Philippine Stock Exchange index (PSEi) 6,341.53 ▼ 71.28 PTS. ▼ 1.11%

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PSEi MEMBER STOCKS

AC	Ayala Corp.	P580.00	+P12.50	+2.20%
ACEN	ACEN Corp.	P2.55	+P0.05	+2.00%
AEV	Aboitiz Equity Ventures, Inc.	P34.50	-P2.00	-5.48%
AGI	Alliance Global Group, Inc.	P8.34	-P0.12	-1.42%
ALI	Ayala Land, Inc.	P23.00	-P0.65	-2.75%
AREIT	AREIT, Inc.	P40.05	+P0.30	+0.75%
BDO	BDO Unibank, Inc.	P161.00	-P1.80	-1.11%
BLOOM	Bloomberry Resorts Corp.	P4.18	-P0.33	-7.32%
BPI	Bank of the Philippine Islands	P139.10	+P1.10	+0.80%
CBC	China Banking Corp.	P75.60	+P0.30	+0.40%
CNPF	Century Pacific Food, Inc.	P39.95	-P0.05	-0.12%
CNVRG	Converge ICT Solutions, Inc.	P20.15	+P0.15	+0.75%
DMC	DMCI Holdings, Inc.	P10.36	-P0.28	-2.63%
EMI	Emperador, Inc.	P13.90	+P0.14	+1.02%
GLO	Globe Telecom, Inc.	P1,770.00	-P45.00	-2.48%
GTCAP	GT Capital Holdings, Inc.	P544.00	-P43.00	-7.33%
ICT	International Container Terminal Services, Inc.	P410.00	-P2.20	-0.53%
JFC	Jollibee Foods Corp.	P223.00	-P15.40	-6.46%
JGS	JG Summit Holdings, Inc.	P19.98	-P1.12	-5.31%
LTG	LT Group, Inc.	P12.30	-P0.20	-1.60%
MBT	Metropolitan Bank & Trust Co.	P73.55	-P3.25	-4.23%
MER	Manila Electric Co.	P550.00	+P15.00	+2.80%
MONDE	Monde Nissin Corp.	P7.60	+P0.60	+8.57%
PGOLD	Puregold Price Club, Inc.	P31.00	––	
SCC	Semirara Mining and Power Corp.	P32.50	-P0.50	-1.52%
SM	SM Investments Corp.	P835.00	-P11.00	-1.30%
SMC	San Miguel Corp.	P80.00	––	
SMPH	SM Prime Holdings, Inc.	P22.55	-P0.35	-1.53%
TEL	PLDT Inc.	P1,216.00	-P45.00	-3.57%
URC	Universal Robina Corp.	P84.50	-P2.25	-2.59%

First Philippine Holdings sets P57-B capex for energy, property

LOPEZ-LED holding company First Philippine Holdings Corp. (FPH) has allocated a P57-billion capital expenditure (capex) budget for 2025 to drive the expansion of its renewable energy and real estate segments.

FPH's capex for 2025 is lower than the previous year's, FPH Chief Finance Officer Emmanuel Antonio P. Singson told reporters on the sidelines of the company's annual stockholders' meeting last week.

"Last year's total (capex) is a lot higher because we purchased Casecnan (hydroelectric power plant). Now, it's a lot lower," he said.

Mr. Singson said $601 million (P33.5 billion) of the capex will be allocated to the power business led by First Gen Corp. and its subsidiary, Energy Development Corp. (EDC).

"For First Gen, that's primarily through EDC. They'll fund it (capex) through debt at the EDC level. They're planning to borrow about P27 billion in 2025," he said.

About P22 billion in capex will be allocated to real estate units Rockwell Land Corp. and First Philippine Industrial Park (FPIP), while the remaining capex will go to its other businesses, Mr. Singson said.

Mr. Singson said FPH does not have any fundraising plans at the parent level, as financing will be carried out through its subsidiaries.

"The subsidiaries will be able to raise funding using their own leverage, primarily through bank debt, bilateral loans, or syndicated club loans," he said.

FPH's core business interests include clean and renewable energy, real estate, manufacturing, construction, healthcare, and education.

Francis Giles B. Puno, FPH president and chief operating officer, said during the stockholders' meeting that the share of gas projects in the group's total assets is expected to further decline this year as the company expands its renewable energy portfolio.

He added that the conglomerate remains committed to the long-term success of its healthcare and education businesses despite challenges last year.

"In 2024, we established a task force to refine its business models and establish a clear path to profitability, ensuring it can deliver equitable access to quality and affordable healthcare and education in the years to come," he said.

"The road ahead will bring challenges, but we face them with confidence, clarity of purpose, and a disciplined, hardworking, and talented organization. We remain committed to doing well so we can do good, delivering long-term prosperity while staying true to our mission," he added.

For the first quarter, FPH posted a 20% increase in attributable net income to P4.9 billion, driven by higher earnings across all major business segments. Consolidated net income rose by 12% to P8.5 billion.

