

STOCK MARKET	ASIAN MARKETS	WORLD MARKETS	PESO-DOLLAR RATES	ASIAN MONIES-US\$ RATE	WORLD CURRENCIES	DUBAI CRUDE OIL
PSEI OPEN: 7,120.74 HIGH: 7,134.36 LOW: 7,080.37 CLOSE: 7,134.36 VOL: 0.768 B VAL(P): 5,189 B 9.52% 0.13% 30 DAYS TO MARCH 28, 2022	MARCH 28, 2022 JAPAN (Nikkei 225) 27,943.89 ▲ -205.95 -0.73 HONG KONG (Hang Seng) 21,684.97 ▲ 280.09 1.31 TAIWAN (Weighted) 17,520.01 ▲ -156.94 -0.89 THAILAND (SET Index) 1,685.65 ▲ 8.85 0.53 S. KOREA (KOSPI Composite) 2,729.56 ▲ -0.42 -0.02 SINGAPORE (Straits Times) 3,431.12 ▲ 17.43 0.51 SYDNEY (All Ordinaries) 7,412.40 ▲ 6.20 0.08 MALAYSIA (KLC Composite) 1,597.95 ▲ -5.35 -0.33	MARCH 25, 2022 Dow Jones 34,861.240 ▲ 153.300 NASDAQ 14,169.300 ▼ -22.539 S&P 500 4,543.060 ▲ 22.900 FTSE 100 7,483.350 ▲ 15.970 Euro Stoxx50 3,693.960 ▲ 7.840	FX OPEN P52.180 HIGH P52.080 LOW P52.300 CLOSE P52.130 W.AVE. P52.210 VOL. \$778.55 M SOURCE: BAP 2.00 CTVS 30 DAYS TO MARCH 28, 2022	MARCH 28, 2022 LATEST BID (0900GMT) JAPAN (YEN) 124.580 ▼ 122.060 HONG KONG (HK DOLLAR) 7.829 ▼ 7.828 TAIWAN (NT DOLLAR) 28.774 ▼ 28.669 THAILAND (BAHT) 33.780 ▼ 33.580 S. KOREA (WON) 1,223.760 ▲ 1,225.080 SINGAPORE (DOLLAR) 1.361 ▼ 1.358 INDONESIA (RUPIAH) 14,362 ▼ 14,340 MALAYSIA (RINGGIT) 4.215 ▼ 4.208	MARCH 28, 2022 US\$/UK POUND 1.3128 ▼ 1.3188 US\$/EURO 1.0970 ▼ 1.0981 \$/AUSTRALIAN DOLLAR 0.7516 ▲ 0.7512 CANADA DOLLAR/US\$ 1.2494 ▲ 1.2473 SWISS FRANC/US\$ 0.9361 ▲ 0.9303	FUTURES PRICE ON NEAREST MONTH OF DELIVERY \$111.90/BBL 30 DAYS TO MARCH 25, 2022 \$3.65

VOL. XXXV • ISSUE 176 TUESDAY • MARCH 29, 2022 • www.bworldonline.com S1/1-10 • 2 SECTIONS, 14 PAGES

PHILIPPINE STOCK EXCHANGE'S 10 MOST ACTIVE STOCKS BY VALUE TURNOVER • MARCH 28, 2022 (PSEi snapshot on S1/2; article on S2/2)

CNVRG	P28.500	SPNEC	P2.020	SM	P900.000	URC	P118.200	ICT	P218.000	AC	P806.000	SMPH	P37.500	SCC	P32.000	ALI	P36.000	BDO	P131.600
Value	P498,569,075	Value	P476,595,400	Value	P268,929,085	Value	P260,957,902	Value	P244,231,902	Value	P206,272,515	Value	P201,382,325	Value	P193,502,820	Value	P179,929,790	Value	P156,170,690
PO.000	0.000%	PO.020	1.000%	P3.000	0.334%	P1.200	1.026%	-P6.000	-2.679%	-P11.500	-1.407%	-P0.200	-0.531%	P0.400	1.266%	PO.000	0.000%	-P0.900	-0.679%

As central banks around the world tighten policy,

BSP may face risks if it stands pat

PSE launches indices for mid-cap firms, companies that give high dividends

By Luisa Maria Jacinta C. Jocson

THE PHILIPPINE Stock Exchange, Inc. (PSE) on Monday launched two new indices, one featuring mid-sized companies and another focusing on firms that give consistent, high-yielding dividends.

