

STOCK MARKET	ASIAN MARKETS	WORLD MARKETS	PESO-DOLLAR RATES	ASIAN MONIES-US\$ RATE	WORLD CURRENCIES	DUBAI CRUDE OIL
PSEi OPEN: 7,455.09 HIGH: 7,464.19 LOW: 7,423.95 CLOSE: 7,438.93 VOL.: 0.911 B VAL(P): 6.815 B 13.89 PTS. 0.18% 30 DAYS TO FEBRUARY 17, 2022	FEBRUARY 17, 2022 JAPAN (Nikkei 225) 27,232.87 ▼ -227.53 -0.83 HONG KONG (Hang Seng) 24,792.77 ▲ 73.87 0.30 TAIWAN (Weighted) 18,268.57 ▲ 37.10 0.20 THAILAND (SET Index) 1,714.39 ▲ 12.94 0.76 S. KOREA (KSE Composite) 2,744.09 ▲ 14.41 0.53 SINGAPORE (STRAITS TIMES) 3,446.03 ▲ 6.73 0.20 SYDNEY (All Ordinaries) 7,296.20 ▲ 11.30 0.16 MALAYSIA (KLC Composite) 1,605.02 ▲ 1.82 0.11	FEBRUARY 16, 2022 Dow Jones 34,954.270 ▼ -54.570 NASDAQ 14,124.10 ▼ -15.662 S&P 500 4,475.010 ▲ 3.940 FTSE 100 7,603.78 ▼ -5.140 Euro Stoxx50 3,753.96 ▲ 4.840	FX OPEN P51.270 HIGH P51.235 LOW P51.360 CLOSE P51.330 W.AVE. P51.288 VOL. \$824.40 M SOURCE: BAP 4.50 CTVS 30 DAYS TO FEBRUARY 17, 2022	FEBRUARY 17, 2022 LATEST BID (0900GMT) JAPAN (YEN) 115.050 ▲ 115.650 HONG KONG (HK DOLLAR) 7.802 ▼ 7.801 TAIWAN (NT DOLLAR) 27.851 ▼ 27.842 THAILAND (BAHT) 32.180 ▼ 32.300 S. KOREA (WON) 1,198.170 ▼ 1,196.370 SINGAPORE (DOLLAR) 1.344 — 1.344 INDONESIA (RUPIAH) 14,315 ▼ 14,255 MALAYSIA (RINGGIT) 4.185 ▼ 4.184	FEBRUARY 17, 2022 US\$/UK POUND 1.3602 ▼ 1.3569 US\$/EURO 1.1359 ▼ 1.1379 \$/AUSTRALIAN DOLLAR 0.7196 ▲ 0.7178 CANADA DOLLAR/US\$ 1.2702 ▲ 1.2682 SWISS FRANC/US\$ 0.9213 ▼ 0.9249	FEBRUARY 17, 2022 CLOSING PRICE ON NEAREST MONTH OF DELIVERY \$92.56/BBL 30 DAYS TO FEBRUARY 16, 2022 \$0.45

VOL. XXXV • ISSUE 149 **FRIDAY • FEBRUARY 18, 2022 • www.bworldonline.com** S1/1-12 • 2 SECTIONS, 18 PAGES

PHILIPPINE STOCK EXCHANGE'S 10 MOST ACTIVE STOCKS BY VALUE TURNOVER • FEBRUARY 17, 2022 (PSEi snapshot on S1/2; article on S2/2)

SMPH	P38.000	CNVRG	P28.500	EMP	P20.000	SM	P927.000	ACEN	P9.000	BDO	P135.000	SECB	P117.500	BPI	P100.000	ALI	P38.700	BLOOM	P6.890
Value	P466,134,735	Value	P387,918,575	Value	P339,913,107	Value	P321,983,500	Value	P238,628,606	Value	P237,221,436	Value	P227,760,902	Value	P212,132,902	Value	P201,342,250	Value	P199,021,363
	-P0.500 ▼ -1.299%		P0.950 ▲ 3.448%		P0.100 ▲ 0.503%		-P10.000 ▼ -1.067%		P0.200 ▲ 2.273%		-P1.000 ▼ -0.735%		P1.500 ▲ 1.293%		P0.000 — 0.000%		-P0.200 ▼ -0.514%		P0.340 ▲ 5.191%

Rates on hold amid recovery risks

Philippine export performance continues to lag global rebound

THE PHILIPPINES' EXPORT performance remained lower compared with other Asia-Pacific economies leading the global trade recovery, a United Nations (UN) report said.