Total revenue grew by 6% to P41.3 billion. Electricity sales rose by 1% to P33.87 billion due to stronger topline performance of natural gas and hydroelectric plants.

Real estate sales climbed by 26% to P3.1 billion on the back of higher sales bookings by Rockwell Land.

FPH shares were last traded on May 30, up by 0.82% or 50 centavos to P61.50 each. — **Revin Mikhael D. Ochave**

Prime Infra's First Gen gas stake to spur competition

By Sheldeen Joy Talavera
Reporter

RAZON-LED Prime Infrastructure Capital, Inc. (Prime Infra) is acquiring a 60% equity stake in Lopez-led First Gen Corp.'s gas business for P50 billion, a development that analysts said is likely to spur competition among gas players and encourage additional investments in the energy sector.

"With Prime Infra's growing exposure in the power generation segment, we believe this will increase overall competition and reduce market concentration among dominant incumbent players," Peter Louise D.C. Garnace, equity research analyst at Unicapital Securities, said in a Viber message to *BusinessWorld* on Saturday.

Mr. Garnace described the acquisition as "a strategic move" to expand Prime Infra's presence in the country's liquefied natural gas (LNG) sector, regarded as a transition from fossil fuels to renewable energy. He added that "close regulatory oversight is necessary to prevent collusion among market players" given the limited number of participants in the LNG industry.

Under a term sheet executed on May 30, Prime Infra will acquire a 60% stake in First Gen's subsidiaries managing its gas assets, which include four operating power plants — the 1,000-megawatt (MW) Santa Rita, 500-MW San Lorenzo, 450-MW San Gabriel, and 97-MW Avion plants — all supplied by the Malampaya gas field operated by Prime Energy Resources Development B.V., part of the Razon group.

The acquisition also covers the proposed 1,200-MW Santa Maria power plant and an interim offshore LNG terminal.

The transaction remains subject to the execution of definitive agreements and the completion of closing requirements.

First Gen will retain 40% ownership of its gas business and will be "entitled to receive additional earnout amounts, subject to the fulfillment of certain conditions."

The company said retaining a significant stake will help ensure "proper continuity and stability of its gas operating plants."

"The partnership between First Gen and Prime Infra will enable the partners to further nurture, enhance and expand their natural gas platforms to serve as a key solution provider to the country's program to address energy security," First Gen said.

"In line with this, the partnership will work closely with the government to help secure our country's energy independence."

Juan Paolo E. Colet, managing director at China Bank Capital Corp., described the deal as "a positive development for the country as it will spur more investment in our energy sector."

"This is a game-changer for Prime Infra as it will transform the company into the leading natural gas power producer in the Philippines. The deal is very strategic because Prime Infra already has an investment in Malampaya," he said.

Mr. Colet added that the transaction allows First Gen "to unlock the value of its gas-related assets and refocus on being a pure renewable energy platform," providing "tremendous financial muscle to make bold renewable energy investments" and potentially return cash to shareholders.

At its annual stockholders' meeting on May 29, First Gen President and Chief Operating Officer Francis Giles B. Puno said renewable energy will be the company's primary focus going forward.

"As we build out more geothermal, hydro, solar, wind — of course, we still feel gas is important because it's also a good balance to renewable energy buildout — but the focus will be renewable energy," Mr. Puno said.

First Gen has allocated a capital expenditure budget of $601 million (P33 billion) for 2025, with most of the funds earmarked for Energy Development Corp., its renewable energy subsidiary.

Prime Infra's acquisition of First Gen's gas assets will create significant competition with the LNG joint venture among Manila Electric Co. (Meralco), Aboitiz Power Corp. (AboitizPower), and San Miguel Corp. (SMC), which earlier finalized a $3.3-billion deal to build an integrated LNG facility in Batangas.

OUTLIER

JFC shares fall after divesting stake in C-Joy Poultry Realty, MSCI rebalancing

SHARES of Jollibee Foods Corp. (JFC) declined last week following the company's announcement to sell its stake in the landlord of its poultry processing plant, coupled with the latest MSCI rebalancing.

A total of 6.79 million JFC shares worth P1.57 billion were traded from May 26 to 30, making it the 11th-most actively traded stock last week, according to Philippine Stock Exchange (PSE) data.

JFC shares dropped 8.2% to P223 per share last Friday from the P242.80 close on May 23. This decline outpaced the 0.5% week-on-week fall of the industrial sector and the PSE index's 1.1% drop.

Year to date, JFC shares have lost 17.1% of their value, underperforming the industrial sector (-4.1%) and the PSE index (-2.9%).

Juan Alfonso G. Teodoro, equity research analyst at Timson Securities, Inc., identified two possible factors behind JFC's decline.

First is the MSCI Global Small Cap Index rebalancing on May 30, which saw the addition of Aboitiz Equity Ventures and removal of Bloomberry Resorts Corp. and Wilcon Depot, Inc.

