

## Philippine Stock Exchange index (PSEi)

5,929.68

▼ 34.09 PTS.

▼ 0.57%

BusinessWorld

## PSEi MEMBER STOCKS

AC Ayala Corp. P468.00 +P5.20 +1.12%	ACEN ACEN Corp. P2.32 —	AEV Aboitiz Equity Ventures, Inc. P28.50 -P0.30 -1.04%	AGI Alliance Global Group, Inc. P7.30 -P0.09 -1.22%	ALI Ayala Land, Inc. P19.90 -P0.25 -1.24%	AREIT AREIT, Inc. P42.90 -P0.10 -0.23%	BDO BDO Unibank, Inc. P133.50 -P1.70 -1.26%	BPI Bank of the Philippine Islands P105.40 +P0.80 +0.76%	CBC China Banking Corp. P51.10 -P3.90 -7.09%	CNPF Century Pacific Food, Inc. P35.00 -P0.50 -1.41%
CNVRG Converge ICT Solutions, Inc. P12.76 —	DMC DMCI Holdings, Inc. P11.28 +P0.12 +1.08%	EMI Emperador, Inc. P15.98 -P0.10 -0.62%	GLO Globe Telecom, Inc. P1,477.00 —	GTCAP GT Capital Holdings, Inc. P546.50 -P8.50 -1.53%	ICT International Container Terminal Services, Inc. P530.00 -P1.50 -0.28%	JFC Jollibee Foods Corp. P216.60 -P3.00 -1.37%	JGS JG Summit Holdings, Inc. P23.95 -P0.70 -2.84%	LTG LT Group, Inc. P14.62 -P0.08 -0.54%	MBT Metropolitan Bank & Trust Co. P69.00 —
MER Manila Electric Co. P585.00 +P5.00 +0.86%	MONDE Monde Nissin Corp. P6.75 +P0.01 +0.15%	PGOLD Puregold Price Club, Inc. P38.10 -P0.70 -1.80%	PLUS DigiPlus Interactive Corp. P20.95 +P0.35 +1.70%	SCC Semirara Mining and Power Corp. P33.05 -P0.15 -0.45%	SM SM Investments Corp. P729.00 -P4.00 -0.55%	SMC San Miguel Corp. P65.00 -P0.45 -0.69%	SMPH SM Prime Holdings, Inc. P22.40 -P0.30 -1.32%	TEL PLDT Inc. P1,120.00 +P8.00 +0.72%	URC Universal Robina Corp. P73.00 —
<b>OUTLIER</b>									

# SEC eyes higher threshold for audited financial reports to ease MSME burden

THE Securities and Exchange Commission (SEC) wants to raise the asset or liability threshold for companies required to submit audited financial statements to reduce compliance costs for micro, small and medium enterprises (MSME).

In a policy paper submitted to the Department of Finance (DoF) on Oct. 28, the corporate regulator recommended that companies with total assets or liabilities of P3 million or less be allowed to file annual financial statements certified under oath by their treasurer or chief financial officer, instead of audited reports.

"We have repeatedly said that MSMEs are the backbone of the Philippine economy, which is why the SEC remains committed to implementing measures that will foster a business environment that is easier to navigate for our budding entrepreneurs," SEC



Chairman Francis Ed. Lim said in a statement on Friday.

At present, corporations with total assets or liabilities of at least P600,000 must submit audited financial statements. Those below the threshold only need certified statements.

Under the proposed rule, the SEC said it would continue to exercise its

visitorial powers to maintain oversight, assuring that the policy would not weaken supervision of entities involved in public infrastructure or other regulated sectors that typically exceed the P3-million limit.

If approved, the policy would apply to financial statements for fiscal years ending on or after Dec. 31. The SEC said

the change would streamline regulatory requirements and lower operating costs for small firms.

"Our proposed policy will not only improve the ease of doing business, but also cut unnecessary compliance requirements for micro entities, in support of the government's goal of driving inclusive economic development," Mr. Lim said.

In October, the SEC reported granting more than P80 million in fee discounts across 40,157 transactions processed under three memorandum circulars issued from July to October, with more than half of the savings benefitting MSMEs.

