

Philippine Stock Exchange index (PSEi)

6,126.34 ▼ 82.06 PTS. ▼ 1.32%

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PSEi MEMBER STOCKS

AC Ayala Corp. P619.50 -P7.50 -1.2%	ACEN ACEN Corp. P4.99 +P0.29 +6.17%	AEV Aboitiz Equity Ventures, Inc. P47.25 -P1.45 -2.98%	AGI Alliance Global Group, Inc. P12.54 -P0.14 -1.1%	ALI Ayala Land, Inc. P27.15 -P0.70 -2.51%	AP Aboitiz Power Corp. P31.60 -P1.60 -4.82%	BDO BDO Unibank, Inc. P129.00 -P0.60 -0.46%	BPI Bank of the Philippine Islands P110.00 +P0.40 +0.36%	CNVRG Converge ICT Solutions, Inc. P9.00 -P0.05 -0.55%	DMC DMCI Holdings, Inc. P10.42 +P0.06 +0.58%
EMI Emperador, Inc. P20.85 ---	GLO Globe Telecom, Inc. P1,752.00 -P43.00 -2.4%	GTCAP GT Capital Holdings, Inc. P593.00 -P6.00 -1%	ICT International Container Terminal Services, Inc. P205.00 -P5.00 -2.38%	JFC Jollibee Foods Corp. P228.20 -P4.20 -1.81%	JGS JG Summit Holdings, Inc. P37.30 -P1.10 -2.86%	LTG LT Group, Inc. P9.00 +P0.02 +0.22%	MBT Metropolitan Bank & Trust Co. P53.10 -P1.35 -2.48%	MER Manila Electric Co. P365.00 +P6.40 +1.78%	MONDE Monde Nissin Corp. P8.30 -P0.10 -1.19%
MPI Metro Pacific Investments Corp. P5.10 -P0.05 -0.97%	PGOLD Puregold Price Club, Inc. P29.00 -P0.50 -1.69%	SCC Semirara Mining and Power Corp. P34.50 +P0.10 +0.29%	SM SM Investments Corp. P803.00 -P9.00 -1.11%	SMC San Miguel Corp. P104.10 -P0.90 -0.86%	SMPH SM Prime Holdings, Inc. P29.40 -P0.80 -2.65%	TEL PLDT Inc. P1,129.00 -P31.00 -2.67%	UBP Union Bank of the Philippines P69.00 ---	URC Universal Robina Corp. P115.70 -P3.20 -2.69%	WLCON Wilcon Depot, Inc. P22.00 +P0.50 +2.33%

SEC warns versus three entities' investment plans

THE Securities and Exchange Commission (SEC) has warned the public against investing in three entities as they are unauthorized to solicit investments. In three separate advisories, the SEC said that Wealth Wise International Co./The Wealthwise International Management OPC; CCO Media/CCO Media Philippines/Clear Channel Outdoor Asia Corp.; and ALAO/ALAO Investment Platform do not have the necessary license nor authority to solicit, accept, or take investments from the public. According to the SEC, Wealth Wise International is allegedly

offering investment schemes to the public with a minimal amount of P500 to a maximum of P384,000. It has three compensation plans where investors are said to earn up to 15% for 15 days under the "quick" plan, 40% for 14 days under the "smart" plan, and 100% in 28 days under the "wise" plan. The corporate regulator added that Wealth Wise International investors are promised to earn a 10% direct referral bonus and a uni-level bonus equivalent to 1% to 10%. The SEC said the plans have the characteristics of a Ponzi

scheme, where money from new investors is used in paying fake profits to prior investors. It said the scheme is "designed mainly to favor its top recruiters and prior risk takers and is detrimental to subsequent members in case of scarcity of new investors." For CCO Media/CCO Media Philippines/Clear Channel Outdoor Asia Corp., the offerings are investment products via online platforms, the SEC said. The SEC said the alleged investment scam activities involve the use of the CCO Media

Philippines App by offering investment products called original equity funds ranging from P200 to P1 million in exchange for daily returns from 3% up to 50%, depending on the level of investment. It said US-based outdoor advertising company Clear Channel United States had claimed that CCO Media Philippines/Clear Channel Outdoor Asia Corp. had misappropriated its name, trademark, and intellectual property rights without its authority. "Based on verification conducted, the fraudulent "Clear

