

Philippine Stock Exchange index (PSEi)

6,481.91

▲ 33.04 PTS.

▲ 0.51%

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BusinessWorld

PSEI MEMBER STOCKS

AC Ayala Corp. P630.00 -P11.50 -1.79%	ACEN ACEN Corp. P6.06 +P0.13 +2.19%	AEV Aboitiz Equity Ventures, Inc. P51.30 -P0.20 -0.39%	AGI Alliance Global Group, Inc. P12.18 -P0.30 -2.4%	ALI Ayala Land, Inc. P26.50 +P0.05 +0.19%	AP Aboitiz Power Corp. P37.40 ---	BDO BDO Unibank, Inc. P132.00 +P1.00 +0.76%	BPI Bank of the Philippine Islands P99.30 -P1.60 -1.59%	CNVRG Converge ICT Solutions, Inc. P12.32 +P0.10 0.82%	DMC DMCI Holdings, Inc. P10.80 +P0.02 0.19%
EMI Emperador, Inc. P21.00 +P0.05 +0.24%	GLO Globe Telecom, Inc. P1,805.00 +P25.00 +1.40%	GTCAP GT Capital Holdings, Inc. P500.00 +P5.80 +1.17%	ICT International Container Terminal Services, Inc. P212.60 +P1.60 +0.76%	JFC Jollibee Foods Corp. P214.60 +P1.80 +0.85%	JGS JG Summit Holdings, Inc. P48.00 -P0.75 -1.54%	LTG LT Group, Inc. P9.94 -P0.05 -0.5%	MBT Metropolitan Bank & Trust Co. P58.45 +P0.25 +0.43%	MER Manila Electric Co. P317.40 -P1.60 -0.5%	MONDE Monde Nissin Corp. P9.35 +P0.09 +0.97%
MPI Metro Pacific Investments Corp. P3.80 -P0.06 -1.55%	PGOLD Puregold Price Club, Inc. P32.40 +P0.10 +0.31%	SCC Semirara Mining and Power Corp. P28.60 ---	SM SM Investments Corp. P904.00 +P20.00 +2.26%	SMC San Miguel Corp. P108.90 +P1.10 +1.02%	SMPH SM Prime Holdings, Inc. P33.80 +P0.95 +2.89%	TEL PLDT Inc. P1,260.00 -P20.00 -1.56%	UBP Union Bank of the Philippines P84.90 +P0.25 +0.3%	URC Universal Robina Corp. P141.90 +P0.70 +0.5%	WLCON Wilcon Depot, Inc. P28.60 -P0.40 -1.38%

LRMC expects delivery of 10 train sets this year

LIGHT RAIL Manila Corp. (LRMC) expects the 10 Generation-4 (Gen-4) train sets procured for the Light Rail Transit Line 1 (LRT-1) to be delivered within the year.

"Right now, we are waiting for ten sets of four [light rail vehicles]," LRMC President and Chief Executive Officer Juan F. Alfonso told reporters last week.

"I think about December 2023 to January 2024, the new trains will already start going in," he added.

The company said in a Viber message that 20 out of the 30 Gen-4

train sets manufactured in Spain and Mexico are already in Manila.

"They are undergoing tests and trial runs to complete the necessary minimum kilometer run before commercial operations," it added.

Each Gen-4 train set needs to complete a total of 1,000 kilometers prior to acceptance by the grantors and the eventual handover to LRMC for commercial use.

The government-procured trains are being repaired in batches of two to three at a time to address the water leak issues through Spanish railway vehicle company

Construcciones y Auxiliar de Ferrocarriles, the company said.

The passenger train sets measure 106 meters in length and are 2.59 meters wide and can accommodate over 1,300 passengers per trip. It has a maximum design speed of 70 kilometers per hour, according to LRMC.

The trains, although procured as part of the LRT-1 Cavite Extension project, will not only be used for the new line but also in existing lines, according to LRMC.

