

Philippine Stock Exchange index (PSEi)

6,529.43

▲ 36.68 PTS.

▲ 0.56%

MONDAY, JULY 8, 2024
BusinessWorld

PSEI MEMBER STOCKS

AC Ayala Corp. P568.00 —	ACEN ACEN Corp. P4.81 -P0.05 -1.03%	AEV Aboitiz Equity Ventures, Inc. P37.00 —	AGI Alliance Global Group, Inc. P8.55 -P0.03 -0.35%	ALI Ayala Land, Inc. P29.20 -P0.05 -0.17%	BDO BDO Unibank, Inc. P145.00 +P6.20 +4.47%	BLOOM Blosserry Resorts Corp. P9.64 -P0.06 -0.62%	BPI Bank of the Philippine Islands P122.50 +P3.50 +2.94%	CNPF Century Pacific Food, Inc. P32.50 —	CNVRG Converge ICT Solutions, Inc. P11.12 -P0.06 -0.54%
DMC DMCI Holdings, Inc. P11.02 +P0.02 +0.18%	EMI Emperador, Inc. P18.46 +P0.02 +0.11%	GLO Globe Telecom, Inc. P2,082.00 -P28.00 -1.33%	GTCAP GT Capital Holdings, Inc. P604.00 +P12.00 +2.03%	ICT International Container Terminal Services, Inc. P355.00 -P5.00 -1.39%	JFC Jollibee Foods Corp. P233.00 -P1.00 -0.43%	JGS JG Summit Holdings, Inc. P26.15 +P0.45 +1.75%	LTG LT Group, Inc. P9.20 -P0.10 -1.08%	MBT Metropolitan Bank & Trust Co. P65.10 +P0.10 +0.15%	MER Manila Electric Co. P380.40 +P6.40 +1.71%
MONDE Monde Nissin Corp. P9.80 -P0.08 -0.81%	NIKL Nickel Asia Corp. P3.66 +P0.01 +0.27%	PGOLD Puregold Price Club, Inc. P24.85 +P0.10 +0.4%	SCC Semirara Mining and Power Corp. P33.35 -P0.05 -0.15%	SM SM Investments Corp. P845.00 -P5.00 -0.59%	SMC San Miguel Corp. P99.50 -P0.50 -0.5%	SMPH SM Prime Holdings, Inc. P28.50 -P0.15 -0.52%	TEL PLDT Inc. P1,504.00 +P34.00 +2.31%	URC Universal Robina Corp. P111.90 +P2.90 +2.66%	WLCON Wilcon Depot, Inc. P18.10 -P0.14 -0.77%

DoubleDragon concludes P10-B bond offering ahead of schedule

By Sheldeen Joy Talavera
Reporter

LISTED property developer DoubleDragon Corp. (DD) on Monday said its retail bond offering, aimed at raising up to P10 billion, achieved full subscription five days ahead of schedule.

DoubleDragon is planning to launch another tranche, which will be facilitated “very soon,” the company said in a statement to the stock exchange.

The retail bond offering concluded on July 5, ahead of its original end date of July 10, due to oversubscription.

“We seek the understanding of the investing public for cutting short the DD retail bond offer period due to oversubscription way ahead,” the company said.

The retail bond offering represents the initial segment of DoubleDragon’s shelf-registered debt securities program, totaling up to P10 billion. It includes a base amount of up to P3 billion, with an oversubscription option of up to P3 billion.

“DoubleDragon has not issued any peso retail bond for over five years, and DD is extremely grateful to the unwavering support of the investing public on its return to the retail bond market,” the company said.

DoubleDragon engaged RBCB Capital Corp., Unicapital, Inc., and the Development Bank of the Philippines (DBP) as joint lead underwriters, joint issue



BW FILE PHOTO

managers, and bookrunners for the issuance.

Juan Paolo E. Colet, managing director at Chinabank Capital Corp., said that there is a rising interest among fixed-income investors to secure high interest rates amid expectations of monetary easing.

“The strong demand also reflects investors’ confidence in DoubleDragon’s prospects and, more broadly, the property sector. It likewise helped that the DoubleDragon bonds received

the highest credit rating from PhilRatings, thereby reassuring investors of the issuer’s ability to meet its payment obligations,” he said in a Viber message.

“The next issuance may mirror the terms of the current issuance to make it equally appealing, although there is a chance the coupon might be lower since the relevant benchmark rates are starting to decline,” he added.

Seedbox Securities, Inc. Equity Sales Trader Moses Frando warned investors to consider key

risks such as economic fluctuations impacting financing, uncertainties in DoubleDragon’s expansion projects like CityMalls and CentralHub, and leasing risks such as tenant issues and regulatory changes.

“Evaluating these risks carefully is crucial before investing in DoubleDragon’s bonds,” Mr. Frando said in a social media message.

At the local bourse on Monday, shares in the company went up by 1.18% to close at P12.04 apiece.

PAL entitled to P27-million tax credit certificate — CTA

THE COURT of Tax Appeals (CTA) has ordered the Bureau of Internal Revenue to refund or issue a tax credit certificate to Philippine Airlines, Inc. (PAL), amounting to over P27 million, representing the airlines’ erroneously paid excise tax on its wine and liquor importations for its international flights.

In its decision penned by Associate Justice Corazon G. Ferrer-Flores and released on June 27, the CTA’s Second Division ruled that PAL incorrectly paid excise taxes totaling P27,275,640.48, which is refundable under the National Internal Revenue Code of 1997.

The tribunal said that PAL’s exemption from excise taxes on alcohol and tobacco imports for its transport operations, granted under Presidential Decree No. 1590, remains valid and was not repealed by RA No. 9334.

