Philippine Stock Exchange index (PSEi) 6,469.72 ▲64.81 PTS. ▲1.01%

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PSEi MEMBER STOCKS

AC	Ayala Corp.	P610.00	-P14.00	-2.24%
ACEN	ACEN Corp.	P5.90	-P0.10	-1.67%
AEV	Aboitiz Equity Ventures, Inc.	P51.05	+P1.15	+2.30%
AGI	Alliance Global Group, Inc.	P12.44	-P0.04	-0.32%
ALI	Ayala Land, Inc.	P26.20	-P0.10	-0.38%
AP	Aboitiz Power Corp.	P36.50	——	
BDO	BDO Unibank, Inc.	P127.60	+P6.10	+5.02%
BPI	Bank of the Philippine Islands	P101.20	-P1.70	-1.65%
CNVRG	Converge ICT Solutions, Inc.	P14.00	-P0.12	-0.85%
DMC	DMCI Holdings, Inc.	P11.62	+P0.44	+3.94%
EMI	Emperador, Inc.	P20.50	-P0.60	-2.84%
GLO	Globe Telecom, Inc.	P1,740.00	+P10.00	+0.58%
GTCAP	GT Capital Holdings, Inc.	P495.00	+P3.80	+0.77%
ICT	International Container Terminal Services, Inc.	P198.00	——	
JFC	Jollibee Foods Corp.	P223.00	+P8.00	+3.72%
JGS	JG Summit Holdings, Inc.	P52.00	+P3.00	+6.12%
LTG	LT Group, Inc.	P10.00	——	
MBT	Metropolitan Bank & Trust Co.	P57.40	+P1.40	+2.5%
MER	Manila Electric Co.	P304.00	-P8.00	-2.56%
MONDE	Monde Nissin Corp.	P11.30	——	
MPI	Metro Pacific Investments Corp.	P3.70	-P0.05	-1.33%
PGOLD	Puregold Price Club, Inc.	P30.80	+P1.00	+3.36%
SCC	Semirara Mining and Power Corp.	P30.75	+P0.85	+2.84%
SM	SM Investments Corp.	P897.00	+P23.00	+2.63%
SMC	San Miguel Corp.	P107.50	-P3.50	-3.15%
SMPH	SM Prime Holdings, Inc.	P34.00	——	
TEL	PLDT Inc.	P1,310.00	+P10.00	+0.77%
UBP	Union Bank of the Philippines	P84.90	-P0.10	-0.12%
URC	Universal Robina Corp.	P142.00	+P1.20	+0.85%
WLCON	Wilcon Depot, Inc.	P26.80	-P0.25	-0.92%

SEC readies rules, lists projects for blue finance

THE Securities and Exchange Commission (SEC) has provided a list of projects that are eligible for "blue" finance, including wastewater management and offshore renewable energy, under draft guidelines that it asked would-be issuers to comment on before month's end.

In an advisory, it said the guidelines "are intended as a reference on eligible blue projects and activities which blue bonds can finance." The raised funds are meant to support the sustainability and conservation of ocean-based resources.

The SEC has enumerated six eligible activities, namely water supply; water sanitation; ocean-friendly and water-friendly products; ocean-friendly chemicals and plastic-related sectors; sustainable shipping and port logistics sectors; and fisheries, aquaculture, and seafood value chain.

Eligible blue project categories include ecosystem management and natural resources restoration of coastal, marine, and river ecosystems; sustainable fisheries management; sustainable tourism in the vicinity of marine conservation areas; wastewater management; and marine and offshore renewable energy.

Under the proposed guidelines, eligible issuers must provide the clear benefits to ocean health that their project or activities can supply.

Issuers must also contribute to the United Nations (UN) Sustainable Development Goals (SDG) no. 6 and/or 14, which they need to assess and quantify, where feasible.

UN SDG nos. 6 and 14 pertain to the goal of availability and sustainable management of water and sanitation, and the conservation and sustainability of oceans, seas, and marine resources. Eligible blue activities must contribute to the two goals.

Additionally, the commission said that the issuer must prepare a framework that clearly distinguishes the use of proceeds toward green, social, and blue activities.

According to the SEC eligible blue projects must aim to address sustainable water management and ocean protection, and must also seek to contribute to the development of the "blue economy."

Meanwhile, harmful activities such as fossil fuel power generation are ineligible for blue bond issuance, as well as projects that pose significant harm to ocean health and resources.

"Issuers are also encouraged to develop a list of additional ineligible projects and/or activities for the issuance of their blue Bonds," the SEC said.

The proposed blue bond guidelines are applied in conjunction with SEC Memorandum Circular No. 12 of 2018 or the "Guidelines for the Issuance of ASEAN Green Bonds Under the ASEAN Green Bonds Standards in the Philippines." — **Adrian H. Halili**

ERC to review SMC termination of power supply deals

THE Energy Regulatory Commission (ERC) said it is set to review the decision of SMC Global Power Holdings Corp. to terminate its two power supply deals with Manila Electric Co. (Meralco).

