic growth rate among regions last year, expanding by 7.3%, based on Philippine Statistics Authority data.

In September, SM Prime Executive Committee Chairman Hans T. Sy said the company is prioritizing the expansion of its mall business in the Philippines due to competitive advantages. SM Prime also has eight malls in China.

SM Prime shares fell by 1.41% or 45 centavos to P31.40 apiece on Wednesday. — **Revin Mikhael D. Ochave**