P25 IN METRO MANILA, PHILIPPINES

BusinessWorld

STOCK MARKET		
PSEi		
OPEN:	7,369.80	
HIGH:	7,375.28	
LOW:	7,320.44	
CLOSE:	7,342.01	▼ 46.08 PTS. 0.62%
VOL.:	1.327 B	
VAL(P):	5.222 B	

30 DAYS TO MARCH 4, 2022

ASIAN MARKETS — MARCH 4, 2022

	CLOSE		NET	%
Japan (Nikkei 225)	25,985.47	▼	-591.80	-2.23
Hong Kong (Hang Seng)	21,905.29	▼	-562.05	-2.50
Taiwan (Weighted)	17,736.52	▼	-197.88	-1.10
Thailand (SET Index)	1,671.72	▼	-24.36	-1.44
S.Korea (Kse Composite)	2,713.43	▼	-33.65	-1.22
Singapore (Straits Times)	3,226.78	▼	-26.87	-0.83
Sydney (All Ordinaries)	7,110.80	▼	-40.60	-0.57
Malaysia (Klse Composite)	1,603.94	▼	-14.60	-0.90

WORLD MARKETS — MARCH 4, 2022

	CLOSE		NET
Dow Jones	33,614.800	▼	-179.860
NASDAQ	13,313.438	▼	-224.503
S&P 500	4,328.870	▼	-34.620
FTSE 100	6,987.140	▼	-251.710
Euro Stoxx50	3,425.110	▼	-123.910

PESO-DOLLAR RATES — FX

OPEN	P51.650
HIGH	P51.600
LOW	P51.750
CLOSE	P51.740
W.AVE.	P51.696
VOL.	$793.22 M

▼ 24.00 CTVS
30 DAYS TO MARCH 4, 2022
SOURCE : BAP

ASIAN MONIES-US$ RATE — MARCH 4, 2022

	LATEST BID (0900GMT)		PREVIOUS
Japan (yen)	114.780	▲	115.740
Hong Kong (HK dollar)	7.814	—	7.814
Taiwan (NT dollar)	28.123	▼	28.049
Thailand (baht)	32.690	▼	32.600
S. Korea (won)	1,217.450	▼	1,206.730
Singapore (dollar)	1.360	▼	1.358
Indonesia (rupiah)	14,385	—	14,385
Malaysia (ringgit)	4.176	▲	4.185

WORLD CURRENCIES — MARCH 4, 2022

	CLOSE		PREVIOUS
US$/UK pound	1.3225	▼	1.3375
US$/Euro	1.0926	▼	1.1075
$/Aust dollar	0.7370	▲	0.7298
Canada dollar/US$	1.2730	▲	1.2622
Swiss Franc/US$	0.9165	▼	0.9199

DUBAI CRUDE OIL
FUTURES PRICE ON NEAREST MONTH OF DELIVERY
$108.80/BBL
▼ $7.90
30 DAYS TO MARCH 4, 2022

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

		Value			
TEL	P1,850.000	P419,364,870	P20.000	▲	1.093%
ICT	P226.200	P399,605,826	-P1.800	▼	-0.789%
MONDE	P14.760	P254,731,190	-P0.080	▼	-0.539%
BDO	P130.000	P237,902,215	-P1.000	▼	-0.763%
SCC	P31.900	P220,926,180	-P0.800	▼	-2.446%
SM	P932.000	P214,133,495	-P25.000	▼	-2.612%
NIKL	P8.300	P209,438,262	P0.150	▲	1.840%
DMC	P9.200	P189,760,461	-P0.070	▼	-0.755%
BPI	P98.450	P159,784,298	-P0.050	▼	-0.051%
MBT	P58.150	P155,350,344	P0.650	▲	1.130%

Philippines remains on FATF 'gray list'

By Luz Wendy T. Noble
Reporter

THE Philippines remained on the "gray list" of jurisdictions subjected to increased monitoring for "dirty money" risks, according to the Financial Action Task Force (FATF).

The global financial crime watchdog in a statement on Friday said the Philippines still needs to implement measures to address risks related to casino junkets, nonprofit organizations, and beneficial ownership.

However, the FATF acknowledged the Philippines' progress in combating financial crimes in terms of policies related to sanctions against terrorism financing and increasing manpower of the Anti-Money Laundering Council (AMLC).