ERC Chairperson and Chief Executive Officer Monalisa C. Dimalanta said in a Viber message on Saturday that the agency had been informed by Meralco through SMS of its receipt of the notices of termination of the power supply agreements.

On Friday, Meralco announced that two subsidiaries of SMC Global Power — Excellent Energy Resources, Inc. (EERI) and Masinloc Power Partners Co. Ltd. (MPPCL) — had terminated their power supply agreement (PSA) with Meralco.

Ms. Dimalanta said the deal with EERI and MPPCL covered 1,200 megawatts (MW) and 600 MW, respectively. She said Meralco is set to jointly file with the companies "the appropriate pleadings with ERC by Monday for the withdrawal of the PSAs."

"ERC will then review and act on such motions, when filed, after determination of compliance with law and legal processes," she said.

In a Viber message on Friday, Meralco confirmed receipt of the notices and "[we] are currently studying our available options."

In its statement, the power distributor said the available options include the possibility of requesting the approval of the Department of Energy (DoE) to conduct another round of competitive selection process for the 1,800-MW requirement of Meralco.

The two companies under San Miguel Corp.'s (SMC) power arm are supposed to start delivering Meralco's needed capacity by 2024 and 2025. EERI proposed to supply capacity from its natural gas power plant starting in 2024 for P4.1462 per kilowatt-hour (kWh), while MPPCL offered 600 MW from its coal-fired power plant for P4.2605 per kWh by 2025.

Meanwhile, advocacy group Power for People Coalition welcomed the recent development.

"With EERI and MPPCL backing out, consumers are spared from the surely costly bills they would have been charged out of the two contracts," the group said in a statement.

"As Meralco seeks to hold a rebid, it now has a chance to ensure genuinely least-cost electricity for consumers. We advise Meralco to ensure that it uses straight energy pricing in its terms of references for the new contracts, and for DoE to mandate fixed pricing in all PSAs, or else face the outrage of consumers," it added.

Terry L. Ridon, convenor of think tank InfraWatch PH, said in a message on Saturday that while the decision of SMC Global Power to terminate the PSAs would not immediately result in higher prices, the public should expect rate changes upon rebidding.

"The public should expect rate changes upon the rebidding of the power supply gap left by the termination of the SMC power supply contract. We have yet to see whether the corresponding new contracts will result in higher prices, but the ERC should ensure the least cost based on market conditions at the time of rebidding," Ms. Ridon said. — **Ashley Erika O. Jose**

Alternergy to explore green bonds to fund RE projects

ALTERNERGY Holdings Corp. is planning to look into green bonds to fund its renewable energy (RE) projects, its top official said last week.

"One of the initiatives is green bonds. We hope to launch that in the next few months. We are aligning the timing of that in the implementation of our projects," Alternergy President Gerry P. Magbanua told reporters in a recent gathering.

Mr. Magbanua said that Alternergy is looking at green bonds of up to P2.5 billion.

"We are ready when we implement the projects and we have that source of equity to fund our participation. Ballpark [figure] we're looking at P2 [billion] to P2.5 billion for green bonds after IPO (initial public offering)," Mr. Magbanua said.

Green bond proceeds are meant to be exclusively used to finance or refinance eligible green projects that comply with regulatory standards.

The RE company is set to hold on March 24 an IPO of shares to raise up to P1.87 billion. Proceeds from the offering will fund the pre-development stage of projects in the pipeline.

Alternergy is planning to develop up to 1,370 megawatts (MW) of renewable energy sources such as onshore and offshore wind, solar, and run-of-river hydropower projects.

Mr. Magbanua said that the company is planning to develop up to 300-350 MW of renewable energy projects in the next five years.

To fund these projects, Mr. Magbanua said that Alternergy has set P20 billion worth of capital expenditures in the next five years. — **Ashley Erika O. Jose**

OUTLIER

Jollibee dips after market sell-off caused by US banking jitters

SHARES in Jollibee Food Corp. dropped last week despite reporting strong earnings, with analysts blaming investor anxiety that led to a sell-off in equity markets after the collapse of US-based Silicon Valley Bank (SVB).

Data from the Philippine Stock Exchange showed the fast-food giant ranking 11th in value turnover with P816 million worth of 3.69 million shares changing hands from March 13 to 17.

Shares in Tony Tan Caktiong's food service company closed at P223 apiece on Friday. On a weekly comparison, the stock declined by 1.4% from its P226.20 close on March 10. For the year, it fell by 3%.

"There was heightened anxiety in the market this week as investors were concerned that the closure of some US banks last Friday may lead to another global financial crisis," Jonathan J. Latuja, senior equity research analyst at Philippine National Bank, said in an e-mail.

Mr. Latuja said these concerns resulted in a sell-off in equity markets.

Aniceto K. Pangan, an equity trader at Diversified Securities, Inc., said Jollibee's stock price movement was primarily due to the "volatility in the market, attributed to the financial crisis in the US, as [SVB] resulted into a bank run."

