Philippine Stock Exchange index (PSEi) 6,355.69 ▲ 2.95 PTS. ▲ 0.04%

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BusinessWorld

PSEi MEMBER STOCKS

AC	Ayala Corp.	P592.00	-P3.00	-0.50%
ACEN	ACEN Corp.	P2.60	+P0.08	+3.17%
AEV	Aboitiz EquityVentures, Inc.	P33.00	-P0.30	-0.90%
AGI	Alliance GlobalGroup, Inc.	P8.15	-P0.05	-0.61%
ALI	Ayala Land, Inc.	P26.30	+P0.55	+2.14%
AREIT	AREIT, Inc.	P41.35	+P0.20	+0.49%
BDO	BDO Unibank, Inc.	P149.00	-P0.90	-0.60%
BLOOM	Bloomberry Resorts Corp.	P4.31	+P0.01	+0.23%
BPI	Bank of the Philippine Islands	P127.80	+P1.90	+1.51%
CBC	China Banking Corp.	P63.65	+P1.85	+2.99%
CNPF	Century Pacific Food, Inc.	P38.00	——	
CNVRG	Converge ICT Solutions, Inc.	P18.02	+P0.02	+0.11%
DMC	DMCI Holdings, Inc.	P10.60	——	
EMI	Emperador, Inc.	P15.72	+P0.04	+0.26%
GLO	Globe Telecom, Inc.	P1,624.00	-P7.00	-0.43%
GTCAP	GT Capital Holdings, Inc.	P650.00	——	
ICT	International Container Terminal Services, Inc.	P443.00	-P2.00	-0.45%
JFC	Jollibee Foods Corp.	P224.00	+P1.40	+0.63%
JGS	JG Summit Holdings, Inc.	P20.85	+P0.25	+1.21%
LTG	LT Group, Inc.	P12.96	-P0.02	-0.15%
MBT	Metropolitan Bank & Trust Co.	P72.85	-P0.05	-0.07%
MER	Manila Electric Co.	P540.50	+P0.50	+0.09%
MONDE	Monde Nissin Corp.	P7.50	-P0.04	-0.53%
PGOLD	Puregold Price Club, Inc.	P36.50	+P0.05	+0.14%
SCC	Semirara Mining and Power Corp.	P32.85	+P0.35	+1.08%
SM	SM Investments Corp.	P828.50	-P8.50	-1.02%
SMC	San Miguel Corp.	P74.00	-P0.05	-0.07%
SMPH	SM Prime Holdings, Inc.	P23.30	-P0.05	-0.21%
TEL	PLDT Inc.	P1,287.00	+P10.00	+0.78%
URC	Universal Robina Corp.	P93.25	-P1.75	-1.84%

S&P upgrades Meralco outlook to 'positive,' affirms 'BBB' rating

S&P GLOBAL RATINGS has affirmed Manila Electric Co.'s (Meralco) credit rating at "BBB" and revised its outlook to "positive," citing expectations of improved business integration and project execution in power generation.

"The positive outlook reflects our expectation that business integration, scale, and diversity could improve with project execution in power generation, without material delays or cost overruns," S&P said in an e-mailed report on Tuesday.

S&P revised the credit outlook for Meralco to "positive" from "stable," indicating that its "BBB" rating could be upgraded.

A "BBB" rating indicates that Meralco has adequate capacity to meet its financial commitments but remains more subject to adverse economic conditions.

S&P said the outlook revision reflects Meralco's stronger business position, citing "improving scale and profitability in power generation and further diversification as an integrated power utility."

The development enables the company to continue generating robust operating cash flow from its core distribution business, supported by the recent renewal of its distribution franchise, the agency said.

This is despite increased leverage resulting from significant capital expenditures for a large solar project and recent acquisitions.

"Backed by... exclusive franchise, the company will likely maintain its natural monopoly within its franchise area, including Metropolitan Manila, the Philippines' national capital and economic center," S&P noted.

PHILIPPINE STAR FILE PHOTO/BOY SANTOS

President Ferdinand R. Marcos, Jr. on April 11 signed into law the measure extending Meralco's franchise by another 25 years, which was supposed to end in 2028.

Meralco serves around eight million customers across 39 cities and 72 municipalities.

Meanwhile, S&P said that the company's expansion into power generation will strengthen its business diversification as an integrated power utility.

Meralco's stake in two operational natural gas power plants with a combined capacity of 2.6 gigawatts (GW), as well as the construction of the 3.5-GW MTerra Solar power project, will bring the company's gross operating generation capacity to 8.8 GW by 2027 from 2.6 GW in 2024.

The credit watcher expects the solar power project and gas power plants to contribute 24% and 7%, respectively, to Meralco's adjusted earnings before interest, taxes, depreciation, and amortization by 2027.

