P25 IN METRO MANILA, PHILIPPINES

# BusinessWorld

**STOCK MARKET**

PSEi — 30 DAYS TO MARCH 17, 2022 — 96.00 PTS. 1.36%

| | |
|---|---|
| OPEN: | 7,053.54 |
| HIGH: | 7,156.77 |
| LOW: | 7,046.56 |
| CLOSE: | 7,122.45 |
| VOL.: | 1.426 B |
| VAL(P): | 7.504 B |

**ASIAN MARKETS**

MARCH 17, 2022

| | CLOSE | | NET | % |
|---|---|---|---|---|
| Japan (Nikkei 225) | 26,652.89 | ▲ | 890.88 | 3.46 |
| Hong Kong (Hang Seng) | 21,501.23 | ▲ | 1,413.73 | 7.04 |
| Taiwan (Weighted) | 17,448.22 | ▲ | 507.39 | 3.00 |
| Thailand (SET Index) | 1,683.82 | ▲ | 15.90 | 0.95 |
| S.Korea (Kse Composite) | 2,694.51 | ▲ | 35.28 | 1.33 |
| Singapore (Straits Times) | 3,324.28 | ▲ | 33.38 | 1.01 |
| Sydney (All Ordinaries) | 7,250.80 | ▲ | 75.60 | 1.05 |
| Malaysia (Klse Composite) | 1,590.88 | ▲ | 19.56 | 1.24 |

**WORLD MARKETS**

MARCH 16, 2022

| | CLOSE | | NET |
|---|---|---|---|
| Dow Jones | 34,063.100 | ▲ | 518.760 |
| NASDAQ | 13,436.553 | ▲ | 487.932 |
| S&P 500 | 4,357.860 | ▲ | 95.410 |
| FTSE 100 | 7,291.680 | ▲ | 115.980 |
| Euro Stoxx50 | 3,611.110 | ▲ | 93.100 |

**PESO-DOLLAR RATES**

FX — 30 DAYS TO MARCH 17, 2022 — 17.00 CTVS

| | |
|---|---|
| OPEN | P52.180 |
| HIGH | P52.100 |
| LOW | P52.220 |
| CLOSE | P52.140 |
| W.AVE. | P52.167 |
| VOL. | $998.20 M |

SOURCE : BAP

**ASIAN MONIES-US$ RATE**

MARCH 17, 2022

| | LATEST BID (0900GMT) | | PREVIOUS |
|---|---|---|---|
| Japan (yen) | 118.680 | ▼ | 118.320 |
| Hong Kong (HK dollar) | 7.820 | ▲ | 7.823 |
| Taiwan (NT dollar) | 28.256 | ▲ | 28.523 |
| Thailand (baht) | 33.240 | ▲ | 33.410 |
| S. Korea (won) | 1,210.510 | ▲ | 1,234.630 |
| Singapore (dollar) | 1.355 | ▲ | 1.361 |
| Indonesia (rupiah) | 14,300 | ▲ | 14,310 |
| Malaysia (ringgit) | 4.194 | ▲ | 4.196 |

**WORLD CURRENCIES**

MARCH 17, 2022

| | CLOSE | | PREVIOUS |
|---|---|---|---|
| US$/UK pound | 1.3183 | ▲ | 1.3065 |
| US$/Euro | 1.1044 | ▲ | 1.0987 |
| $/Aust dollar | 0.7326 | ▲ | 0.7226 |
| Canada dollar/US$ | 1.2657 | ▼ | 1.2720 |
| Swiss Franc/US$ | 0.9403 | ▲ | 0.9396 |

**DUBAI CRUDE OIL**

FUTURES PRICE ON NEAREST MONTH OF DELIVERY $102.45/BBL — $2.75 — 30 DAYS TO MARCH 16, 2022

VOL. XXXV • ISSUE 169 FRIDAY • MARCH 18, 2022 • www.bworldonline.com S1/1-10 • 2 SECTIONS, 14 PAGES