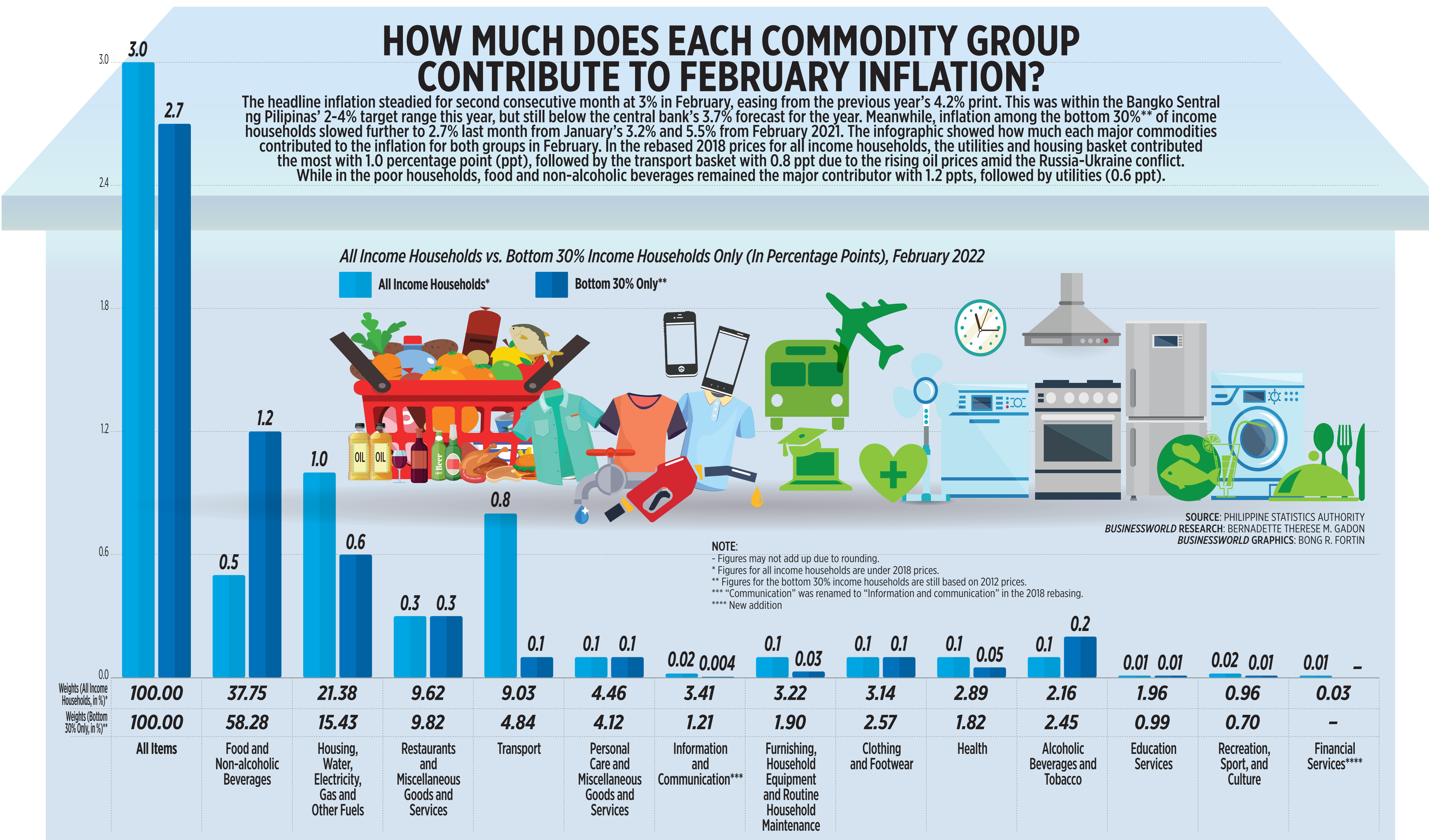
"Since June 2021, when the Philippines made a high-level political commitment to work with the FATF and APG (Asia/Pacific Group on Money Laundering) to strengthen the effectiveness of its anti-money laundering and counter financing of terrorism (AML/CFT regime), the Philippines has taken steps towards improving its AML/CFT regime, including by increasing the resources of its financial intelligence unit (FIU) and utilizing its targeted financial sanction framework for terrorism financing, ahead of any relevant deadlines expiring," the FATF said in a statement on Friday.

The AMLC in August 2021 opened a new satellite office in Quezon City to accommodate their additional manpower. AMLC Executive Director Mel Georgie B. Racela said they have been hiring more financial intelligence analysts, investigators, and lawyers to boost the operational capabilities of their units on compliance as well as litigation and evaluation.

"Relevant Philippine authorities continue to work together in strengthening the country's AML/CFT measures and in showing progress toward effectiveness," Mr. Racela said in a Viber message.

Based on the FATF's latest assessment, the Philippines needs to show it is implementing effective risk-based supervision of designated nonfinancial businesses and professions. These include jewelry dealers, real estate brokers and developers and service providers for financial businesses.

FATF, S1/5



BSP chief says PHL credit rating downgrade unlikely

THE PHILIPPINES' investment grade rating is unlikely to be downgraded as the country's outstanding debt remains "manageable," the central bank governor said.