"We assume predictable cash flow from the projects, given their long-term power supply agreements with favorable tariffs," S&P said. "These upstream investments will also help Meralco better secure power supply and evolve as an integrated power utility from a standalone distribution company."

Meralco's controlling stakeholder, Beacon Electric Asset Holdings, Inc., is partly owned by PLDT Inc. Hastings Holdings, Inc., a unit of PLDT Beneficial Trust Fund subsidiary MediaQuest Holdings, Inc., has an interest in *BusinessWorld* through the Philippine Star Group, which it controls. — **Sheldeen Joy Talavera**

PSE still ironing out rules and regulations for GPDRs

THE PHILIPPINE Stock Exchange (PSE) is still finalizing rules and regulations for its planned global Philippine depositary receipts (GPDRs), delaying the product's launch.

PSE President and Chief Executive Officer Ramon S. Monzon said the exchange is working with the Securities and Exchange Commission (SEC) to address comments on its initial draft of the GPDR trading rules.

"We submitted our initial proposed rules for the trading of the GPDRs. We received comments from the SEC at the end of May, and (we are) working to address those comments. It's still an ongoing process to finish the rules to govern the GPDRs," he said during a recent virtual briefing.

The PSE was initially scheduled to launch GPDRs in the first quarter of this year. GPDRs are peso-denominated instruments that represent an economic interest, but not voting rights, in an underlying security listed on an overseas exchange.

Aside from GPDRs, Mr. Monzon said the PSE is also still working on the launch of derivative offerings, including PSE index futures.

The PSE is targeting to launch its derivative products by the first quarter of 2026.

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

"We are working together with other exchanges who have very extensive experience in derivatives to help us in our journey here. But that's something we planned for 2026," Mr. Monzon said.

Mr. Monzon also said that Republic Act No. 12214, or the Capital Markets Efficiency Promotion Act (CMEPA), has expanded the definition of securities, removing ambiguity around products such as GPDRs and derivatives.

"The CMEPA has introduced a very specific provision expanding the definition of securities to include other securities in addition to stocks. Depositary receipts and derivatives should be covered by that. That ambiguity has been addressed by the CMEPA," he said.

On its proposed index policy revisions, Mr. Monzon said the PSE is in the process of reviewing comments it received from market players.

"We've received the comments. We are in the process now of going over them and getting clarification. It's in the process," he said.

Last month, the PSE sought comments from select fund managers, as well as local and foreign brokers, on its proposed index policy revisions.

One of the proposed changes is the lowering of the free float requirement to 15% from the current 20% for companies with a market capitalization of over P120 billion.

Meanwhile, Mr. Monzon said he is expecting more partnerships with universities and other academic institutions to boost capital market education in the country.

He said this as the PSE recently partnered with San Beda University's (SBU) College of Arts and Sciences – Departments of Accountancy, Economics & Public Policy, and Financial Management to push capital market education.

SBU is the PSE's first partner school for integrating investor education into the academic program of its target departments.

The initiative will consist of seminars, workshops, and other relevant engagements to promote and strengthen financial and stock market literacy among SBU students.

The two groups will also organize an internship program and explore offering the PSE's Certified Securities Specialist Course through SBU.

"We hope to develop money management skills among students and help them understand the value of investing so they are equipped to handle their finances even before joining the workforce or starting their own business," Mr. Monzon said. — **Revin Mikhael D. Ochave**

GrabPay adds crypto to cash-in options

RIDE-HAILING app Grab Philippines has partnered with payments provider Triple-A and wealth platform PDAX to enable flexible online payments by allowing cryptocurrency top-ups for GrabPay wallets.

"Integrating cryptocurrency as a cash-in option for GrabPay reflects our commitment to advancing financial inclusion in the Philippines," Grab Philippines Vice-President and Head of Financial Group CJ Lacsican said in a media release on Tuesday.

Currently, Grab Philippines offers several GrabPay cash-in methods, including e-wallets, online banking via InstaPay, linked bank accounts, debit and credit cards, and select convenience stores and business centers.

Through this partnership, users can now top up their GrabPay wallets with cryptocurrencies, including Bitcoin (BTC), Ether (ETH), US dollar-backed stablecoin USDC, and USDT.

This agreement allows safe and secure crypto transactions in line with the growing demand for mobility and delivery services, PDAX said in a statement.

PDAX, a digital assets platform, provides users with access to various digital assets and allows them to buy and sell major cryptocurrencies and invest in tokenized bonds; while Triple-A is a global payment institution licensed in the US, Europe, and Singapore, allowing users to pay and get paid in both local and digital currencies.