**PHILIPPINE STOCK EXCHANGE'S 10 MOST ACTIVE STOCKS BY VALUE TURNOVER • MARCH 17, 2022** (PSEi snapshot on *S1/4*; article on *S2/2*)

| | | Value | | |
|---|---|---|---|---|
| BDO | P133.000 | P601,018,789 | P3.800 ▲ | 2.941% |
| CNVRG | P25.950 | P565,775,990 | P2.250 ▲ | 9.494% |
| SMPH | P38.100 | P531,575,815 | P0.150 ▲ | 0.395% |
| ICT | P224.800 | P413,016,830 | P6.800 ▲ | 3.119% |
| BPI | P99.900 | P369,091,711 | P4.900 ▲ | 5.158% |
| SM | P906.000 | P357,244,700 | P6.000 ▲ | 0.667% |
| ALI | P36.550 | P334,962,205 | P0.950 ▲ | 2.669% |
| MBT | P54.200 | P325,344,695 | P1.950 ▲ | 3.732% |
| TEL | P1,693.000 | P310,158,250 | -P46.000 ▼ | -2.645% |
| ACEN | P8.430 | P230,413,027 | P0.280 ▲ | 3.436% |

# Budget deficit widens in January

THE National Government's budget deficit widened to P23.4 billion in January, as spending increased due to the release of tax allotments to local government units (LGUs).

Data from the Bureau of the Treasury released on Thursday showed the January fiscal gap jumped by 66.3% from the P14.1-billion deficit a year earlier. Month on month, the fiscal gap sharply narrowed from the record P338 billion in December.

"That is still the narrowest budget deficit in a year, as the economy reopened further," Rizal Commercial Banking Corp. (RCBC) Chief Economist Michael L. Ricafort said in a text message.

Expenditures grew by 9.7%, outpacing the 6.65% increase in revenues during the month.

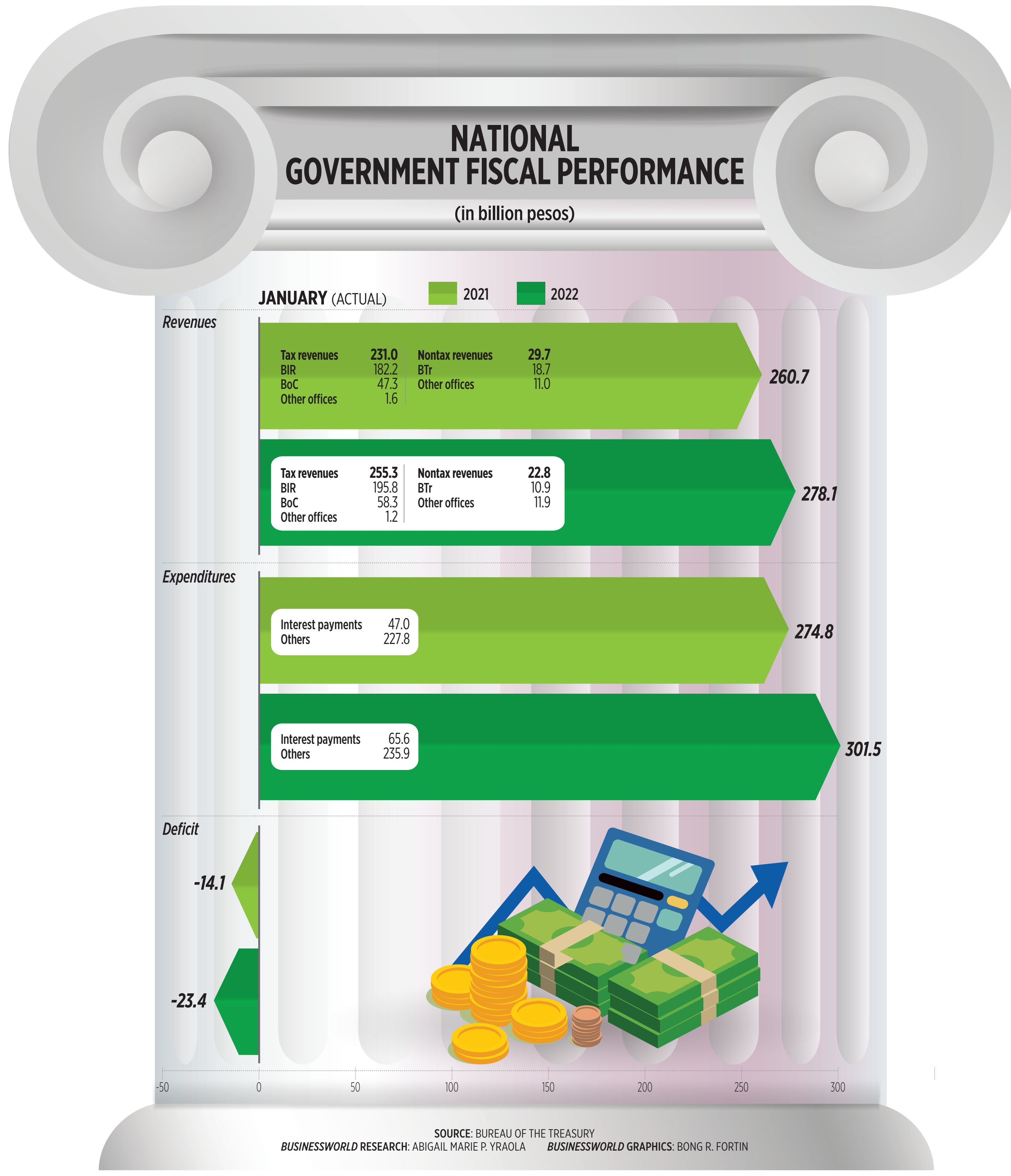
The BTr said total disbursements rose to P301.5 billion in January, "partly due to higher national tax allocation releases" to LGUs. The allocation replaced the internal revenue allotment, following the Supreme Court's Mandanas ruling.

