

Philippine Stock Exchange index (PSEi)							6,164.53	▲ 29.47 PTS.	▲ 0.48%	MONDAY, JANUARY 5, 2026 BusinessWorld	
PSEI MEMBER STOCKS											
AC Ayala Corp. P484.60 +P11.00 +2.32%	ACEN ACEN Corp. P3.07 +P0.16 +5.50%	AEV Aboitiz Equity Ventures, Inc. P29.10 +P0.90 +3.19%	AGI Alliance Global Group, Inc. P7.96 -P0.29 -3.52%	ALI Ayala Land, Inc. P22.45 -P0.10 -0.44%	AREIT AREIT, Inc. P44.00 +P0.45 +1.03%	BDO BDO Unibank, Inc. P139.50 +P0.50 +0.36%	BPI Bank of the Philippine Islands P118.10 -P0.50 -0.42%	CBC China Banking Corp. P59.90 +P1.45 +2.48%	CNPF Century Pacific Food, Inc. P38.95 +P0.10 +0.26%		
CNVRG Converge ICT Solutions, Inc. P14.76 -P0.72 -4.65%	DMC DMCI Holdings, Inc. P10.52 -P0.16 -1.50%	EMI Emperador, Inc. P16.04 -P0.06 -0.37%	GLO Globe Telecom, Inc. P1,581.00 -P19.00 -1.19%	GTCAP GT Capital Holdings, Inc. P598.00 -P14.00 -2.29%	ICT International Container Terminal Services, Inc. P570.50 +P15.00 +2.70%	JFC Jollibee Foods Corp. P183.40 —	JGS JG Summit Holdings, Inc. P24.50 -P0.20 -0.81%	LTG LT Group, Inc. P14.84 +P0.08 +0.54%	MBT Metropolitan Bank & Trust Co. P69.85 +P0.65 +0.94%		
MER Manila Electric Co. P585.00 —	MONDE Monde Nissin Corp. P5.90 +P0.05 +0.85%	PGOLD Puregold Price Club, Inc. P39.00 +P0.60 +1.56%	PLUS DigiPlus Interactive Corp. P16.58 +P0.38 +2.35%	SCC Semirara Mining and Power Corp. P29.10 -P0.30 -1.02%	SM SM Investments Corp. P711.00 -P8.50 -1.18%	SMC San Miguel Corp. P83.40 -P1.40 -1.65%	SMPH SM Prime Holdings, Inc. P23.30 -P0.15 -0.64%	TEL PLDT Inc. P1,260.00 -P5.00 -0.40%	URC Universal Robina Corp. P70.55 +P2.95 +4.36%		

# Meralco says to kick off nuclear adoption study with USTDA in Q1

MANILA ELECTRIC CO. (Meralco) plans to begin a study with the United States Trade and Development Agency (USTDA) on the adoption of small modular reactors (SMR) within the first quarter, the company said in a disclosure to the local bourse on Monday.

“The study is expected to commence during the first quarter and is expected to be completed by the fourth quarter this year,” it said.

The power distributor is set to issue a request for proposal this month to select a contractor that will conduct the feasibility study.

Meralco earlier secured a \$2.7-million (P160 million) grant from USTDA to fund the assessment of SMR deployment in the Philippines.

The initiative forms part of Meralco’s Nuclear Energy Strategic Transition (NEST) program, under which the company has been carrying out pre-feasibility work and partnership discussions to evaluate nuclear technologies suitable for local conditions.

The study supports the Department of Energy’s (DoE) goal of incorporating at least 1,200 megawatts (MW) of nuclear



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power into the country’s energy mix by 2032 as part of efforts to diversify supply and reduce reliance on fossil fuels.

Starting in April, Meralco said it would begin identifying potential sites suitable for SMR facilities, in coordination with government agencies such as the DoE and Philippine Nuclear Research Institute. Site selection will consider technical, environmental and regulatory factors.

SMRs are designed to generate up to 300 MW each and can be built in a shorter timeframe compared with conventional large-scale nuclear power plants. Proponents say their smaller size and modular construction could allow more flexible deployment.

Aside from the technical study, Meralco said it would carry out stakeholder engagement and consultations, capability-building initiatives and support

work related to the country’s legal and regulatory frameworks governing nuclear energy.

