

Philippine Stock Exchange index (PSEi)

5,988.59

▲ 0.87 PT.

▲ 0.01%

WEDNESDAY, OCTOBER 5, 2022

PSEI MEMBER STOCKS

Table of PSEI Member Stocks including AC (Ayala Corp.), ACEN (ACEN Corp.), AEV (Aboitiz Equity Ventures, Inc.), AGI (Alliance Global Group, Inc.), ALI (Ayala Land, Inc.), AP (Aboitiz Power Corp.), BDO (BDO Unibank, Inc.), BPI (Bank of the Philippine Islands), CNVRG (Converge ICT Solutions, Inc.), EMI (Emperador, Inc.), GLO (Globe Telecom, Inc.), GTCAP (GT Capital Holdings, Inc.), ICT (International Container Terminal Services, Inc.), JFC (Jollibee Foods Corp.), JGS (JG Summit Holdings, Inc.), LTG (LT Group, Inc.), MBT (Metropolitan Bank & Trust Co.), MEG (Megaworld Corp.), MER (Manila Electric Co.), MONDE (Monde Nissin Corp.), MPI (Metro Pacific Investments Corp.), PGOLD (Puregold Price Club, Inc.), RLC (Robinsons Land Corp.), SCC (Semirara Mining and Power Corp.), SM (SM Investments Corp.), SMC (San Miguel Corp.), SMPH (SM Prime Holdings, Inc.), TEL (PLDT, Inc.), URC (Universal Robina Corp.), and WLCON (Wilcon Depot, Inc.).

SMC studies legal options after rate hike denial

SMC Global Power Corp. said it would explore other legal remedies to continue supplying power after the decision of the Energy Regulatory Commission (ERC) to deny its rate hike petition. In a press release on Wednesday, the power arm of listed conglomerate San Miguel Corp. (SMC) said it would ensure that the energy supply to Manila Electric Co. (Meralco) will not be disrupted.

ing fuel costs breached the price range contemplated during the execution of the PSAs with Meralco. In a separate release on Tuesday, Meralco said that it would comply with the ERC order and exert all available options to prevent the termination of its PSAs with SMC. In August, SMC said that its units South Premiere Power Corp. and San Miguel Energy Corp., administrators of the Ilijan and Sual power plants, respectively, had issued notices of PSA termination to Meralco. It said the termination is effective starting Oct. 4 if the temporary relief is not given. After the ERC ruling, SMC Global Power said the temporary relief would have allowed it to preserve the last remaining fixed-rate PSAs of Meralco that are keeping power rates in Metro Manila low, compared with other parts

of the Philippines, amid the volatility of global fuel prices. "We will never withhold our available power capacity to the detriment of the country and the consumers," SMC Global Power added. ERC Chairperson Monalisa C. Dimalanta said on Tuesday that the regulator denied the temporary increase because both Meralco and SMC had not exhausted all available options before filing a rate increase petition. Ms. Dimalanta added that SMC only submitted an unaudited financial statement to support its claim that its two power plants suffered losses, which the company placed at P15 billion. She said SMC should follow what is in the PSAs, which set 60 days before it can terminate the supply deal after the receipt of the ERC decision.

"They should follow the contract because the contract itself is the one that set the period, it's a fixed price financial contract," she added. SMC earlier said that the losses, of which it was trying to recover P5 billion through the rate increase, were caused by a "change in circumstance," including supply disruptions triggered by a coal export ban, Russia's war on Ukraine, and value chain issues triggered by the pandemic. Had the ERC approved the petition for temporary relief, SMC said electricity prices in Luzon would go up by only 30 centavos per kilowatt-hour over a period of six months. It previously warned that a denial of the petition might result in a 30% increase in electricity prices. On Wednesday, shares in SMC rose by P2.35 or 2.43% to close at P99 apiece. — Ashley Erika O. Jose

Table titled 'Manulife Single Pricing Investment Funds of Variable Life Insurance Contracts' with columns for Fund, Current Week, October 4, 2022, Previous Week, and September 27, 2022.

Table titled 'Manulife Dual Pricing Investment Funds of Variable Life Insurance Contracts' with columns for Fund, Current Week, October 4, 2022, Previous Week, and September 27, 2022.

Table titled 'Manulife China Bank Single Pricing Investment Funds of Variable Life Insurance Contracts' with columns for Fund, Current Week, October 4, 2022, Previous Week, and September 27, 2022.

Table titled 'Manulife China Bank Dual Pricing Investment Funds of Variable Life Insurance Contracts' with columns for Fund, Current Week, October 4, 2022, Previous Week, and September 27, 2022.

Ayala logistics firm, FLOW set to build data centers

AYALALAND Logistics Holdings Corp. (ALLHC) and FLOW Digital Infrastructure have agreed to a joint venture that aims to develop and operate carrier-neutral data centers in the country. "We see long-term strategic value in expanding ALLHC's product offering and capabilities to meet the rapidly expanding needs of the digital economy," ALLHC Chief Operating Officer Patrick C. Avila said in a disclosure on Wednesday. "We view this joint venture as a cornerstone of ALLHC's growth and we believe this partnership with FLOW will provide the distinct advantage for ALLHC to become the data center provider of choice of global hyperscalers and enterprises in the Philippines," he added. ALLHC said the expansion is a step forward to its goal of adding complementary new economy segments to its portfolio. It added that it "is the latest step in FLOW's ongoing Asia-Pacific expansion as a platform providing customized solutions to meet the region's growing demand for digital infrastructure."