PSE President and Chief Executive Officer Ramon S. Monzon said these thematic indices are a long overdue addition to the local bourse, which only had a main composite index, all shares index and sectoral indices.

"With the launch of these two indices, we hope to see more funds created that will track these new benchmarks. We think this will also provide fund managers and investors

the opportunity to diversify their portfolio," he said in a statement.

While the PSE index (PSEi) includes the 30 largest companies, the PSE MidCap index will include the next 20 biggest companies based on full market capitalization

These are AREIT, Inc.; Bloomberry Resorts Corp., Cebu Air, Inc.; Century Pacific Food, Inc.; Cosco Capital, Inc.; DoubleDragon Corp.; DMCI Holdings, Inc.; D&L Industries, Inc.; Filinvest Land, Inc.; GMA Network, Inc.; AllHome Corp.; Manila Water Co., Inc.; Nickel Asia Corp.; Petron Corp.; Philippine National Bank; Philex Mining Corp.; Robinsons Retail Holdings, Inc.; Semirara Mining and Power Corp.; Pilipinas Shell Petroleum Corp.; and Vista Land & Lifescapes, Inc.

PSE, S1/5

Office space demand to grow in next 6 months

OFFICE SPACE demand in the Philippines is expected to pick up in the next six months, driven mainly by the information technology and business process management (IT-BPM) sector as lockdown restrictions ease and many firms issue back-to-office orders.

Leechii Property Consultants (LPC) said active office leasing requirements likely to be completed in the next six months went up to 358,000 square meters (sq.m.), reflecting pent-up demand.

"We have a good chance of closing 650,000 sq.m. this year compared to last year's 540,000 sq.m. all throughout the Philippines," LPC Chief Executive Officer David T. Leechiu said at a virtual briefing.

"Barring what happens in Europe or if there is another Omicron variant, things look good for Philippine real estate so far. Property values continue to climb across all sectors," he added.

In the first quarter, Philippine office demand reached 124,000 sq.m. despite the repositioning of a stricter Alert Level 3 in Metro Manila in January due to the Omicron-driven surge in coronavirus disease 2019 (COVID-19) cases. While office space transactions were affected by the lockdown, more deals were concluded after the alert level was downgraded.

"Despite having almost half of the first quarter shut down, the office leasing transactions continued to grow... "The pipeline of deals that we see wanting to be transacted has been exceeded.... (This) shows you the number of companies that want to sign a lease. These are some of the highest numbers we have seen in the last nine quarters," Mr. Leechiu said.

The IT-BPM sector continued to drive office space demand in the first three months of 2022, making up 39,000 sq.m.

In the next six months, LPC said IT-BPM firms are expected to take up 195,000 sq.m. or 55% of the 358,000 sq.m. of live requirements to be completed during the period.

The IT-BPM sector is expected to continue to grow by an annual 6.5% in 2022, after a 7.1% growth in 2021.

The government has insisted IT-BPM companies registered with the Philippine Economic Zone Authority (PEZA) to end the work-from-home arrangements for 90% of their workforce, and require all employees to work on-site starting April.

Based on location, Metro Manila accounts for 67% of all live office requirements, with 240,000 sq.m.

LPC noted that current vacancy rate in Metro Manila is at 19%, with Makati and Bonifacio Global City having the lowest at 15% and 17%, respectively. Taguig City and the Ortigas/Pasig/Mandaluyong business district have the highest vacancy rates at 25% and 24%, respectively.

LPC noted that the vacancies at PEZA-registered office buildings is expected to slightly increase in 2023. However, there will be limited supply of new PEZA spaces in 2024 and 2025, posing a challenge for the IT-BPM sector, it added.

"Tenants should be proactive in securing long-term leases to avoid a drastic increase in rent," LPC said.

The Fiscal and Incentives Review Board (FIRB) earlier this month rejected a request from PEZA to lift the moratorium on the declaration of economic zones in Metro Manila. The government wants economic zones to be established outside of the capital region to spur growth in other provinces.