The UN Conference on Trade and Development (UNCTAD) global trade update released on Thursday showed global trade in goods and services will likely slow this year, after the strong growth seen in 2021.

Overall, the value of global trade reached a record \$28.5 trillion in 2021, 25% higher than the previous year and a 13% increase from the pre-pandemic level in 2019.

"The positive trend for international trade in 2021 was largely the result of increases in commodity prices, subsidizing pandemic restrictions and a strong recovery in demand due to

economic stimulus packages. As these trends are likely to abate, international trade trends are expected to normalize during 2022," the UNCTAD said.

The UNCTAD report showed the Philippines posted a score of 0.56 in export performance in the fourth quarter of 2021, based on an index in which a higher score indicates above average performance.

The Philippines' export performance score lagged behind Indonesia (0.78), China (0.66), Malaysia (0.63) and Singapore (0.60), but ahead of Thailand (0.55) and Japan (0.45).

UNCTAD defined export performance as an indicator which includes growth rates, performance against other countries, and competitiveness in major and dynamic markets.

Export, S1/11



DoF in talks with banks on maiden green bond offer

THE DEPARTMENT of Finance (DoF) is in talks with banks on its \$500-million green bond offering this year as it assesses the appropriate tenor, the Finance chief said on Thursday.

"We are discussing with various banks the appropriate structure for our maiden ESG (environmental, social, and governance) offering, including size and tenor as well as looking at window of opportunity in different currency markets," Finance Secretary Carlos G. Dominguez III told reporters in a Viber message.

He said the department will release more details when the Philippines is ready to move forward with the transaction.

Funds raised from green bonds are used for climate mitigation and environmental projects.

Earlier this month, Mr. Dominguez announced that the Philippines is eyeing a \$500-million green bond offer "in the immediate future" while the government awaits favorable market conditions.

He has said that the country's sustainable finance framework seeks to harness public and private investments to support the transition to a clean, sustainable and climate-resilient economy.

On Wednesday, fixed-income news provider IFR reported the Philippines had mandated Bank of China, Citigroup, Credit Suisse, Deutsche Bank, Goldman Sachs,

Mizuho Bank, Morgan Stanley, Standard Chartered and UBS for a potential US dollar bond offering in the ESG format.

Citing a source aware of the development, IFR said the Philippines was looking to raise \$1 billion to \$2 billion from medium- to long-term bonds.

A Reuters source with knowledge of Philippine plan, however, said the Philippines' first sovereign green bond offer may not just involve a dollar-denominated issue, but declined to elaborate.

Kalpana Seethepalli, director of ESG Asia-Pacific at Deutsche Bank, has said that the Philippine government's first green bond could set the tone for sustainable finance in the private sector.

Similarly, Rizal Commercial Banking Corp. Chief Economist Michael L. Ricafort said in a Viber message that the issuance would help make green bonds become more mainstream in the Philippines.

He said that investors globally have become more particular in choosing investments that are compliant with ESG standards.