The ruling is named after Batangas Governor Hermilando I. Mandanas, who successfully challenged the government's previous position that LGUs were entitled to a smaller share of National Government funds.

Starting this year, LGUs will get a bigger share in tax collections, alongside the transfer of basic services.

Accounting for 78% of the total, primary expenditures stood at P235.9 billion in January, up by

*Deficit, S1/8*




# BSP unlikely to move in lockstep with Fed

**By Luz Wendy T. Noble**
*Reporter*

THE Bangko Sentral ng Pilipinas (BSP) does not have to follow the US Federal Reserve's rate hike, but is keeping a close eye on inflation risks, BSP Governor Benjamin E. Diokno said.

"We do not necessarily have to move in pace with the monetary policy adjustments of the US Fed," Mr. Diokno said at a virtual briefing on Thursday.

"I would like to reiterate that the BSP calibrates its monetary policy settings in response to external developments only to the extent that they influence the outlook on growth and inflation," he added.

However, a former central bank official and analysts warned that monetary policy tightening by the world's most powerful central bank while the BSP remains accommodative could mean further peso depreciation and result in a flight to safe-haven assets from emerging markets.

The Fed on Wednesday increased interest rates by a quarter percentage point for the first time since 2018, as it responds to four-decade high inflation in the US. Fed officials also hinted at more hikes coming this year until 2023.

Before the Fed announcement, Mr. Diokno on Wednesday said the BSP would remain patient and was still looking to start adjusting interest rates only by the second half to ensure sustained economic recovery. The first policy review in the second semester is scheduled for June 23.

The BSP has kept policy rates unchanged at a record low of 2% since November 2020.

Former BSP Deputy Governor Diwa C. Guinigundo said the Fed's move came with officials' full recognition that US inflation was

*BSP, S1/8*

# US Fed kicks off fight against inflation

THE US Federal Reserve kicked off a campaign of interest rate hikes that's set to be the most aggressive since the mid-2000s, as Fed Chairman Jerome H. Powell assured Americans that the fight against inflation would not tip the US economy into recession.

After raising rates by a quarter point for the first time since 2018 and signaling six more increases this year, Mr. Powell told reporters that inflation is too high, the labor market is over-heated and price stability is a "pre-condition" for the central bank as it tackles the hottest price pressures in 40 years.

