

Philippine Stock Exchange index (PSEi)

6,108.86 ▲ 69.10 PTS. ▲ 1.14%

FRIDAY, OCTOBER 3, 2025
BusinessWorld

PSEI MEMBER STOCKS

AC Ayala Corp. P490.00 +P4.00 +0.82%	ACEN ACEN Corp. P2.46 +P0.02 +0.82%	AEV Aboitiz Equity Ventures, Inc. P30.50 -P0.50 -1.61%	AGI Alliance Global Group, Inc. P7.64 -P0.01 -0.13%	ALI Ayala Land, Inc. P24.20 +P0.20 +0.83%	AREIT AREIT, Inc. P43.40 ---	BDO BDO Unibank, Inc. P138.00 ---	BPI Bank of the Philippine Islands P113.00 +P0.70 +0.62%	CBC China Banking Corp. P62.25 -P0.70 -1.11%	CNPF Century Pacific Food, Inc. P37.80 +P0.35 +0.93%
CNVRG Converge ICT Solutions, Inc. P12.38 +P0.34 +2.82%	DMC DMCI Holdings, Inc. P11.58 +P0.26 +2.30%	EMI Emperador, Inc. P16.40 -P0.08 -0.49%	GLO Globe Telecom, Inc. P1,558.00 +P43.00 +2.84%	GTCAP GT Capital Holdings, Inc. P594.00 +P14.00 +2.41%	ICT International Container Terminal Services, Inc. P512.00 +P26.00 +5.35%	JFC Jollibee Foods Corp. P222.40 +P7.40 +3.44%	JGS JG Summit Holdings, Inc. P24.00 +P0.80 +3.45%	LTG LT Group, Inc. P15.50 +P0.10 +0.65%	MBT Metropolitan Bank & Trust Co. P70.00 -P0.30 -0.43%
MER Manila Electric Co. P546.00 -P2.00 -0.36%	MONDE Monde Nissin Corp. P7.00 +P0.28 +4.17%	PGOLD Puregold Price Club, Inc. P43.10 ---	PLUS DigiPlus Interactive Corp. P25.65 -P0.05 -0.19%	SCC Semirara Mining and Power Corp. P35.70 +P0.45 +1.28%	SM SM Investments Corp. P745.00 -P10.00 -1.32%	SMC San Miguel Corp. P58.00 +P0.05 +0.09%	SMPH SM Prime Holdings, Inc. P22.65 +P0.25 +1.12%	TEL PLDT Inc. P1,119.00 +P4.00 +0.36%	URC Universal Robina Corp. P72.80 +P1.85 +2.61%

DoE allows Meralco to start bidding for 200 MW of renewable supply

By **Sheldeen Joy Talavera**
Reporter

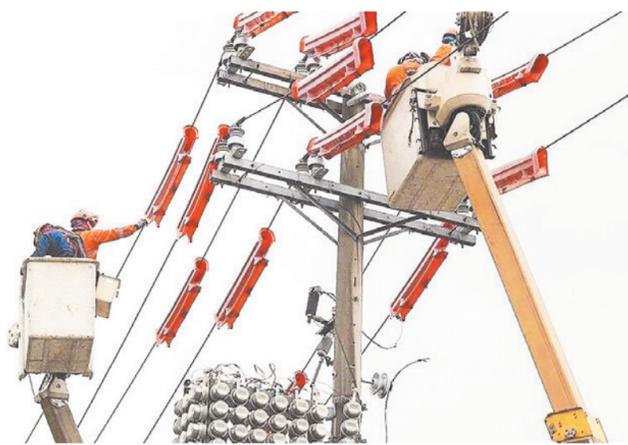
THE DEPARTMENT OF ENERGY (DoE) has cleared Manila Electric Co. (Meralco) to proceed with the bidding for 200 megawatts (MW) of renewable baseload power.

Speaking to reporters last week, Energy Undersecretary Mario C. Marasigan said the department had issued a certificate of conformity (CoC) for Meralco's proposed competitive selection process (CSP).

"We cleared the first 200 [MW], but we deemed that the compliance of Meralco should be based on the observation of the PCC (Philippine Competition Commission) and ERC (Energy Regulatory Commission)," he said.

"So, in that sense, we deemed it okay to release the certificate of conformity," he added.

Distribution utilities like Meralco conduct CSPs to procure power supply through a transparent and competitive bidding process aimed at securing the least-cost electricity.



PHILIPPINE STAR/JESSE BUSTOS

Meralco submitted its terms of reference to the PCC and ERC for review. The issuance of a CoC by the DoE is a regulatory requirement before a CSP can begin.