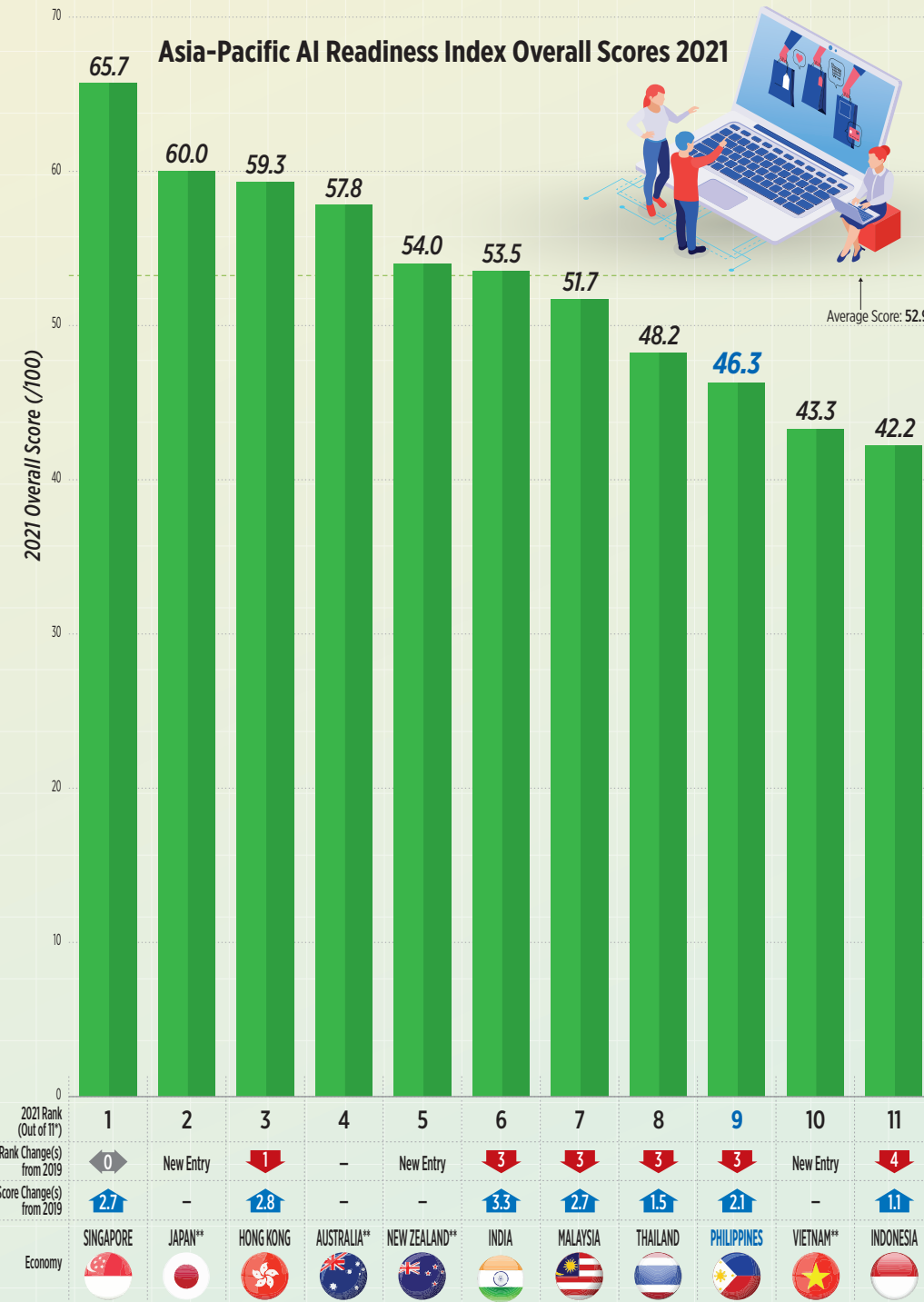
"The issuance of more green/sustainable bonds and securities would also be consistent with increased commitments by both governments and companies to reduce, if not completely eliminate, carbon emissions," Mr. Ricafort added. — **Jenina P. Ibañez with Reuters**

PHILIPPINES SLIPS IN ASIA-PACIFIC AI READINESS RANKING

The Asia-Pacific AI Readiness Index, commissioned by customer relationship management platform company Salesforce and prepared by Access Partnership, assesses the readiness of consumers, businesses, and governments to adopt, deploy, and integrate artificial intelligence (AI) technologies across 11 economies* in the region. In the second edition of the index, the report said the coronavirus pandemic has accelerated investment in AI and AI readiness across all economies in the region as evidenced by the improvement in the economies' overall scores.

AI now is also ubiquitous in both public and private sectors to optimize processes and to improve efficiencies in resource allocation and delivery of services, among others. The Philippines' overall AI readiness score improves by 2.1 points to 46.3, still below the regional average of 52.9. Its rank slips by three places to 9th out of 11 Asia-Pacific economies.

Across the three main components of the index, the Philippines places 4th in consumer readiness** (61.8), 9th in business readiness (36.6), and 11th in government readiness (40.4).