MSMEs, which account for more than 99% of business establishments and 63% of the workforce in the country, contribute about 40% to the Philippine economy. — **Alexandria Grace C. Magno**

## OUTLIER

### Manila Water up due to positive sector sentiment

By Lourdes O. Pilar  
Senior Researcher

MANILA Water Co., Inc. was among the most actively traded stocks last week amid optimism in the water utility sector and the company's continued network expansion.

The Ayala-led water concessionaire was the 10<sup>th</sup> most traded stock from Oct. 27 to 30, with 12.83 million shares worth P439.12 million changing hands, according to data from the Philippine Stock Exchange (PSE). The trading week ended early in observance of All Saints' Day.

Manila Water closed the week at P34.75 per share, up 5% from a week earlier. The company's stock outperformed both the industrial sector, which inched up 0.01%, and the benchmark PSE index (PSEi), which slipped 1%. Year to date, the stock has climbed 28.7%, beating the industrial index's 4.7% decline and the PSEi's 9.2% decline.

"We view Manila Water's week-on-week gain as a technical bounce from oversold levels, likely induced by selling pressure as investors rotated capital into the initial public offering (IPO) of its industry peer, Maynilad Water Services, Inc.," Unicapital Securities, Inc. Equity Research Analyst Peter Louise D. Garnace said in an e-mailed reply to questions.

He said the Maynilad IPO could serve as a "key valuation catalyst" for the sector, crystallizing Manila Water's value. "We also anticipate robust earnings from Manila Water, underpinned by higher implemented tariffs across its East Zone and non-East Zone units, which could also influence its stock price," he added.

Chinabank Securities Research Associate Andrei Jorge G. Soriano said the stock's recent strength reflected "overall positive sentiment" in the water utility sector. "Key points for consideration among investors are stable earnings prospects given the scheduled tariff adjustments and an attractive dividend payout to hedge against market volatility," he said.

Maynilad, the country's biggest private water concessionaire, opened its IPO last month at P15 per share, matching the upper end of its revised price range, according to a PSE notice. The company aims to raise P34.3 billion in gross proceeds for capital expenditures and general corporate purposes.

"Manila Water's continued network expansion is a positive catalyst as it is poised to grow its customer base, improve operational efficiency and support development in the East Zone's high-growth areas," Mr. Garnace said.

As of August, Manila Water's network spanned 5,622.22 kilometers across the East Zone and Rizal, up by 58.58 kilometers from January. The company now serves 1.2 million water connections — 1.1 million domestic and 59,414 commercial and industrial — reflecting sustained expansion in its customer base.

Manila Water's consolidated revenues grew 9.6% to P10.45 billion in the second quarter, bringing its first-half total to P20 billion, up 8.9% year on year. Net income attributable to the parent rose 15.6% to P8.28 billion from a year earlier.

Mr. Soriano expects full-year 2025 revenues to reach P40.2 billion. The stock carries a 5.3% dividend yield, with its most recent P0.17-per-share payout made on March 28.

Mr. Garnace set resistance at P36.70 per share and support at P34.50, while Mr. Soriano pegged immediate support and resistance at P33 and P37, respectively.

## Cebu Pacific adds Airbus A330neo to domestic fleet

CEBU PACIFIC, the Philippines' largest budget carrier, has expanded its wide-body fleet with the arrival of its 13<sup>th</sup> Airbus A330neo aircraft, part of efforts to boost capacity on key domestic routes.

"Being the largest A330neo operator in Asia reflects our strong commitment to enhancing connectivity across the region," CebuAir, Inc. Chief Commercial Officer Alexander G. Lao said in a statement on Sunday. "This aircraft enables us to serve more passengers while keeping costs low, which is a key part of our mission to offer affordable fares."

The 459-seater aircraft — the third of four A330neos expected to arrive this year — will begin serving Manila-Puerto Princesa flights on Nov. 2, operating four times weekly. It will also be deployed on the Manila-Bohol route starting Nov. 16, with daily operations.

The A330neo is Airbus' latest-generation widebody

jet, designed for improved fuel efficiency and compatibility with sustainable aviation fuel. All Airbus aircraft are certified to operate with up to a 50% sustainable fuel blend, aligning with Cebu Pacific's sustainability goals.

"The arrival of a widebody A330neo in Puerto Princesa is a testament to how far our regional airports have advanced in terms of readiness and operational standards," Civil Aviation Authority of the Philippines Director General Raul L. Del Rosario said in the statement.