"But it doesn't mean that the trains will only be used for the

new line, or that only once LRT-1 Cavite Extension becomes operational. We can use them on the existing line as soon as ready, cleared, and possible," it added.

The company is currently constructing the 11.7-kilometer Cavite Extension of the LRT-1 line.

The project is expected to benefit 800,000 passengers daily and to cut down travel time between Baclaran and Bacoor from one hour and 10 minutes to 25 minutes.

Meanwhile, Mr. Alfonso said that its daily profit has not reached its pre-pandemic levels yet as it

currently operates between 70% to 80% of its 2019-levels.

"It is continuously increasing. But it didn't bounce back like restaurants and schools," he said.

LRMC, which operates a 20-station light rail line from Pasay to Quezon City, posted a core net loss of P472 million in 2022.

This is despite a 58% revenue increase to P1.8 billion, as additional costs were incurred due to the start of amortization of concession and borrowing costs.

LRMC is a joint venture of Ayala Corp., Metro Pacific Light

Rail Corp., and Macquarie Infrastructure Holdings (Philippines) Pte. Ltd.

Metro Pacific Investments Corp. is one of three Philippine subsidiaries of Hong Kong's First Pacific Co. Ltd., the others being PLDT, Inc. and Philex Mining Corp.

Hastings Holdings, Inc., a unit of PLDT Beneficial Trust Fund subsidiary MediaQuest Holdings, Inc., maintains interest in *BusinessWorld* through the Philippine Star Group, which it controls. — **Justine Irish D. Tabile**

AirAsia posts 99% on-time performance during Holy Week

BUDGET CARRIER AirAsia Philippines recorded a 99% on-time performance (OTP) during the Holy Week despite the influx of passengers amid the holidays, it said in a statement.

"The World's Best Low-Cost Airline recorded a high of 99% OTP during the Holy Week where the Manila International Airport also experienced an influx of departing and arriving guests," AirAsia Philippines said.

It said it achieved a 100% OTP on April 7, 11 and 12, registering the highest OTP in the whole AirAsia operations center with a 94% rating from April 1 to 9. For an airline to be considered on time, they have to arrive or take off within 15 minutes of their scheduled time.

"We know how important it is for our guests to reach their destinations safely and on time. Whether it be a business trip or a family vacation, every minute counts," AirAsia Philippines Communications and Public Affairs Head Steve F. Dailisan said in a statement.

The company said that in an internal meeting with the Air Association of the Philippines, the Civil Aeronautics Board proposed the publication of the airlines' OTP, which will be made accessible to all passengers who will be booking their flights.

"This will enable guests to carefully plan their flights and travel itinerary especially

those with connecting flights or traveling from one airport to another," AirAsia Philippines said in a Viber message.

The low-cost airline has been publishing its OTP across all its operations centers on its website.

Beginning April 15, all travelers are required to register and accomplish the E-Travel System, which replaces the paper-based documents used by inbound and outbound passengers.

The airline reminded its guests to register within 72 hours before their scheduled departure and arrival on www.etravel.gov.ph. — **J.I.D. Tabile**

Acquiro targets to create 15,000 jobs in 3-5 years

GLOBE GROUP'S Acquiro Solutions and Tech, Inc. is planning to scale up its operations as part of its goal of generating 15,000 jobs in the next three to five years.

"Our expansion efforts reflect our dedication to helping both talents and businesses adapt to the ever-changing modern workplace," Acquiro's Deputy General Manager Ged Gutierrez said in a statement.

Since its launch in January 2023, Acquiro has already supported over 1,300 talents in tech and non-tech services, while it has opened 300 new job opportunities.

Among the industries it supports are telecommunications, fintech, health, education, digital banking, and information technology, among others.

Acquiro is a spin-off from Globe's subsidiary Asticom Group of Companies' staffing solutions which offers part-time, hybrid, and gig work through its talent platform NXT. — **J.I.D. Tabile**

Court convicts officials of lending company for falsifying documents

OFFICIALS and incorporators of Dr Verma Lending Corp. have been convicted for falsifying documents that were submitted for registration with the Securities and Exchange Commission (SEC), the regulator said.