Philippines' Performance (2021)

Rank (Out of 11)	9
Overall Score (/100)	46.3
Components and indicators	
Consumer Readiness (/100)	61.8
Technology Access (/10)	5.2
Technology Adoption (/10)	5.9
Consumer Awareness of AI (/10)	8.8
Consumer Understanding of AI (/10)	4.9
Consumer Sentiment about AI (/10)	5.0
Consumer Willingness to Use AI (/10)	7.3
Business Readiness (/100)	36.6
Digital Adoption Index (Business) (/10)	5.7
Business Sophistication (/10)	3.9
Knowledge and Technology Outputs (/10)	3.5
Creative Outputs (/10)	2.4
Employment Susceptible to Automation (/10)	4.9
Number of AI Start-Ups (/10)	0.1
Venture Capital Availability (/10)	5.1
Government Readiness (/100)	40.4
Digital Evolution Index (/10)	4.4
Digital Government (/10)	6.6
E-Participation/Digital Inclusion (/10)	3.8
Global Open Data Index (/10)	3.0
Human Capital and Research (/10)	2.4
H-index for AI publications (/10)	1.1
Laws Relating to ICTs (/10)	5.3
Importance of ICTs to Government Vision of the Future (/10)	5.7

NOTES:
*Japan, New Zealand, and Vietnam are the latest additions to the index.

**Japan, Australia, New Zealand, and Vietnam did not have assessment in some consumer readiness indicators. These economies have not been included in the consumer readiness rankings, but their scores are available for the business and government readiness dimensions, allowing complete comparisons for all 11 economies.

The three main components are normalized to 100 while the indicators are scored out of 10. The three main components of the index are:

1. Consumer readiness (6 indicators) - examines the general public's levels of awareness, understanding, adoption, and usage of AI products and services.
2. Business readiness (7 indicators) - how the members of the private sector (start-ups, SMEs, and enterprises) are equipped to adopt AI.
3. Government readiness (8 indicators) - measures the preparedness of the public sector in enabling the development of AI through implementation of ICT policies, encouraging adoption of advanced technologies in government services, promoting open data, and fostering AI research capabilities.

SOURCE: SALESFORCE'S ASIA PACIFIC AI READINESS INDEX 2021 (HTTPS://WWW.SALESFORCE.COM/CONTENT/DAM/WEB/EN_AU/WWW/DOCUMENTS/PDF/ASIA-PACIFIC_AI-READINESS-INDEX-2021.PDF)
BUSINESSWORLD RESEARCH: ABIGAIL MARIE P. YRAOLA
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By Luz Wendy T. Noble
Reporter

THE BANGKO SENTRAL ng Pilipinas (BSP) on Thursday kept its key rate unchanged for a 10th straight meeting, but hinted at an "eventual normalization" of policy once recovery is sustained or inflation risks rise.

The BSP maintained its overnight reverse repurchase rate at a historic low of 2%, as expected by all 16 analysts polled by *BusinessWorld* last week. The overnight deposit and lending rates were likewise left at all-time lows of 1.5% and 2.5%, respectively.

"The Monetary Board deems it prudent to maintain the BSP's accommodative policy stance given a manageable inflation environment and emerging uncertainty surrounding domestic and global growth prospects," BSP Governor Benjamin E. Diokno said at an online briefing on Thursday.

"Looking ahead, given the stronger signs of recovery in output growth and labor market conditions and improvements in domestic financial markets, the BSP will continue to carefully develop its plans for the eventual normalization of its extraordinary liquidity measures when conditions warrant, in keeping with our price and financial stability mandates," he added.

In 2020, the BSP slashed rates by 200 basis points to support the economy during the pandemic. The last rate cut was in November 2020.

Economic recovery is gaining traction, Mr. Diokno said.

Gross domestic product (GDP) grew by 7.7% in the October to December period, the third straight quarter of expansion. In 2021, GDP expanded by 5.6%, a reversal of the 9.6% contraction in 2020.

"The economy is seen to reach pre-pandemic GDP levels by the third quarter of 2022. At the same time, given the sustained recovery, the output gap is projected to close and turn positive by the second half of this year," BSP Department of Economic Research Managing Director Zeno Ronald R. Abenoja said.

However, Mr. Diokno said elevated commodity prices, geopolitical tensions and uneven pace of vaccination across economies still cloud the outlook for recovery.

The BSP noted inflation expectations have risen slightly, but still within the target this year and 2023.

"The risks to the inflation outlook continue to lean slightly towards the upside for 2022 but remain broadly balanced for 2023. Upside risks are linked mainly to the continued shortage in domestic pork and fish supply and the possible impact of higher oil prices on transport fares," Mr. Diokno said.

He said the "increased volatility" in global oil prices would need close monitoring and "appropriate interventions when necessary in order to arrest potential second-round effects."

Rates, S1/11