The proposed 200-MW CSP will enable Meralco to comply with its obligations under the Renewable Portfolio Standards, which require distribution utilities to source a portion of their en-

ergy supply from eligible renewable energy sources.

The bidding forms part of Meralco's plan to secure over 2,100 MW of capacity under its long-term supply procurement plan covering 2026 to 2046.

Mr. Marasigan said the decision now lies with Meralco on whether to proceed with the CSP if the company believes it has already addressed the regulators' feedback.

"It's up to them. If they feel that they have already complied with the comments of the PCC and ERC, then they can proceed," he said.

Meanwhile, he said the DoE has yet to receive comments from the PCC and ERC on other proposed CSPs, such as the 600 MW of baseload and 450 MW of mid-merit power.

Lawrence S. Fernandez, vice-president and head of utility economics, said the company has yet to receive any CoC.

At present, Meralco is seeking ERC approval for its 20-year power supply agreement with First Quezon Biogas Corp. to source 1.25 MW of baseload supply from the latter's biogas plant.

As the country's largest private distribution utility, Meralco serves over eight million customers across Metro Manila and nearby areas.

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.

OUTLIER

Ayala Corp. share price down amid macro headwinds

AYALA CORP. was among the most actively traded stocks last week amid macro headwinds and foreign fund outflows.

The holding company was the fifth most actively traded stock, with 2.25 million shares worth P1.09 billion changing hands from Sept. 29 to Oct. 3, data from the Philippine Stock Exchange (PSE) showed.

At the end of the trading week, Ayala Corp. closed at P490 per share, down by 1% from the previous Friday's P495 finish. The decline was a reversal compared with the 1.1% gain of the holding firms index and the 1.4% rise of the benchmark Philippine Stock Exchange index (PSEi).

Year to date, the stock has dropped by 18.2%, reflecting the holding firms index's 11.9% decline and the PSEi's 6.4% slide.

Inzaghi Rafael D. Cabacungan, research associate at China Bank Securities Corp., said in an e-mail that Ayala Corp.'s share price declined week on week, weighed down by global macro headwinds that dampened investor sentiment and by foreign fund outflows from the broader market.

"One of the macro headwinds is the continuing uncertainty around the trajectory of US Federal Reserve (US Fed) policy rate cuts, especially beyond 2025," Mr. Cabacungan said.

The US Fed's policy committee will meet next on Oct. 28 and 29, with investors expecting the Federal Open Market Committee to reduce the US Fed funds rate by a quarter of a percentage point to a range of 3.75% to 4%. This would mark the lowest level since December 2022. The US Fed cut its key rate in September for the first time since December 2022.

A Reuters report said investors withdrew large amounts of capital from US equity funds as they turned cautious about lofty valuations following the recent rally and rushed to lock in profits.

According to London Stock Exchange Group plc's Lipper data, investors pulled out \$43.19 billion from US equity funds during the week, the largest weekly outflow since mid-December 2024.

Locally, the Monetary Board is set to hold its last two meetings for the year on Oct. 9 and Dec. 11. On Aug. 28, the Bangko Sentral ng Pilipinas lowered borrowing rates by 25 basis points (bps) to 5%. It has so far reduced policy rates by a total of 150 bps under the current easing cycle.

AYALA'S HONDA EXIT

"The transitioning of dealership operations should positively affect Ayala Corp.'s bottomline as this should support the growth of the company especially with the increase in capital expenditure," Aniceto K. Pangan, trader at Diversified Securities, Inc., said in a Viber message, referring to ACMobility's exit from the Honda dealership.

In a disclosure last week, Ayala Corp.'s ACMobility announced that it will stop selling Honda vehicles starting next year as it shifts its focus to electric vehicles under China's BYD brand.

"ACMobility will begin turning over management and operations of these dealerships to new dealer principals towards the end of this year, the specifics of which will be announced by Honda Cars Philippines," the statement said. — **Lourdes O. Pilar**

FULL STORY



Read the full story by scanning the QR code or by typing the link
tinyurl.com/56njrwb5

Napocor eyes reduced diesel use under new leadership

STATE-RUN National Power Corp. (Napocor) is seeking to reduce its dependence on diesel as fuel for generation facilities that supply electricity to off-grid areas under its new leadership.

"Right now, the instruction is to decrease dependence on diesel fuel because diesel power plants are basically the majority of the Napocor generation facilities. And these generation facilities are the most expensive that we have," Napocor President and Chief Executive Officer Jericho Jonas B. Nograles told reporters last week.

Napocor is mandated to provide electricity to remote and island areas not connected to the main grid through its Small Power Utilities Group (SPUG) plants.