SVB, a bank based in Santa Clara, California, collapsed on March 10. The lender specialized in providing services to venture capital-backed technology and life-science companies.

SVB reportedly took advantage of the deposits it had from start-up companies and used the money to buy long-term US Treasury bonds. When the US Federal Reserve started hiking interest rates to combat rapid inflation, depositors demanded higher returns.

Reports said the bank was forced to sell the bonds at a loss. When it revealed the losses, tech investors panicked and pulled out their money, resulting in a bank run. SVB became the largest bank failure since the 2008 global financial crisis.

Another US bank, New York-based Signature Bank, is said to have also suffered "failure" when state regulators abruptly closed it due to a similar systemic risk, news reports said.

Back home, the central bank governor said that banks in the country have no exposure to the collapse of SVB.

Luis A. Limlingan, head of sales at Regina Capital Development Corp., said that aside from the local and global sell-off, investors also reacted to Jollibee's 2022 full-year earnings result.

Jollibee reported a 26.4% growth in its attributable net income to P7.56 billion last year compared with P5.98 billion in 2021. Gross revenues increased by 38%, reaching P211.9 billion from the P153.58 billion generated the previous year.

The listed company said it "delivered another year of strong growth in challenging macroeconomic conditions."

In a press release, Jollibee Chief Executive Officer Ernesto Tanmantiong said system-wide sales and revenues for the year grew by 40.2% and 38%, respectively, "both at the high end of our 35% to 40% guidance range for the year." — **Abigail Marie P. Yraola**

FULL STORY

Read the full story by scanning the QR code or by typing the link <https://bit.ly/3n3TVXC>

Converge considers capacity swapping for subsea cable

CONVERGE ICT Solutions, Inc. is eyeing to grow its subsea cable connections through partnerships and swapping, with its intent of creating new network redundancies.

"Subsea cables are the gateways of the Philippines, so, it's not enough to build just one, you need to put in several redundancies," Converge Co-Founder and Chief Executive Officer Dennis Anthony H. Uy told reporters on the sidelines of a recent media briefing.

Mr. Uy said that Converge will try to maximize its current capacity through swapping.

"With our current capacity, if someone will build a new cable, we can swap our excess capacity in the other subsea cable so there would be redundancy," he said in a mix of English and Filipino.

According to Mr. Uy, Converge is in discussion with several companies, both from the West and Asia, that are planning to build subsea cables and for swappings.

"We are already in talks for swappings because we have a lot of capacity," he added.

"Actually, our traffic comes from America. We are not similar to China and Indonesia. So, the tendency is we will need more capacity, multiple redundancies because no one can tell what will happen to that cable," he added.

"So, the more multipath we have, the better for our network, and this is what we are trying to do," he said.

For 2023, the listed fiber internet provider allotted up to P15 billion in capital expenditure, a fourth of which will be used for investments in subsea cable and data centers. — **Justine Irish D. Tabile**

CTA affirms mining firm's P19.8-M refund claim

THE Court of Tax Appeals (CTA) has affirmed its ruling that set aside Philippine Mining Service Corp.'s excess value-added tax (VAT) worth P19.80 million traced to zero-rated sales for the third and fourth quarters of 2016.

In a 13-page decision on March 14 and made public on March 17, the CTA full court said the firm was not required to seek approval for its sales to customers registered with the Philippine Economic Zone Authority (PEZA).

The commissioner of internal revenue (CIR) argued that the firm needed to provide more evidence to support its refund claim, which the tribunal disagreed with.

"Nowhere in the National Internal Revenue Code (NIRC) of 1997, as amended, mandates that a taxpayer must obtain a prior application for zero rating for a transaction with PEZA-registered entities to be considered as zero-rated," Associate Justice Maria Belen M. Ringpis-Liban said in the ruling.

It said the CIR did not present any new arguments to persuade the court to reverse the decision granting the refund.

Under the country's tax code, companies registered with PEZA are exempted from paying national taxes and local taxes.

Zero-rated sales are transactions made by VAT-registered taxpayers that do not translate to any output tax.

The court noted that the law only requires a general registration of a taxpayer of its VAT status and does not mandate additional registrations for a taxpayer's transactions.

"According to the petitioner (CIR), the court erred," the CTA said. "And yet other than a general allegation that the disallowance was proper, petitioner failed to provide a legal basis for its action."

The firm is a subsidiary of Japan-based JFE Mineral Co., Ltd. and JFE Steel Corp. It is a major supplier of dolomite in the Philippines and other countries in Asia.

"Verily, jurisprudence is clear that Bureau of Internal Revenue regulations additionally requiring approved prior application for zero-rating cannot prevail over the clear VAT nature of transactions with PEZA-registered entities," the tax court said, citing Supreme Court jurisprudence.

"Considering all these pronouncements, we find no cogent reason to reverse or modify the assailed decisions and assailed resolution of the court's Second Division." — **John Victor D. Ordoñez**