"In a decision dated April 5, the Pasay Metropolitan Trial Court Branch 47 found three officials of Dr Verma Lending Corporation guilty beyond reasonable doubt of violating Article 172 (1) of the Revised Penal Code (RPC), providing penalties for the falsification of public documents by a private individual," the SEC said in a statement on Friday.

"The SEC filed the criminal case against Dr Verma Lending after the SEC Corporate Registration and Monitoring Department (CRMD) found irregularities in the Certificate of Bank Deposit in the amount of P1 million, purportedly issued by BDO-Pasay Two Shopping Center Branch in April 2017, which the former submitted as part of the requirements for registration with the Commission," it said.

The bank certificate was made to comply with Republic Act No. 9474 or the Lending Company Regulation Act, which prescribes

a minimum paid-up capital of P1 million for lending companies.

Jelyn Orillo Borja, Uldarico Sahay, and Jessie Basarte Borja were each sentenced to imprisonment of up to two years and six months and were slapped with a P100,000 fine.

"As [Jelyn Borja, Uldarico Sahay, and Jessie Borja] knowing fully well that the bank certificate is a requirement and that their corporation does not have the money to put up the same, their reliance on fixers to procure such certification necessarily negates their excuse or purported lack of knowledge over the falsification of the same, thereby making them liable for the act," the SEC quoted the court decision as saying.

The commission said this marks the second conviction the regulator has secured against illegal lenders for falsifying public documents.

"The SEC remains vigilant over the registration and operations of lending and financing companies, as part of the government-initiated crackdown against illegal lenders engaged in a '5-6' scheme and other usurious practices since 2016," the regulator said. — **AHH**

CTA affirms denial of Halliburton Worldwide's refund

THE Court of Tax Appeals has affirmed its ruling that granted part of Halliburton Worldwide Ltd.'s refund claim worth P55,610.23 representing its excess value-added tax for the calendar year 2015.

In a 15-page decision on April 4 and made public on April 13, the tribunal said the firm failed to establish that the initial P11.26 million claim qualified for 0% value-added tax (VAT).

Halliburton Worldwide did not submit Board of Investments (BoI) certificates of registration of its clients to show that it was entitled to tax incentives.

"In fine, while petitioner may not be faulted in its non-presentation

of the pertinent Department of Energy (DoE) certificate of endorsement of EDC and MGI, its claim of VAT zero-rating on its sales to Energy Development Corp. (EDC) and Maibarara Geothermal, Inc., (MGI) must be denied for failure to present their Board of Investments certificates of registration (BoI-COR) during the periods covered by its refund claim," Associate Justice Marian Ivy F. Reyes-Fajardo said.

It argued that its VAT sales in the total amount of P11.26 million to registered renewable energy developers and export sales to nonresident clients qualified for zero-rated sales for 2015.

The court only agreed with the firm's argument that a Department of Energy certificate of endorsement is only crucial when an entity seeks duty-free importation of renewable energy machinery and other equipment.

The petitioner is engaged in oil field services and the development of equipment and technology related to the oil and gas industries. It is the Philippine branch office of the Cayman Islands-based firm.

Under the country's law on renewable energy developers, a VAT-registered entity's sales to

renewable energy developers are subject to 0% VAT, which does not translate to output tax.

"Otherwise stated, there is no showing that EDC and MGI were both registered with the Bureau of Investments and were issued DoE certificates of endorsement," Associate Justice Jean Marie A. Bacorro-Villena said in a separate concurring opinion.

"Clearly from the foregoing, the subject sales of services to EDC and MGI failed to qualify for VAT zero-rating because petitioner failed to present in evidence EDC's and MGI's BoI-COR." — **John Victor D. Ordoñez**

OUTLIER

Century Pacific Food's shares decline due to inflation woes

CENTURY PACIFIC Food, Inc.'s stocks continued to decline last week as investor confidence soured amid elevated inflation, analysts said.