By the fourth quarter, the company expects to produce a shortlist of potential sites for submission to the DoE and Philippine Atomic Energy Regulatory Authority, the recently established independent regulator overseeing nuclear and radiation-related activities.

“The NEST program is in its preparatory phase, thus no material impact is expected on the company’s business, operations, and financials at this juncture,” Meralco said.

Meralco is the country’s biggest private electric distribution utility, serving 39 cities and 72 municipalities. It also has interests in power generation through wholly owned units and equity stakes.

Its controlling shareholder, 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**

## Tiered IPO rules may draw more tech stocks

A PROPOSAL seeking a tiered minimum public ownership framework could encourage more technology companies to pursue an initial public offering (IPO), analysts said.

“The Securities and Exchange Commission’s (SEC) draft proposal for a tiered minimum public ownership framework marks a meaningful shift away from a one-size-fits-all IPO rule toward a more flexible, size-based approach that better reflects the realities of today’s capital market,” Toby Allan C. Arce, head of sales trading at Globalinks Securities and Stocks, Inc., said in a Viber message.

Last month, the SEC released a draft memorandum circular proposing a tiered minimum public ownership framework for companies seeking to list shares on the stock exchange.

The draft circular aims to establish varying public ownership requirements based on the size of the issuer, as well as factors such as market liquidity, investor protection, capital formation and market competitiveness.

Mr. Arce said the proposed framework aligns with the Department of Infor-

mation and Communications Technology’s (DICT) push to encourage more technology companies to list locally.

The ICT secretary has said Globe Fintech Innovations, Inc. (Mynt), the parent of GCash, and Grab Philippines have strong potential to go public. However, both firms have said an IPO is not a priority for them.

Under the draft circular, companies planning to go public will be assigned to one of five tiers based on their expected market value at listing.

Tier I companies with a market value of up to P500 million must maintain a minimum initial public float of 33%. Tier II companies valued between P500 million and P1 billion must have at least a 25% public float, with a minimum value of P165 million.

Tier III companies with market values ranging from P1 billion to P50 billion will need to maintain at least a 20% public float worth at least P250 million. Tier IV firms valued between P50 billion and P150 billion must have a minimum public float of 15%, equivalent to at least P10 billion. — **Beatriz Marie D. Cruz**



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## Long-term deals could cushion power firms amid weak spot prices

ENERGY COMPANIES are likely to pursue capacity expansion and secure long-term supply agreements to cushion the impact of an extended period of weak spot power prices, analysts said.

“We think margins will generally fare better this year as most companies are seeking to increase their portfolio mix of contracted capacity to mitigate the impact of the persistent softness in spot prices that is expected this year,” Andrei Jorge G. Soriano, a research associate at China Bank Securities Corp., said in an e-mailed reply to questions.

He said some power distribution utilities posted lower energy sales volumes in the first nine months of 2025, largely due to cooler temperatures and weather-related disruptions that dampened electricity demand.

He said energy sales of distribution firms such as Manila Electric Co. are expected to rebound as demand normalizes, while companies that already posted improved volumes, including Aboitiz Power Corp., are likely to sustain their growth trajectory.

For power generation companies, he said the addition of operating capacity last year was weighed down by subdued spot prices, lower irradiance levels that hurt solar generation output, and power failures at some facilities.

“We expect those with scheduled project completions this year... to benefit from incremental capacity,” Mr. Soriano said, noting that expansion projects could help lift volumes even in a low-price environment.

Peter Louise D. Garnace, an equity research analyst at Unicapital Securities, Inc., said the financial performance of generation companies was mixed last year, largely depending on how early companies adjusted their contracting strategies and expansion plans.

“Generation companies with larger exposure to the spot market saw margin squeeze, while those that pivoted early by entering into bilateral contracts were able to cushion the impact of weak spot prices,” he said in a Viber message. — **S.J. Talavera**



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## SEC sukuk guidelines may boost investor pool

THE SECURITIES and Exchange Commission’s (SEC) proposed revised guidelines on sukuk issuance are expected to deepen the Philippine capital market by broadening the range of investment instruments and drawing in more domestic and global investors, an analyst said.