"[T]he likelihood that the Philippines' ratings will be downgraded by rating agencies (is) nil," Bangko Sentral ng Pilipinas (BSP) Governor Benjamin E. Diokno said in a Viber message to reporters.

He said the country's outstanding public debt is still manageable despite reaching a record P12.03 trillion as of end-January, as economic growth could outpace the increase in debt amid the recovery from the pandemic.

"At its current ratio, the public debt is quite manageable. The country can easily outgrow its debt since we expect the Philippine economy to grow much faster than its debt," Mr. Diokno, a former Budget secretary, said.

Fitch Ratings last month kept the country's investment grade "BBB" rating, but maintained the "negative" outlook. A negative outlook means a downgrade is possible within the next 12 to 18 months.

Fitch noted the country still faces hurdles in bringing down debt.

The debt-to-gross domestic product (GDP) ratio was at 60.5% as of end-2021, the highest since the 65.7% in 2005. This was also slightly above the 60% threshold considered as manageable by multilateral lenders for developing economies. The ratio was much higher than the 39.6% seen as of end-2019 prior to the pandemic.

Still, Mr. Diokno said the country's debt-to-GDP ratio is still much lower compared with other countries with ratios ranging from 100% to 200%. He added that the country's foreign debt is also less than a third of the borrowings.

"For the Philippines, it [foreign debt-to-GDP ratio] is 27.3% (the lowest in the ASEAN-5 countries), which means the servicing of its foreign debt is fairly manageable. Most of its foreign debt are medium to long term, and a big chunk of which has fixed interest rates," he said.

Latest data from the Bureau of the Treasury showed that outstanding debt reached a record P12.03 trillion as of end-January, higher by 2.6% from a month prior and by 16.5% a year earlier. The Treasury attributed the month-on-month uptick to the latest P300-billion zero-interest loan from the BSP and more domestic borrowings.

FED JITTERS

Amid worries over the possible impact of the impending rate hike by the US Federal Reserve, Mr. Diokno said the market-driven foreign exchange system and ample gross international reserves (GIR) will guard the economy from possible external shock.

"The Philippines is not the typical emerging economy. Our first line of defense is our market-determined foreign exchange system where we let the supply-demand dynamics determine the exchange rate, subject to BSP's participation only to smoothen the fluctuations," he said.

Dollar reserves slipped by 1% month on month to $107.69 billion as of end-January, based on latest BSP data.

This is enough to cover 8.4 times the country's short-term external debt based on original maturity and 5.7 times based on residual maturity. It is also equivalent to 10.2 months' worth of imports of goods and payments of services and primary income.

"And we have a steady sources of foreign exchange inflows from overseas Filipino remittances, BPO receipts, exports earnings and surging foreign direct investment," Mr. Diokno added.

ING Bank N.V. Manila Senior Economist Nicholas Antonio T. Mapa in an e-mail on Friday said that while most of the country's outstanding debt are peso-denominated, a continued depreciation of the peso versus the dollar could still make borrowings more costly.

At its close of P51.74 per dollar on Friday, the peso has weakened by 1.45% from its P50.999 finish at the end of 2021.

Last month, Nomura Global Markets Research Chief ASEAN (Association of Southeast Asian Nations) Economist Euben Paracuelles and analyst Rangga Cipta said a ratings downgrade by Fitch is still possible path the election. They said the country's weak economic recovery, risk of scarring effects, as well as uncertain path for fiscal consolidation may lead to a rating downgrade as the outlook remains negative.

S&P Global Ratings last affirmed the country's "BBB+" rating with a stable outlook in May last year. Meanwhile, Moody's last affirmed its "Baa2" credit rating with a stable outlook for the Philippines in July 2020. — **Luz Wendy T. Noble**

WHAT'S INSIDE

Gross borrowings hit P2.58 trillion in 2021

GROSS BORROWINGS by the National Government from domestic and external sources hit P2.58 trillion in 2021, as it continued to finance its pandemic response, data from the Bureau of the Treasury (BTr) showed.

The bureau's most recent cash operations report showed that total borrowings slipped by 5.9% year on year to P2.58 trillion as of end-December 2021.

Local debt accounted for 78% of this total, while the rest was sourced from foreign creditors.

In December alone, total gross borrowings resulted in a net redemption of P196 billion, which means debts paid back were larger than new borrowings.

Total gross domestic debt that month resulted in a net redemption of P236 billion. This was smaller than the P465-billion net redemption logged in the same month the previous year.

The BTr raised P360 billion from retail Treasury bonds in December, while there was a net redemption of Treasury bills worth P56 billion.

It repaid P540 billion to the central bank for its advances.

Borrowings, S1/5