Data from the Philippine Stock Exchange (PSE) showed a total of 17.75 million shares worth P435.68 million were traded from April 11 to 14.

Century Pacific Food shares closed at P24.15 apiece on Friday, down by 1.4% from the P24.50 closing price last April 5. For the year, the stock has fallen by 17.4%.

The company released its full-year earnings in 2022 on April 4, with its net income going up by 6% to P5 billion from P4.22 billion in 2021.

Century Pacific Food also reported that its consolidated revenues reached P62.2 billion.

Analysts attributed the company's positive revenues to the performance of its Branded business sector, which grew by 16% on the back to consumers choosing alternative products due to elevated inflation.

Globalinks Securities and Stocks, Inc. Head of Electronic Trading Mark Crismon V. Santarina noted in a Viber message that the company's Original Equipment Manufacturer (OEM) also grew by 4%.

He said that while the market's volume "remained thin," he said that there was significant foreign buying activity for Century Pacific Food last week.

RCBC Securities, Inc. Equity Research Analyst Brenda A. Gannaban said in an e-mail note that she believes Century Pacific Food can weather both good and challenging market conditions because they "offer value and premium products overall/essential food items."

"Although revenues grew 14% [year on year], it translated to a modest net income growth of 6% due to margin erosion on higher raw materials cost, and increased innovation and A&P (advertising and promotional) spend," she added.

Despite the increase in its earnings last year, the price of Century Pacific Food's stock has gone down, and analysts said the stock was affected by challenging economic conditions and high inflation.

"The decline in CNPF's stock price from its last year's closing price of P29.25 could be attributed to several factors. One of the main reasons could be the overall market conditions, including a bearish sentiment or economic uncertainty, leading investors to sell off their CNPF holdings," Globalinks Securities and Stocks' Mr.

Santarina said, referring to Century Pacific Food's ticker symbol CNPF.

RCBC Securities' Ms. Gannaban said most stocks traded downwards due to a bearish market, and Century Pacific Food still has trading investors because of its "high growth prospects from internally-generated innovations and other acquisitions, and high brand equity."

Philippine headline inflation eased to 7.6% from 8.6% in February, still above the Bangko Sentral ng Pilipinas' (BSP) target of 2-4% and 6% forecast for the year. In 2022, headline inflation averaged at 5.8%, beyond the BSP's 2-4% goal.

Ms. Gannaban expects Century Pacific Food's net income to post a high single-digit growth.

She said with the company's high input costs last year seen to keep its income "depressed" in the first quarter, she expects recovery from the second quarter onwards.

Meanwhile, Mr. Santarina expects Century Pacific Food to have posted a net income of P1.2 billion in the first quarter, with his full-year forecast at P5.61 billion.

"To achieve its targets, CNPF should focus on its core business and work towards establishing its market dominance," he said.

Inflation will continue to put pressure on Century Pacific Food's earnings this year as higher borrowing costs and weaker consumer demand will affect the food, beverage, and tobacco industry, both analysts said.

"I believe investors would expect better cost controls or margin recuperation moving forward. There probably are some expectations for the recovery of the OEM Export segment, the impact of recent acquisitions like the integration of Ligo in its operations, and the growth trajectory of the promising emerging and new products like milk and pet food," Ms. Gannaban said.

She placed the stock's support and resistance levels at P24.20 and P24.80, respectively.

For his part, Mr. Santarina put Century Pacific Food's support and resistance levels at P22.85 and 25.85, respectively.

"CNPF's recent acquisition of Ligo and expansion of its coconut OEM facility last year are positive developments for the company, indicating a commitment to growth and strengthening its core businesses. As a result, the company may be well-positioned to maintain its momentum this year," he added. — **B.T.M. Gadon**