At present, the company operates 173 SPUG plants, mostly diesel-powered, across 163 areas.

According to Mr. Nograles, the average cost of electricity generated from diesel stands at P30 per kilowatt-hour, of which P7 is pass-through while the remaining P23 is subsidized.

"The challenge that we have is to lessen dependence on diesel power plants... We're trying to increase our renewable energy assets to decrease diesel dependence. And we are now currently overhauling the approach because the rollout is a bit slow," he said.

He said the results of the review on renewable energy expansion may be released within six months.

Meanwhile, Mr. Nograles said Napocor's "biggest challenge" is the ailing areas with huge debt to the company. "So, that's under review and finding ways to help them." — **Sheldeen Joy Talavera**

SEC FARMS yet to gain traction in agri sector

By **Alexandria Grace C. Magno**

THE Securities and Exchange Commission's (SEC) program to ease capital raising for agribusinesses could help modernize the farm sector, though adoption has remained limited since its 2023 launch, according to analysts.

"SEC FARMS (Securing & Expanding Capital for Farms & Agri-Business Related Modernization Schemes) has strong potential to mobilize retail capital for agriculture through its fast approval process, P500-million project cap, and pre-funding rules that encourage discipline," SM Investments Corp. economist Robert Dan J. Rocas said in a Viber message.

"Early use of Group B auditors also reduces compliance costs for startups, though this comes at the expense of tighter oversight in the first five years," he added.

Formalized under SEC Memorandum Circular No. 8, Series of 2023, the SEC FARMS initiative allows agribusiness companies to raise up to P500 million per project, with a 28-day review period from filing.

The SEC memorandum said the program also aims to attract investments from local and overseas Filipino investors by using fintech tools to modernize agriculture, raise productivity, improve food security, and promote sustainable growth in line with the Philippine Development Plan.

Rizal Commercial Banking Corp. Chief Economist Michael L. Ricafort said the program could further develop the capital market by providing much-needed capital to the agricultural sector.

"This would help fund further modernization, mechanization, and the adoption of the best global technologies to further boost productivity and output while also reducing costs, thereby improving the incomes of farmers and profitability of agricultural businesses," he said in a Viber message.

Mr. Ricafort added that the initiative could encourage more local and foreign private sector investors to pursue agriculture-related ventures through innovative funding sources beyond traditional bank loans.

"Investors would also be encouraged to participate in nation-building by investing more of their funds in agriculture-related investments," he said.

Under the program, the SEC eased certain auditor and financial reporting rules to lessen the compliance burden on agribusinesses while maintaining investor protection.

"For retail investors, added transparency would strengthen confidence. With these safeguards, the program can be both a catalyst for farm modernization and a credible option for small investors," Mr. Rocas said.

Mr. Ricafort also said that strengthening investor protection in agriculture would raise productivity, lower costs, ensure transparency, and provide safeguards such as



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calamity insurance and disaster management, benefiting both the agricultural sector and investors.

SLOW ADOPTION

Meanwhile, China Bank Capital Corp. Managing Director Juan Paolo E. Colet observed that the program has seen limited uptake since it was introduced in 2023.

"The framework has been in place since 2023, but it does not appear to have gained significant traction," he said in a Viber message.

"Although the program simplifies some aspects of securities registration, the process still entails a degree of sophistication, such as preparing a detailed prospectus and complying with corporate governance requirements. Given these considerations, many entrepreneurs in the agri sector might prefer to get financing from banks and other credit providers," he added.

Under the memorandum, a corporation must be specifically established for agri-based projects and register securities not exceeding P500 million per project, either through a single registration or a series of registrations. Proceeds from the sale of registered securities must not exceed 50% of the total project cost.

To qualify for SEC FARMS, companies must have secured seed money equivalent to the remaining 50% of the total project cost. If the project has already started, the company must report its completion percentage and show that available funds amount to at least half of the total project cost.

The SEC said it has been encouraging agricultural corporations to use SEC FARMS for simplified securities registration process and tap the capital market for funding.

When asked about the target number of participating companies, SEC Chairperson Francisco Ed. Lim said: "We don't have a target [number of companies] yet."

"The first thing we will do [is to encourage] takers. Since in SEC FARMS, it's been a while since we had takers," Mr. Lim said on the sidelines of the Powertrends 2025 International Business Forum on Friday last week.

Last month, the commission presented the SEC FARMS guidelines to industry players at a conference.

"Think of SEC FARMS as a new set of farming tools — lighter, sharper, and more efficient. With the right tools, your hard work will yield bigger harvests, not just for your families but for the whole nation," Mr. Lim said at the Sept. 24 conference.