"The Philippines has one of the largest crypto user bases globally. Through this partnership, we're thrilled to offer accessible use cases that will both support the existing crypto community and drive greater adoption of cryptocurrency," said PDAX Founder and Chief Executive Officer (CEO) Nichel Merlimichael O. Gaba.

According to Triple-A CEO Eric Barbier, the company is now eyeing further expansion of its services in the Philippines as the country's market is deemed ready for digital currencies.

"This is a big step in making digital currencies easier to use in everyday life across Southeast Asia," Mr. Barbier said.

Crypto top-ups for Grab e-wallets were first introduced in Singapore last year, PDAX said. It added that the rollout in the Philippines depends on the success of its integration, which has allowed businesses to accept payments in digital currencies. — **Ashley Erika O. Jose**

Palafox: Smarter urban planning needed for PHL to go first-world

THE PHILIPPINES needs to address inefficient land use, improve urban planning, and establish "smart" cities in the countryside to achieve first-world status by 2050, according to veteran architect and urban planner Felino A. Palafox, Jr.

"Looking at Metro Manila, [I noticed] that there are so many wrong land uses in the wrong places, and at the wrong time," said Mr. Palafox, founder of architecture and urban planning firm Palafox Associates, during the company's 36th anniversary event on Tuesday.

"Planning is about balance — a balance between jobs and housing, and between land use and transportation," he said.

Mr. Palafox cited Goldman Sachs, which earlier projected that the Philippines will become the world's 16th largest economy by 2050.

This also aligns with Palafox Associates' "Philippines 2050: A First-World Country, A First-World Economy" campaign, which envisions the Philippines as a first-world nation by 2050.

By 2050, over 100 million Filipinos will live in cities, Mr. Palafox said. To accommodate this growing population, the country will need at least 100 new smart, inclusive, and resilient cities, he noted.

"We should encourage more development there [in the countryside], and to stop being Metro Manila-centric. Let's make the Philippines polycentric," he said.

Addressing the country's recurring flooding issue is a key aspect of urban development, Mr. Palafox said, noting that progress has been limited by aging infrastructure and insufficient government response.

"We plan from ridge to reef — top of the mountain, highlands, midlands, lowlands. That's where you address it before the floods come," he said.

The country's waterways have long been unable to accommodate high volumes of rainwater, Mr. Palafox also said.

He cited Super Typhoon Ondoy in 2009, during which over 4,600 cubic meters (m^3) of water per second flowed down from the mountains. Since the Pasig River could handle only 600 m^3 per second, the excess water — more than 4,000 m^3 per second — flooded Metro Manila, causing widespread destruction and thousands of deaths.

To better manage stormwater, the country should consider investing in rainwater harvesting systems and SMART (stormwater management and road tunnel) tunnels.

A SMART tunnel, which has been adopted in countries like Malaysia, diverts floodwater caused by heavy rain into a bypass tunnel.

"During the worst flood, the whole SMART tunnel can be used as spillway," Mr. Palafox said.

The Philippine government must also focus on solving corruption, criminality, poverty, and poor infrastructure, he added.

Extending the term of foreign leases to 99 years would also help open up the economy and entice more foreign expansion in real estate, Mr. Palafox also said.

He also attributed shortfalls in the country's urban planning and infrastructure development to inconsistent governance, especially when a different public official is elected.

"We should have a continuous planning system where even if you have a different mayor or governor, the planning system is there," he said. — **Beatriz Marie D. Cruz**

US firm Vantiq taps Argosy to launch AI push in PHL, Southeast Asia

CALIFORNIA-BASED software company Vantiq has teamed up with Manila-based advisory and investment firm Argosy Partners to help Southeast Asian companies in key sectors use real-time artificial intelligence (AI) technology.

"The partnership will allow organizations to move from concept to live operations in weeks instead of years and gives Vantiq an immediate foothold in a high-growth region," Vantiq said in an e-mailed statement on Tuesday.

Vantiq said it is optimistic about its Southeast Asian expansion, as its real-time intelligence platform could help companies in major sectors such as healthcare and clean energy automate their workflows.

"By pairing Argosy's regional expertise with Vantiq's Intelligence Platform, we can help governments and businesses deploy scalable systems that improve critical services, speed disaster response and unlock inclusive economic growth," Vantiq Cofounder and Chief Executive Officer Marty Sprinzen said.

Argosy Partners, which invests in and provides advisory services to organizations in digital healthcare, infrastructure, clean energy, and agriculture, would be able to provide local insights as Vantiq expands into the Philippines.

"The alliance offers a dependable foundation for organizations that need to sense events, interpret them with AI and take action in real time without overhauling existing infrastructure," Vantiq said.

Many organizations in Southeast Asia are hard-pressed to accelerate their AI adoption as it continues to transform industries worldwide. — **Beatriz Marie D. Cruz**