Channel Outdoor Asia Corp.," is not in any way related to, affiliated or connected with the prominent American outdoor advertising company, Clear Channel Outdoor Holdings, Inc./Clear Channel Outdoor and its affiliates," the SEC said. Meanwhile, the SEC said that ALAO/ALAO Investment Platform is allegedly enticing the public to invest in their projects. The minimum investment is P100 under its basic plan and up to P100,000 for its master plan. The entity also promises that the investor could earn 2% for five days and 5% for 30 days de-

pending on the project, as well as secure a P6,000 monetary reward for being a senior partner investor that also recruits two new investors as senior partners. "ALAO/ALAO Investment Platform is not registered as a corporation or partnership and operates without the necessary license and/or authority to solicit, accept or take investments/placements from the public nor to issue investment contracts and other forms of securities defined under Section 3 of the Securities Regulation Code (SRC)," the SEC said. — **Revin Mikhael D. Ochave**

OUTLIER

Converge rises after regulatory nod on expanded Wi-Fi services

INVESTORS snapped up shares in Converge ICT Solutions, Inc. last week after the Department of Information and Communications Technology (DICT) greenlit the internet provider's expansion of free Wi-Fi services in Northern Luzon. According to Philippine Stock Exchange data, a total of 45.65 million Converge shares worth P397.23 million were exchanged on the market from Sept. 11 to 15, making it the 19th most actively traded stock last week. The Dennis Anthony H. Uyled internet provider closed at P9 last Friday, up by 9.2% from P8.24 per share on Sept. 8. Year to date, the price has dropped by 43.3%. Toby Allan C. Arce, head of sales trading at Globalinks Securities and Stocks, Inc., said news on Converge's partnership with the DICT boosted the company's shares last week. "The partnership with the DICT is a significant development for Converge, as it will expand the company's reach to a new and growing market," Mr. Arce said via e-mail on Friday. The DICT, under its program "Free Wi-Fi for All," has allowed Converge to expand its coverage to the provinces of Ilocos Sur, La Union, and the second district of Ilocos Norte. The program has opened more than 4,000 public Wi-Fi stations in 75 provinces across 17 regions in the country. Meanwhile, Adrian Alexander N. Yu, an analyst at COL Financial Group, Inc., said the significant pickup in Converge's share price could be traced to "bottom fishing." Bottom fishing is a short-term price action where the investor buys a stock that has seen a sharp fall in prices over a short period of time, with or without any big fundamental change in a company's prospects. "[Converge] is already down 43% year to date and is

prime for a rally once the selling pressure eases. Note that foreigners have already sold [about] P2 billion since January," Mr. Yu said in an e-mail interview. He added that fundamentally, Converge is already attractive from a valuation perspective. "[Converge] is trading at just 3.5x forward EV/EBITDA (enterprise value to earnings before interest, taxes, depreciation, and amortization ratio), much cheaper than Globe Telecom, Inc. (6.2x) and PLDT Inc. (4.7x). Moreover, from a technical perspective, the stock is prone for a mean reversion rally to its next resistances," Mr. Yu said. In the second quarter, Converge's consolidated revenues inched up by 4.9% to P8.72 billion from P8.31 billion in the same period last year. Its profit attributable to owners of the parent company rose by 6.6% to P2.11 billion in the second quarter from P1.98 billion a year ago. In the first semester, its revenues increased by 8.2% to P17.36 billion from P16.05 billion previously, boosting its attributable net income by 8.4% to P4.28 billion from P3.95 billion in the first half of last year. If positive results from prospects are achieved, Converge's full-year revenues are estimated to grow by 9.1% to P36.7 billion, said Mr. Arce. For Mr. Yu, the company this year could see revenues grow by 8.1% to P36.4 billion and its net income by 12.2% to P8 billion. "Converge stock support is valued at P8.2 and resistance at P10.2," he added. "We believe that investor sentiment in the stock will pick up as the interest in the overall market picks up," Mr. Yu said. Mr. Arce placed Converge's support level this week at P8.10 to P7.93 and its resistance at P9 to P9.50. — **A.C. Abestano**

Smart wants coordinated response versus scams

SMART Communications, Inc. called for an investigation into the misuse of devices as well as a more coordinated response among stakeholders to address online and text scams. In a statement over the weekend, Smart Vice-President and Regulatory Affairs Head Roy D. Ibay said that rather than setting a limit to the production or importation of subscriber identity module (SIM) cards, a probe should concentrate on the misuse of devices such as tablets, smartwatches, and electric vehicles. According to Smart, SIM cards are largely imported and are used in the said devices aside from mobile phones. "We need to dive deeper into how criminals operate and bring to light the entire cyber scam ecosystem. Instead of obsessing over or focusing on certain parts, all stakeholders

should work together on a holistic solution," Mr. Ibay said. Smart is the wireless arm of listed telecommunications company PLDT Inc. Previously, the Department of Information and Communications Technology said that to address text scams, it was considering a limit to the number of SIM cards that a prepaid subscriber could register. The government is eyeing to limit the number of registered SIM cards to 10 per subscriber. Meanwhile, Smart said it had blocked more than 24,000 mobile numbers involved in phishing, SMSing, and vishing activities a month after the July 25 deadline for SIM registration. The telco company also prevented more than six million fraudulent messages from reaching customers in August.