“[PAL] remains exempt from taxes, duties, royalties, registrations, licenses, and other fees and charges,

provided it pays corporate income tax as granted in its franchise agreement; the payment of which shall be in lieu of all other taxes, except VAT, and subject to certain conditions provided in its charter,” it said.

The CTA acknowledged PAL’s compliance with two of the three conditions for excise tax exemption: payment of corporate income tax and importation of supplies for transport operations and related activities.

However, PAL failed to substantiate the third condition regarding the non-availability of locally sourced tobacco products at reasonable quantity, quality, or price.

“Petitioner failed to submit, at the very least, price lists of tobacco products which indicate the local market prices of the said products,” the decision said, explaining why PAL was only eligible for a P27-million refund.

PAL initially sought a P43,667,566.35 refund. — **Chloe Mari A. Hufana**

Meralco expects generation charge increase for July

MANILA Electric Co. (Meralco) is anticipating an increase in the generation charge this month as it begins to collect the previously deferred estimated payment of P0.77 per kilowatt-hour (kWh).

“We may expect strong pressures for the generation charge to increase this July,” Meralco Vice-President and Head of Utility Economics Lawrence S. Fernandez said in a statement on Monday.

This follows a reduction in June due to an Energy Regulatory Commission (ERC) directive, with charges from the Wholesale Electricity Spot Market (WESM) expected to normalize.

In June, Meralco reduced its rate to P9.4516 per kWh from P11.4139 per kWh in May, reversing an earlier announced hike.

The generation charge decreased by P1.8308 per kWh, contrary to the previously announced increase of P0.3466 per kWh.

Previously, the ERC mandated distribution utilities to stagger the collection of charges related to WESM purchases over a four-month period starting from June to September.

Meralco, along with Quezon Power (Philippines) Ltd., San Buenaventura Power Ltd. Co., and South Premiere Power Corp., deferred the collection of P500 million in generation costs last month to mitigate the impact of higher pass-through charges.

This deferred amount will be recovered from customers over the July-to-September billing cycle.

In addition to the normalization of WESM charges, there will be an impact from the

amortization of deferred charges, estimated at 77 centavos per kWh, Mr. Fernandez said.

He noted that WESM charges were affected by red alerts on the Luzon grid early in the June supply month, but expects this impact to be mitigated by reduced demand during the rainy season.

In June, the average WESM price system-wide declined by 25.2% to P6.15 per kWh due to decreased demand, according to the Independent Electricity Market Operator of the Philippines.

Meralco’s majority owner, Beacon Electric Asset Holdings, Inc., is partly owned by PLDT Inc. Hastings Holdings, Inc., a unit of PLDT Beneficial Trust Fund subsidiary MediaQuest Holdings, Inc., has an interest in *BusinessWorld* through the Philippine Star Group, which it controls. — **Sheldeen Joy Talavera**

RLC eyeing to launch two projects in second half

GOKONGWEI-LED property developer Robinsons Land Corp. (RLC) will likely launch at least two new residential projects in the second half of the year, a company official said on Monday.

“We’ll probably launch one to three projects for the rest of the year, depending on the location,” said RLC Senior Vice-President and RLC Residences General Manager John Richard B. Sotelo on the sidelines of the Economic Journalists Association of the

Philippines-San Miguel Corp. Economic Forum 2024.

Mr. Sotelo said the company is considering launching two to three towers in Cainta, Rizal as it has already launched four towers.

“So we’re thinking of launching maybe two to three more because demand has been very good. If we launch another one after that, we’ll see. Depends on how the market goes,” he said.

Mr. Sotelo said the company is considering launching two to

three towers in Cainta, Rizal, having already launched four towers.

“Demand has been very good. If we launch another one after that, we’ll see. It depends on how the market goes,” he added.

He also said that RLC is optimistic about the prospects of the residential market following its sales performance of approximately P21 billion worth of projects launched in the past four months.

“We just launched the second tower of Le Pont last July 4...

If you combine that with Mira, which we launched in April, we’ve already launched roughly P21 billion worth of inventory in the past four months,” Mr. Sotelo said.

“The market response has been good, which honestly, we expected to be good but not this good. Because, whatever you say, it’s still a high-interest-rate environment, and inflation is still a bit high, but the response has been quite good,” he added. — **Sheldeen Joy Talavera**



PPA

PPA seeks bidders for P495.41-million Port of Balbagon project

THE PHILIPPINE PORTS Authority (PPA) said it is inviting bidders for the development of the P495.41-million Port of Balbagon, Camiguin cruise ship port.

Interested parties may participate and bid for the construction of the Port of Balbagon, Mambajao, Camiguin cruise ship port by the end of month, PPA said.

The invitation to bid, available on the PPA website, states that any bids exceeding the approved contract amount will be rejected during the bid opening.

Eligibility is limited to bidders with prior experience in similar projects.

The selected contractor will have 720 days, or nearly two years, to complete the project.

PPA has scheduled a pre-bid conference for the project on July 16, with the bid opening slated for July 31.

Last month, PPA awarded a contract worth P743.98 million to Iloilo-based construction firm IBC International Builders Corp. for the construction of the Port of Alegria in Buruanga, Aklan.

PPA previously announced plans to enhance its port facilities, including the development of dedicated ports to bolster cruise tourism.

According to information on PPA’s website, the Ports of Currimao in Ilocos Norte, Salomague in Ilocos Sur, Manila, Bohol, and El Nido in Palawan are currently equipped to accommodate cruise vessels. — **Ashley Erika O. Jose**