

Philippine Stock Exchange index (PSEi)

5,953.17

▲ 40.48 PTS.

▲ 0.68%

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BusinessWorld

PSEi MEMBER STOCKS

AC Ayala Corp. P411.00 -P5.00 -1.20%	ACEN ACEN Corp. P3.10 -P0.06 -1.90%	AEV Aboitiz Equity Ventures, Inc. P31.85 -P0.10 -0.31%	ALI Ayala Land, Inc. P14.70 +P0.16 +1.10%	AREIT AREIT, Inc. P38.40 -P0.10 -0.26%	BDO BDO Unibank, Inc. P116.50 +P2.40 +2.10%	BPI Bank of the Philippine Islands P92.85 -P0.15 -0.16%	CBC China Banking Corp. P52.40 -P3.10 -5.59%	CNPF Century Pacific Food, Inc. P25.20 +P0.20 +0.80%	CNVRG Converge ICT Solutions, Inc. P10.34 -P0.16 -1.52%
DMC DMCI Holdings, Inc. P9.12 +P0.11 +1.22%	EMI Emperador, Inc. P15.22 -P0.12 -0.78%	GLO Globe Telecom, Inc. P1,688.00 -P12.00 -0.71%	GTCAP GT Capital Holdings, Inc. P475.00 -P4.60 -0.96%	ICT International Container Terminal Services, Inc. P875.00 +P45.00 +5.42%	JFC Jollibee Foods Corp. P133.00 -P1.90 -1.41%	JGS JG Summit Holdings, Inc. P26.60 -P0.15 -0.56%	LTG LT Group, Inc. P14.92 -P0.26 -1.71%	MBT Metropolitan Bank & Trust Co. P63.00 -P1.75 -2.70%	MER Manila Electric Co. P575.00 -P10.00 -1.71%
MONDE Monde Nissin Corp. P6.80 -P0.20 -2.86%	PGOLD Puregold Price Club, Inc. P46.85 +P0.90 +1.96%	PLUS DigiPlus Interactive Corp. P10.70 -P0.26 -2.37%	RCR RL Commercial REIT, Inc. P6.75 -P0.20 -2.88%	SCC Semirara Mining and Power Corp. P27.50 +P0.50 +1.85%	SM SM Investments Corp. P584.00 -P11.00 -1.85%	SMC San Miguel Corp. P67.40 -P1.25 -1.82%	SMPH SM Prime Holdings, Inc. P18.40 -P0.10 -0.54%	TEL PLDT Inc. P1,140.00 -P11.00 -0.96%	URC Universal Robina Corp. P60.70 -P0.10 -0.16%

SM Prime defers P12-B bond, awaits better terms

By Alexandria Grace C. Magno
Reporter

SM PRIME Holdings, Inc. has deferred the fourth tranche of its fixed-rate bond issuance, citing prevailing market conditions, in a move analysts described as a timing decision rather than a shift in funding strategy.

The Sy-led property developer said the planned offer would have raised as much as P12 billion, with a P6-billion oversubscription option. It covered 5.75-year Series AE bonds due in 2032 and 10-year Series AF bonds due in 2036.

"The company will provide the exchange with updates on future plans relating to the bond offer in accordance with applicable disclosure requirements," it said in a stock exchange filing on Wednesday.

The issuance forms part of SM Prime's P100-billion shelf-registered bond program. It also carries a PRS Aaa rating from Philippine Rating Services Corp., the highest possible rating, which signals minimal credit risk and strong capacity to meet financial obligations.

Analysts said the deferral reflects conditions in the debt market, particularly borrowing costs and investor demand, rather than financial pressure at the company level.

Toby Allan C. Arce, head of sales trading at Globalinks Securities and Stocks, Inc., said companies often delay issuance when pricing conditions are not optimal.

"When a company cites 'market conditions' as the reason for a postponement, it often reflects a view that prevailing yields, liquidity conditions, or investor appetite do not currently provide the

most favorable terms," he said in a Viber message.

He added that companies with strong credit profiles could afford to wait for better execution windows instead of accepting higher interest costs.

SM Prime's move is consistent with capital market behavior among large issuers managing long-term funding programs, said Luis A. Limlingan, head of sales at Regina Capital Development Corp.

"With rising borrowing costs and uncertain global interest rates, the company may have decided that postponing the issuance could provide more flexibility in securing more attractive terms," he told *BusinessWorld* via Viber.

He noted that the deferral does not indicate funding stress, as SM Prime maintains access to internal cash flows, bank financing and future capital market issuance.

"The delay likely reflects a reassessment of timing and costs rather than a shift in long-term capital plans," he added.

SM Prime reported a first-quarter net income of P11.66 billion, slightly higher than P11.65 billion a year earlier, supported by stable rental income and other recurring revenues that offset softer real estate sales.

Consolidated revenue rose 2% to P33.3 billion, while real estate sales weakened but were cushioned by growth in mall and leasing operations. Capital expenditures for the quarter reached P15.5 billion, down 9% from a year earlier.

SM Prime reported total assets of P1.1 trillion as of March, underscoring its position as one of the country's biggest listed property developers.

The company earlier said it would tighten capital spending and work more

closely with tenants and partners as it responds to a more challenging operating environment.

It cited elevated inflation and interest rates — partly driven by the war in the Middle East — that have kept financing costs higher than historical levels and are expected to remain a factor in planning through the medium term.

Despite these headwinds, SM Prime has maintained steady earnings performance, driven largely by its mall and integrated property portfolio, which continues to provide stable recurring income.

Analysts said the deferred bond tranche is likely to be revisited once market yields stabilize, especially given the company's long-term development pipeline and expansion plans across malls, residential and commercial segments.

SM Prime shares fell 0.54% to P18.40 each on the local bourse.

DoubleDragon Corporation welcomes the newly opened Mang Inasal branch at the G/F of the 606-room Hotel101-Fort.