"As I looked around the table at today's meeting, I saw a committee that's acutely aware of the need to return the economy to price stability and determined to use our tools to do exactly that," Mr. Powell told reporters on Wednesday after a two-day meeting of the Federal Open Market Committee. "The American economy is very strong and well positioned to handle tighter monetary policy."

Policy makers voted 8-1 to lift their key rate to 0.25% to 0.5% after two years of holding borrowing costs near zero to insulate the economy from the pandemic.

They forecast a sequence of rate hikes, finishing this year at 1.9% and then to about 2.8% by the end of 2023, which would be considered restrictive to growth. From June 2004 to June 2006, the Fed moved its benchmark up from 1% to 5.25%, tightening at 17 straight meetings.

Seven policy makers want even faster increases this year, which raise the prospect of a half-point move in future. St. Louis Fed President James Bullard dissented at this meeting in favor of such a step.

"The Fed has now waged a war on inflation," said Diane Swonk, chief economist at Grant Thornton. "They want to bring inflation down with the most aggressive surge in rates in decades."

The Fed said Russia's invasion of Ukraine posed "highly uncertain" implications for the economy that create a near-term upward pressure on inflation while weighing on economic activity.

Still, Mr. Powell played down the risk of recession and repeatedly stressed that the economy is "very strong" while emphasizing the need for price stability.

In their economic projections, officials laid out a path of slowing inflation and sustained expansion.

Notwithstanding the projected rate increases the forecasts showed very little increase in joblessness, which stays at about 3.5% for the next three years.

Economists said that sort of happy outcome rarely happens in real life.

"The history of being able to guide inflation down from 40-year highs with maximum employment suggests a smooth landing is very difficult to achieve," said Matthew Luzzetti, chief US economist at Deutsche Bank Securities, Inc. "At some point they will face the trade-off between pushing unemployment higher or accepting higher inflation."

Bond traders indicated some skepticism that the Fed could pull off a soft landing. A portion of the bond curve — the gap between five- and 10-year yields — inverted for the first time since March 2020. For some, that highlights a threat that the efforts to rein in inflation could trigger an economic downturn.

The economy roared into the first quarter with employers adding more than one million jobs in the first two months and job openings near a record high.

Strong demand sustained price increases and consumer inflation rose by 7.9% for the 12 months through February. The Fed's 2% inflation target is based on a separate gauge, the personal consumption expenditures price index, which rose by 6.1% in January. — ***Bloomberg***

**FULL STORY**

Read the full story by scanning the QR code with your smartphone or by typing the link **<bit.ly/Inflation031822>**

# Ride-hailing firms seek P15 base fare hike from LTFRB

**By Arjay L. Balinbin** *Senior Reporter*

DRIVERS of ride-hailing services have urged the Land Transportation Franchising and Regulatory Board (LTFRB) to immediately act on their petition to increase base fares by P15 as pump prices continue to soar.

The LTFRB has yet to act on the petition filed by the transportation network vehicle service community for a P15 increase in their base fares in November, community spokesperson and co-founder Saturnino F. Mopas told *BusinessWorld* in a phone interview.

The community is a coalition of drivers for ride-hailing apps and services with 25,000 members nationwide, Mr. Mopas said.

Rates vary depending on the vehicle type. The flag down rate is as much as P40 for car sedans and as much as P50 for premium Asian and sport utility vehicles. For hatchback or sub-compact cars, the flag down rate is as much as P30.

Mr. Mopas said there is a need for a fare hike to allow drivers to cope with the "spiraling increases" in the prices of fuel and basic goods.

"Even spare parts and the cost of car services are really increasing, so we decided to ask for a fare increase," he said.

He said the LTFRB heard their petition last week, but negotiations continue. Grab Philippines, a transport network company, is directly negotiating with the LTFRB.

A transport network company "provides pre-arranged transportation services for compensation using an internet-based technology application or digital platform technology to connect passengers with drivers using their personal vehicles."

Transportation network vehicle service companies are accredited vehicle owners who offer door-to-door services.

**FULL STORY**

Read the full story by scanning the QR code with your smartphone or by typing the link **<bit.ly/Fare031822>**