“This would help develop the local capital markets, especially with more diversity in terms of investment instruments and tapping more investors locally and internationally,” Michael L. Ricafort, chief economist at Rizal Commercial Banking Corp., said in a Viber message.

Sukuk consists of equal-value certificates that represent undivided ownership interests in underlying assets, investments or projects structured in accordance with Shari’ah principles, which prohibit interest and emphasize asset-backed financing and risk-sharing.

In November, the SEC released the second exposure draft of its proposed sukuk guidelines, setting out a regulatory framework for issuance and disclosure in the Philippines. The draft places emphasis on Shari’ah compliance, transparency and investor protection.

Under the proposed rules, sukuk offered to the public must be registered with the SEC and may be listed, traded and settled in line with the rules of a SEC-registered exchange, fixed-income market or other organized trading platforms.

Eligible issuers include listed and nonlisted stock companies, the National Government and its agencies, local government units, government-owned and -controlled corporations and Bangko Sentral ng Pilipinas-supervised banks including Islamic banks.

Special Purpose Entities may also issue sukuk under exemptions provided by the Securities Regulation Code.

The SEC said special purpose entities must be incorporated and registered in compliance with existing regulations and may be formed separately from originators solely for sukuk issuance, asset holding on behalf of investors and adherence to international standards including Shari’ah principles.

Mr. Ricafort said the proposed framework could widen both the investor and issuer base by opening access to major markets in the Middle East, Asia and other regions

with strong demand for Shari’ah-compliant instruments.

“It would also give issuers more options to raise funds, especially through these specialized investment instruments,” he said.

The draft guidelines allow various Shari’ah-compliant sukuk structures, including sukuk ijarah, which is based on asset sale and leaseback arrangements; sukuk murabahah, involving cost-plus financing; and sukuk istisna, which is typically used to fund manufacturing or construction projects.

Other permitted structures include sukuk wakalah bil istithmar (agency-based investment), sukuk mudarabah (profit-sharing) and sukuk musharakah (joint ownership). Any additional structures would require SEC approval and full documentation to ensure compliance with Shari’ah principles.

The SEC also requires issuers to establish a Shari’ah Committee or appoint a Shari’ah adviser to certify that sukuk structures, assets and transactions comply with Shari’ah rules and to oversee ongoing monitoring and audits throughout the life of the sukuk. — **Alexandria Grace C. Magno**

## Manila Water unit expands sewer coverage in Boracay

BORACAY ISLAND Water Co., Inc. (Boracay Water), a noneast zone unit of Manila Water Co., Inc., has expanded its sewer network on Boracay Island, raising wastewater treatment capacity in the country’s top beach destination.

In a statement on Monday, Boracay Water said it has laid additional sewer lines in the village of Balabag and parts of Yapak through the Yapak Bypass Project to address rising wastewater management requirements in the area.

The expansion allowed the utility to accommodate wastewater

flows from both Yapak and Balabag, increasing the number of connected accounts to 178 as of October last year from 30 at the end of 2024.

Boracay Water also reported that 230 households have linked up to the sewer system under its free sewer connection program, part of efforts to encourage compliance with environmental regulations.

These initiatives lifted sewer coverage on the island to 67% from 61%, resulting in a higher volume of wastewater being collected and treated at the company’s sewer treatment facilities.

“By expanding our sewer network, we not only help maintain the pristine condition of Boracay for tourism but also give customers assurance that their wastewater is properly treated,” Boracay Water Acting General Manager Joanna Paz I. Intas said in the statement.

“This means cleaner surroundings, improved public health and a safer environment for residents and visitors alike,” she added.

Under the Philippine Clean Water Act and the Sanitation Code of the Philippines, properties within 100 meters of an avail-

able sewer line must connect to the system.

Boracay Water operates under Manila Water Philippine Ventures, the noneast zone unit of Manila Water, and serves as a concessionaire of the Tourism Infrastructure and Enterprise Zone Authority.

The company took over operations in 2010 and has led efforts to rehabilitate and upgrade the island’s water supply and wastewater infrastructure after years of environmental strain from rapid tourism growth. — **Sheldeen Joy Talavera**