FLOW Chief Executive Officer Amandine Wang said. "The Philippines is at a tipping point to embrace the growth of the digital economy where digital infrastructure plays a critical role as the foundation of the information and communications technology industry," Ms. Wang said. The agreement allocates the first data center facility in a hyperscale campus designed to provide a total information technology capacity of 36 megawatts (MW), which can expand through a modular deployment. "The initial roll-out of 6 MW is targeted to be ready-for-service by end of 2024," ALLHC said. FLOW operates in the key physical assets of the digital infrastructure ecosystem, including cloud, hyperscale, enterprise data centers, and network and fiber assets across the Asia-Pacific region. Meanwhile, ALLHC is a subsidiary of Ayala Land, Inc. that engages in leasing industrial parks, warehouses, cold storage facilities, and commercial spaces. On the stock market on Thursday, ALLHC shares added five centavos or 1.56% to P3.25 apiece. — Justine Irish D. Tabile

North Star seeks foreign investors after deferred IPO

NORTH Star Meat Merchants, Inc. is eyeing foreign and private equity investors after it deferred its initial public offering (IPO). "We have more projects in the pipeline. We have so much more to invest in. Our end goal is to provide safe, compliant, and real protein to all Filipinos," North Star Chief Executive Officer Anthony Ng said in an interview. In June, the meat retailer deferred its planned P4.5 billion IPO due to market volatility and inflationary pressures. North Star Chief Financial Officer Jed Tan said: "There are a lot of foreign, private equity interests...we are targeting foreign investors." Mr. Ng said that there is no target date for the refiling of the IPO, but that it will definitely push through in the near term. "We hope next year, but we're not rushing," he said. "In my head, it's a very providential move to defer the IPO at the time. We want to create value for our investors. We see our valuation going up," he said. Next year, the firm sees further growth but is keeping its expectations managed. "Right now, we are targeting flat sales, coming from last year, but the bottom line is that we expect to improve a lot. We're targeting flat, we're being conservative," Mr. Tan said. The meat retailer announced that it recently inaugurated its solar energy project in Guiguinto, Bulacan with WEnergy Power Pilipinas, Inc. "As we continue our push for food sufficiency in the country, we remain socially and environmentally conscious of minimizing our carbon footprint, reducing greenhouse gas emissions, and mitigating climate change," Mr. Ng said.

The firm said that the savings in electricity costs will allow it to focus on its overall operations and live out its commitment to providing an adequate supply of quality meat at affordable prices. Under the project, the company will utilize 1,846 pieces of monocrystalline solar photovoltaic (PV) panels covering 4,035 square meters. "This newly launched project is expected to reduce the cost of power consumption and increase the proportion of clean energy in their mix as it is presumed to have 15% reduction in its monthly power expenses and a 23% reduction in carbon footprint," North Star said. It added that solar facility translates into an annual savings of 501 metric tons of carbon dioxide- or CO2-equivalent, which is the yearly equivalent of more than 99 million smartphones charged, or at least 26,000 LED lights powered, and planting over 406 hectares of forests. WEnergy Global also supplied North Star's main storage system and meat-cutting plant with an 830.7-kilowatt-peak solar PV rooftop. "We hope that we are able to inspire other enterprises in the years to come into promoting green solutions as it will benefit not only the company but more so the society and the environment," Mr. Ng said. North Star, an end-to-end fresh frozen meat retailer, operates in SM Markets, WalterMart, and Alfamart across the Philippines. Its facilities have a cold storage capacity of 8.09 million kilograms and a capacity to deliver up to 120,000 kilograms of meat daily. — Luisa Maria Jacinta C. Joeson

Tax court partially grants Philex Mining's refund claim

THE Court of Tax Appeals (CTA) has granted a P9.6-million refund to Philex Mining Corp. that was part of its original refund claim worth P68.9 million representing its excess value-added tax (VAT) traced to zero-rated sales for 2017. In a 28-page ruling dated Sept. 29 and made public on Sept. 30, the CTA full court said that of its original claim, the firm could only substantiate P9.6 million through documentary evidence. "In fine, petitioner (Philex) has sufficiently proven its entitlement to the refund or issuance of a tax credit certifi-

cate in the amount of P9.6 million valid VAT attributable to valid zero-rated sales of P56.4 million less the P46.72 already refunded," according to the ruling penned by Associate Justice Erlinda P. Uy. Contrary to Philex's original claim, the CTA noted that the mining company's zero-rated sales could only amount to P56.42 million. Under the country's revenue code, zero-rated sales are transactions made by VAT-registered taxpayers that do not result in any output tax. The court noted that taxpayers are only required to present VAT invoices

to support a refund claim for VAT-registered entities. "A VAT invoice is required only for domestic purchase of goods and properties, while an import entry or other equivalent document showing actual payment of VAT on the imported goods is required for importation of goods," it said, citing the Bureau of Internal Revenue's rules. On Jan. 31, 2019, the commissioner of internal revenue (CIR) ruled that only P46.72 million of Philex's original claim would be refunded due to a lack of documentary requirements. A month after, Philex appealed the case to the CTA, seeking a refund worth

21.5 million after its claim was reduced. The tax court denied the petition due to lack of merit. "It is clear that Sections 110 and 113 of the National Internal Revenue Code of 1997, as amended, are applicable only to VAT-registered persons and not to foreign sellers who are not subject to Philippine tax laws and are not VAT-registered," said the tribunal. These provisions within the country's revenue code require taxpayers to present VAT invoices to prove creditable input tax subject to a refund. — John Victor D. Ordoñez