LAND VALUES GO UP

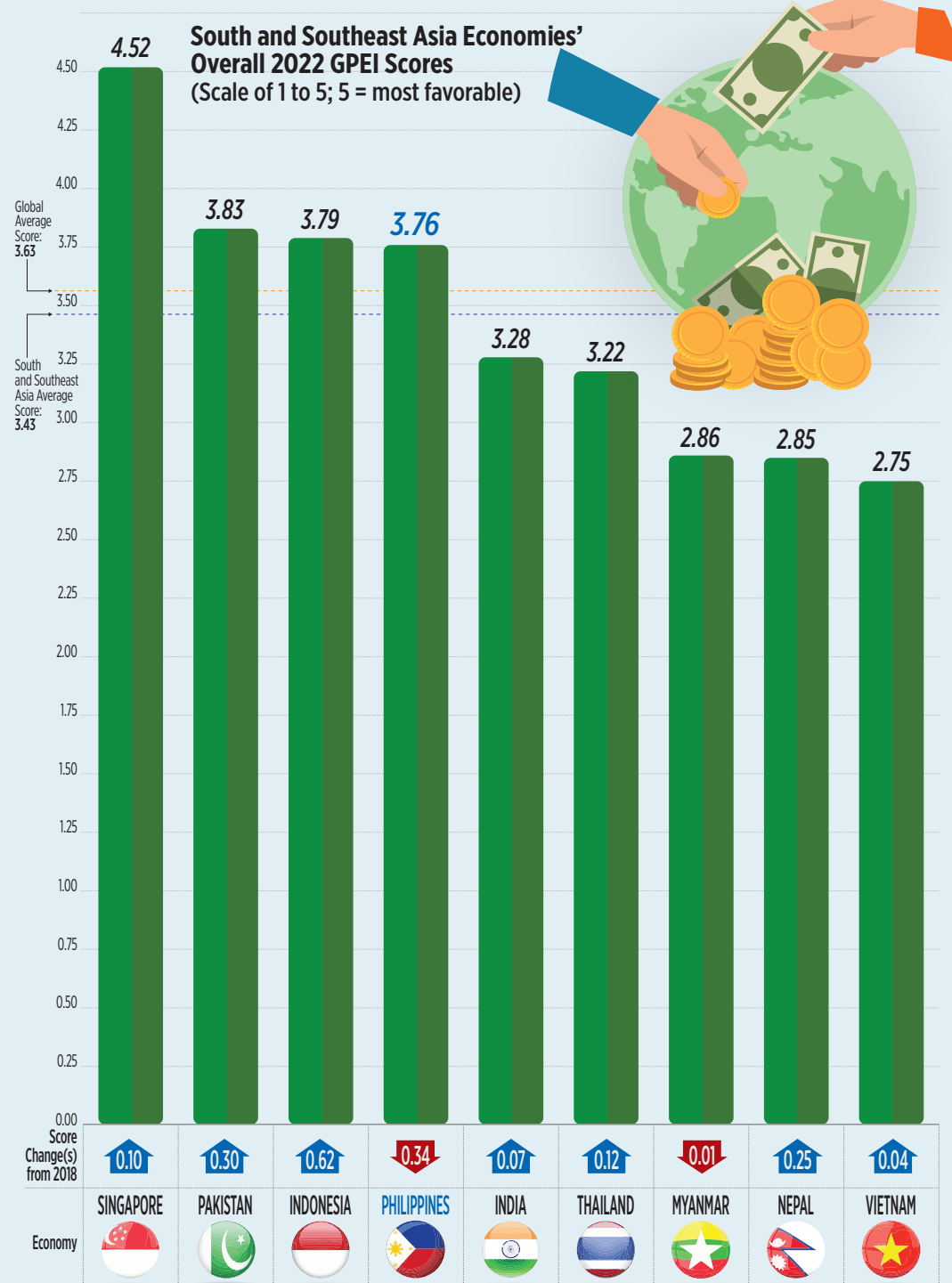
LPC noted commercial land values remain high, especially in the central business districts. For instance, accommodation values in Bonifacio Global City hit an all-time high of P113,000 in 2021 or as much as P1.7 million per sq.m. effectively in land value.

Luxury village land values, as well as luxury condominium prices have continued to rise despite the pandemic.

Office space, S1/5

PHILIPPINES SLIPS IN GLOBAL PHILANTHROPY ENVIRONMENT LIST

The Philippines' overall philanthropy environment dipped to 3.76 (out of 5) in 2022 from 4.10 in 2018, but remained above the regional and global averages, the latest Global Philanthropy Environment Index (GPEI) showed. Despite this, it was the fourth highest among the nine South and Southeast Asia economies included in the report.