The number of registered SIM cards totaled 118.91 million as of Sept. 3, based on data from the National Telecommunications Commission. Hastings Holdings, Inc., a unit of PLDT Beneficial Trust Fund subsidiary MediaQuest Holdings, Inc., has a majority stake in *BusinessWorld* through the Philippine Star Group, which it controls. — **Revin Mikhael D. Ochave**



RAY RASMO-IBAY/GETTY IMAGES

Cargill's C-Joy expects boost from holiday demand

POULTRY grower Cargill-Joy Poultry Meats Production, Inc. (C-Joy) is banking on increased customer demand during the holiday season to boost its overall performance and sustain its growth. Mija Darlene Cachapero, C-Joy country director, said in an interview last week that the company is expecting high demand as the holiday season approaches and with the country's return to normalcy after the pandemic. "The demand remains to be high, especially since the Philippines has returned to normal," Ms. Cachapero said. "We are going to the peak season of the food industry, so we will be very busy for the next four months as we try to maximize our capacity," she added.

C-Joy, a joint venture between Cargill Philippines, Inc. and listed food giant Jollibee Foods Corp. (JFC), operates a processing plant in Sto. Tomas, Batangas. The plant produces raw and marinated chicken products for JFC brands such as Jollibee, Chowking, and Mang Inasal. The processing plant currently has an annual capacity of 50 million birds, which is expected to increase gradually in the next two to three years. In the first half, Ms. Cachapero described C-Joy's performance as "very stable" and "on target." She added that C-Joy had been optimizing its operations to improve its bottom line. "We also optimize our operations to try and make it as efficient as possible. That will also give us a better bottom line," she said.

Meanwhile, Ms. Cachapero said one of the challenges that could affect the company's performance is inflation. "Inflation has been something that we try to mitigate. It is not just felt by C-Joy, but the entire food industry. It will always be a challenge," Ms. Cachapero said. Preliminary government data showed that the country's inflation rate rose to 5.3% in August from 4.7% in July amid higher prices of rice, vegetables, and fuel. Ms. Cachapero said that another challenge for C-Joy is the supply of local talent, adding that some are now opting to work in other countries such as Canada, Bulgaria, and the Czech Republic. "Our talent pool has also been at risk because our skilled workers are being given opportunities to work abroad," she said. "This

is for the industry as a whole, not just Cargill." "There is a glut of skilled workers abroad and they are trying to attract Filipinos. We continue to navigate that aspect of our business right now," she added. Ms. Cachapero said that Cargill had made efforts to keep and engage local talent in response to the rising number of workers opting to work in other countries. "We just have to make sure that the ones who are willing to stay [in the Philippines] will be taken care of and we give the best engagement program for them," she said. Cargill Philippines is the local unit of American food company Cargill, which is engaged in areas such as agriculture, animal nutrition, bio-industrials, starches and sweeteners, and texturizers and emulsifiers. — **Revin Mikhael D. Ochave**

Tax court denies OceanaGold's P407-M refund claim

THE Court of Tax Appeals (CTA) has denied OceanaGold Philippines, Inc.'s tax refund claim in the total amount of P407.37 million allegedly representing its wrongly paid excise taxes for the period July to December 2016. In a decision dated Sept. 8, the tribunal said the mining firm failed to present documents proving the taxes were illegally imposed and diminished its operating expenses in connection with a financial technical assistance agreement (FTAA) it had with the state.

"Petitioner (OceanaGold) failed to present evidence that its payment of excise taxes had had an adverse effect on its financial position and/or performance as it did not also offer in evidence its audited financial statements during the subject period," Associate Justice Jean Marie A. Bacorro-Villena said in the ruling. Under the Philippine Mining Act of 1995, the government can only start collecting its share in the financial agreement after the FTAA mining contractor has

fully recovered its pre-operating, exploration, and development expenses. The tribunal cited a report from an independent accountant, which did not mention any "detrimental" effect on the firm's operating expenses due to the tax payments. The petitioner is a Canadian-Australian multinational gold producer that has a regional office in Makati City. Last year, the CTA declined a separate OceanaGold appeal

seeking to refund its alleged erroneously paid taxes worth P136.4 million based on the same conclusion. Taxes collected during an FTAA contractor's recovery period can only be deducted if it is proven to be recoverable by the company, it noted. "As it is, the records of these such cases do not yield any evidence showing that such excise tax payments resulted in losses (to petitioner)," the court said. — **John Victor D. Ordoñez**