Cebu Pacific last week said it had signed a lease agreement with Bulgaria Air for two Airbus A320neo aircraft to serve domestic routes between Manila and Cebu, Davao, Iloilo and Cagayan de Oro from December 2025 to January 2026.

The airline flies to 37 domestic and 26 international destinations across Asia, Australia and the Middle East. — **Ashley Erika O. Jose**

## Meralco sees flat energy sales this year, eyes 2026 recovery

MANILA ELECTRIC CO. (Meralco) expects flat energy sales this year as milder weather curbs demand, but anticipates a rebound in 2026 on the back of aggressive energization and normalizing temperatures.

Meralco Senior Vice-President and Chief Revenue Officer Ferdinand O. Geluz told reporters last week that full-year energy sales could range from a 0.5% contraction to a 0.8% increase.

The power distributor added 194,000 customers this year, bringing its total to 8.2 million, up 2% from a year earlier. Still, overall consumption fell compared with 2024, when extreme heat from the El Niño phenomenon boosted electricity use.

For 2026, Meralco expects energy sales to rise by about 3% or 1,700 megawatt-hours, driven by higher connections and the transition from El Niño to La Niña conditions.

"We're hopeful that as weather conditions normalize — shifting from extreme temperatures of El Niño to La Niña — we'll be able to recover some of the organic sales lost due to normalization of temperature," Mr. Geluz said. He added that the repurposing of spaces vacated by Philippine offshore gaming operators (POGO) into new offices could also support energy sales in 2026.

For the nine months ended September, Meralco's energy sales slipped 0.4% to 40,719 gigawatt-hours as prolonged rains damped residential and commercial demand. Despite

the decline, its distribution business remained the largest contributor to core net income, which climbed 14% to P40 billion.

Meralco Chairman Manuel V. Pangilinan said the company is on track to meet its P50-billion profit target this year, citing steady performance from its core distribution and power generation businesses.

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**



## VITRO seeks wider Visayas, Mindanao region footprint

VITRO, INC., the data center unit of PLDT, Inc., is expanding its footprint in the Visayas and Mindanao through a partnership with Alliance End-to-End Solutions, Inc. (AEES) to strengthen enterprise connectivity and digital infrastructure in the regions.

The partnership, signed through PLDT's corporate business unit PLDT Enterprise, brings Alliance into the VITRO Partner Network (VPN) — a group of carrier and technology partners that aims to accelerate digital transformation for businesses across the Philippines.

"Through this collaboration, VITRO and Alliance aim to accelerate innovation and deliver advanced enterprise technology and connectivity solutions, leveraging the resilience and robustness of VITRO's world-class data centers," the company said in a statement on Sunday.

Under the agreement, both companies will promote digital adoption in the Visayas and Mindanao

by providing enterprise clients with enhanced access to cloud-ready data infrastructure and connectivity solutions.

VITRO's data centers will now be integrated into Alliance's expanding information and communications technology (ICT) portfolio, allowing its customers — which rely on Alliance for IT services and software solutions — to access co-location and server hosting services at VITRO Cebu 2.

Alliance's suite of software products will also be hosted within VITRO's infrastructure to ensure business continuity and operational resilience. "Enterprises benefit from a professionally managed environment for business-critical systems, enhancing efficiency and reducing risk," VITRO said.

VITRO operates 11 data centers nationwide with a combined capacity of almost 100 megawatts (MW). VITRO Sta. Rosa, its biggest facility, has a 50-MW capacity and serves as the company's premier hyperscale-ready hub. Other VITRO sites are located in

Makati, Taguig, Pasig, Parañaque, Subic, Clark, Cebu and Davao.

The company said the Alliance partnership supports its strategy to expand outside Metro Manila and strengthen its regional presence, particularly as more enterprises pursue digitalization and cloud migration. The collaboration also aligns with PLDT's broader goal to boost the Philippines' digital competitiveness by enhancing data infrastructure nationwide.

The partnership is expected to open opportunities for enterprises in emerging regional hubs to access secure, scalable and locally hosted digital solutions — a key factor for business continuity and compliance.

Hastings Holdings, Inc., a unit of the PLDT Beneficial Trust Fund subsidiary MediaQuest Holdings, Inc., holds a majority stake in *BusinessWorld* through the Philippine Star Group, which it controls. — **Ashley Erika O. Jose**

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