Philippines' Profile

Overall Score 2022	2022 Score (Out of 5)	Score Change(s) from 2018
Overall Score 2022	3.76	-0.34
Factors		
Ease of Operating Philanthropic Organizations	3.83	0.17
Tax Incentives	4.00	0.25
Cross-Border Philanthropic Flows	4.25	-
Political Environment	3.00	-1.50
Economic Environment	3.00	-
Socio-Cultural Environment	4.50	0.50

Top 10

Economy	2022 Overall Score (Out of 5)	Score Change(s) from 2018
Liechtenstein	4.91	New Entry
Norway	=4.83	0.43
Switzerland	=4.83	0.08
Germany	4.78	0.05
United States	4.76	0.01
Belgium	=4.75	New Entry
Finland	=4.75	0.05
Netherlands	=4.75	0.05
Denmark	4.67	0.25
France	4.64	0.03
Sweden	4.63	0.33
Singapore	4.52	0.10
Canada	4.44	0.06

Bottom 10

Economy	2022 Overall Score (Out of 5)	Score Change(s) from 2018
Iran	1.88	New Entry
Venezuela	1.89	0.67
Belarus	2.19	0.11
Egypt	2.35	0.40
Sudan	2.49	New Entry
Qatar	2.58	0.51
Turkey	2.61	0.12
Argentina	2.63	0.87
Liberia	2.67	New Entry
Vietnam	2.75	0.04

SOURCE: INDIANA UNIVERSITY LILLY FAMILY SCHOOL OF PHILANTHROPY'S 2022 GLOBAL PHILANTHROPY ENVIRONMENT INDEX
BUSINESSWORLD RESEARCH: ANA OLIVIA A. TIRONA
BUSINESSWORLD GRAPHICS: BONG R. FORTIN

THE BANGKO Sentral ng Pilipinas (BSP) may have to confront risks caused by interest rate differentials if it remains accommodative while major central banks are already tightening monetary policy, according to Fitch Solutions Country Risk & Industry Research.

"Should the BSP stand pat as the rest of the central banks tighten monetary policy, a narrowing of real interest rate differentials could lead to hot money outflows and downside volatility for the peso, particularly given weakening risk sentiment globally," it said in a note on Monday.

Fitch Solutions said the Philippine peso has already weakened by around 2.4% against the US dollar since the start of the year. It expects the peso to continue to weaken due to a likely current account deficit amid the rise in capital imports and commodity prices.

The research firm said it expects the BSP to increase interest rates by 75 basis points by the end of 2022.

The US Federal Reserve and the Bank of England have started raising interest rates to tame high inflation.

The Monetary Board on Thursday maintained the key policy rates at record lows amid risks that cloud the economic recovery outlook. The central bank raised inflation projections due to the supply shock caused by the Russia-Ukraine war.

BSP Governor Benjamin E. Diokno said they do not necessarily have to move in lockstep with the Fed, noting they only consider global developments to the extent they affect the growth and inflation outlook.

He said the local economy can deal with the market volatility caused by monetary policy tightening through its flexible exchange rate system and strong external buffers.

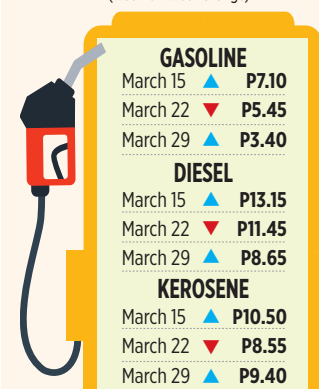
Still, Fitch Solutions said the buildup in inflation pressures could prompt the BSP to tighten monetary policy over the coming months.

Aside from the war in Ukraine, the research firm said the disruption in global supply chains due to the increasing coronavirus cases in Chinese ports like Hong Kong and Shenzhen are factors that could cause a faster increase in commodity prices over the next months.

BSP, S1/5

FUEL PRICE TRACKER

(week-on-week change)



• March 29, 12:01 a.m. — Caltex Philippines
• March 29, 6 a.m. — Petron Corp.; Phoenix Petroleum; Pilipinas Shell Petroleum Corp.; PTT Philippines Corp.; Seaoil Philippines, Inc.
• March 29, 8:01 a.m. — Cleanfuel (Shaw Autogas, Inc.)



CORPORATE NEWS
Villar-led VistaREIT files P9-billion shares offer S1/2

THE ECONOMY
Senate flags discrepancies in DA, Customs food import data S1/4

ARTS & LEISURE
CODA wins best picture in a streaming first at the Oscars S2/4



FOLLOW US ON:
facebook.com/bworldph
twitter.com/bworldph
anchor.fm/businessworld