Mr. Teodoro said, "Even though [JFC] was actually the top-weighted stock in the MSCI rebalancing, it still ended lower. Normally, being top weighted in MSCI is a good thing since it can lead to buying from funds that track the index. But in this case, it looks like that wasn't enough to outweigh the concerns."

Another factor cited was investor sentiment reacting to JFC's sale of its 30% stake in C-Joy Poultry Realty, Inc.

On May 26, JFC divested its 30% stake in C-Joy Poultry Realty for P33.8 million as part of its shift toward an asset-light business model.

The stake was sold to Agrotex Commodities, Inc. via a share purchase agreement and deed of assignment covering 113,250 shares priced at P299.16 each.

C-Joy Poultry Realty owns the property in Sto. Tomas, Batangas, where the poultry processing plant of C-Joy Poultry Meats Production, Inc. is located.

Mr. Teodoro explained that JFC's asset-light business model signals a strategy to reduce ownership of physical assets such as buildings and land, focusing more on operations.

"In the short term, it gives them a bit more cash and flexibility, which they can use to invest in other areas, perhaps expand stores or other ventures with faster returns. For the long term, it shows they're aiming to be leaner and more efficient," he added.

JFC will retain its 30% stake in C-Joy Poultry Meats, while American food company Cargill, Inc. holds the remaining 70%.

C-Joy Poultry Meats supplies raw and marinated chicken to JFC brands including Jollibee, Chowking, and Mang Inasal.

JFC's attributable net income for the first quarter fell 8.1% to P2.41 billion from P2.65 billion in the same period in 2024.

Mr. Teodoro forecasted JFC's second-quarter earnings at P2.2 billion and full-year earnings at P17.8 billion.

For the week, Mr. Teodoro identified JFC's support levels at P220-P216 and resistance at P240-P245. — **J.P.G. Villanueva**

New capital markets law to boost stock market liquidity, dev't — analysts

By Revin Mikhael D. Ochave
Reporter

REPUBLIC ACT NO. 12214, or the Capital Markets Efficiency Promotion Act (CMEPA), is expected to enhance the Philippine stock market by reducing transaction costs, boosting trading activity, and increasing liquidity, analysts said.

CMEPA strengthens the Personal Equity and Retirement Accounts (PERA) program, which will help further develop the capital market, DragonFi Chief Executive Officer Jon Carlo C. Lim said in a Viber message over the weekend.

"This will not only help address the pension gap but also enhance the attractiveness of investible assets within the PERA framework — further deepening our capital markets," Mr. Lim said.

"This is a commendable piece of legislation that will advance the development of our capital markets," he added.

President Ferdinand R. Marcos, Jr. signed CMEPA into law on May 29.

Under the law, private employers who contribute an amount equal to or greater than their employees' contributions to PERA are entitled to an additional 50% tax deduction on their actual contributions.

PERA is a voluntary retirement savings program that supplements employer-sponsored retirement plans and government-based pension plans.

China Bank Capital Corp. Managing Director Juan Paolo E. Colet said in a Viber message that the new law will help entice more investors following the reduction of the stock transaction tax to 0.1% from 0.6%.

"The significant reduction in the stock transaction tax from 0.6% to 0.1% will help improve investor returns, increase trading frequency and value turnover, and lead to tighter bid-ask spreads," he said.

CMEPA also lowers the documentary stamp tax (DST) on the original issue of shares of stock to 0.75% from 1%, and imposes a uniform 0.75% DST on bonds, debentures, and certificates of stock or indebtedness issued in foreign countries.

"The passage of CMEPA sends a clear message to both domestic and global investors that the Philippines is committed to building deeper, more efficient capital markets," Special Assistant to the President for Investment and Economic Affairs Frederick D. Go said in a statement.

"This reform is expected to boost and strengthen liquidity, trading activity, capital formation, and contribute to broader economic growth," he added.

Rizal Commercial Banking Corp. Chief Economist Michael L. Ricafort said the new law supports the country's efforts to attract large-scale foreign fund managers.

"The law helps us to better compete with other ASEAN and Asian markets in terms of reduced transaction costs," he said in a Viber message.

However, Mr. Colet said there is still a need to create conditions that will allow for more listed companies and attract more stock investors.

He said there should be well-calibrated privileges for listed companies, such as lower taxes on issuers who meet certain public float, daily trading, and value metrics.

"Government financial institutions can also sponsor and anchor a public-private initial public offering fund that can be deployed to support the listing of qualified companies," he said.

Mr. Colet also suggested providing incentives for stock investing, such as amending Republic Act No. 9505, or the PERA Act, to increase the annual contribution limit and income tax credit for investments in listed stocks.

"It is also imperative to strengthen corporate governance and minority shareholder safeguards so that institutional and retail investors are reasonably protected," he said.

"The government is moving in the right direction when it comes to market-friendly reforms, and we hope they sustain this by introducing more initiatives to broaden and deepen our public equities market," he added.

On Friday, the benchmark Philippine Stock Exchange Index dropped 1.11%, or 71.28 points, to 6,341.53, while the broader all shares index retreated 0.78%, or 29.48 points, to 3,723.62.