

STOCK MARKET	ASIAN MARKETS	WORLD MARKETS	PESO-DOLLAR RATES	ASIAN MONIES-US\$ RATE	WORLD CURRENCIES	DUBAI CRUDE OIL																																																																					
PSEi OPEN: 7,304.76 HIGH: 7,304.76 LOW: 7,158.33 CLOSE: 7,288.07 VOL.: 2.351 B VAL(P): 8.734 B 53.94 pts. 0.73% 30 DAYS TO MARCH 7, 2022	MARCH 7, 2022 <table border="1"> <tr><th>CLOSE</th><th>NET</th><th>%</th></tr> <tr><td>JAPAN (Nikkei 225)</td><td>25,221.41</td><td>-764.06 -2.94</td></tr> <tr><td>HONG KONG (Hang Seng)</td><td>21,057.63</td><td>-847.66 -3.87</td></tr> <tr><td>TAIWAN (TAIEX)</td><td>17,178.69</td><td>-557.83 -3.15</td></tr> <tr><td>THAILAND (SET Index)</td><td>1,629.39</td><td>-42.33 -2.53</td></tr> <tr><td>S. KOREA (KSE Composite)</td><td>2,651.31</td><td>-62.12 -2.29</td></tr> <tr><td>SINGAPORE (STRAITS TIMES)</td><td>3,191.17</td><td>-35.61 -1.10</td></tr> <tr><td>SYDNEY (All Ordinaries)</td><td>7,038.60</td><td>-72.20 -1.02</td></tr> <tr><td>MALAYSIA (KLC Composite)</td><td>1,572.56</td><td>-31.38 -1.96</td></tr> </table>	CLOSE	NET	%	JAPAN (Nikkei 225)	25,221.41	-764.06 -2.94	HONG KONG (Hang Seng)	21,057.63	-847.66 -3.87	TAIWAN (TAIEX)	17,178.69	-557.83 -3.15	THAILAND (SET Index)	1,629.39	-42.33 -2.53	S. KOREA (KSE Composite)	2,651.31	-62.12 -2.29	SINGAPORE (STRAITS TIMES)	3,191.17	-35.61 -1.10	SYDNEY (All Ordinaries)	7,038.60	-72.20 -1.02	MALAYSIA (KLC Composite)	1,572.56	-31.38 -1.96	MARCH 4, 2022 <table border="1"> <tr><th>CLOSE</th><th>NET</th></tr> <tr><td>Dow Jones</td><td>33,614.800 ▼ -179.860</td></tr> <tr><td>NASDAQ</td><td>13,313.438 ▼ -224.503</td></tr> <tr><td>S&P 500</td><td>4,328.870 ▼ -34.620</td></tr> <tr><td>FTSE 100</td><td>6,987.140 ▼ -251.710</td></tr> <tr><td>Euro Stoxx50</td><td>3,425.310 ▼ -123.910</td></tr> </table>	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	3,425.310 ▼ -123.910	FX OPEN P51.900 HIGH P51.850 LOW P52.190 CLOSE P52.180 W.AVE. P52.061 VOL. \$1,580.40 M SOURCE: BAP 44.00 cts 30 DAYS TO MARCH 7, 2022	MARCH 7, 2022 <table border="1"> <tr><th>LATEST BID (0900GMT)</th><th>PREVIOUS</th></tr> <tr><td>JAPAN (YEN)</td><td>115.000 ▼ 114.780</td></tr> <tr><td>HONG KONG (HK DOLLAR)</td><td>7.816 ▼ 7.814</td></tr> <tr><td>TAIWAN (NT DOLLAR)</td><td>28.250 ▼ 28.123</td></tr> <tr><td>THAILAND (BAHT)</td><td>32.950 ▼ 32.690</td></tr> <tr><td>S. KOREA (WON)</td><td>1,227.650 ▼ 1,217.450</td></tr> <tr><td>SINGAPORE (DOLLAR)</td><td>1.364 ▼ 1.360</td></tr> <tr><td>INDONESIA (RUPIAH)</td><td>14,405 ▼ 14,385</td></tr> <tr><td>MALAYSIA (RINGGIT)</td><td>4.175 ▲ 4.176</td></tr> </table>	LATEST BID (0900GMT)	PREVIOUS	JAPAN (YEN)	115.000 ▼ 114.780	HONG KONG (HK DOLLAR)	7.816 ▼ 7.814	TAIWAN (NT DOLLAR)	28.250 ▼ 28.123	THAILAND (BAHT)	32.950 ▼ 32.690	S. KOREA (WON)	1,227.650 ▼ 1,217.450	SINGAPORE (DOLLAR)	1.364 ▼ 1.360	INDONESIA (RUPIAH)	14,405 ▼ 14,385	MALAYSIA (RINGGIT)	4.175 ▲ 4.176	MARCH 7, 2022 <table border="1"> <tr><th>CLOSE</th><th>PREVIOUS</th></tr> <tr><td>US\$/UK POUND</td><td>1.371 ▼ 1.3225</td></tr> <tr><td>US\$/EURO</td><td>1.0864 ▼ 1.0926</td></tr> <tr><td>\$/AUSTRALIAN DOLLAR</td><td>0.7405 ▲ 0.7370</td></tr> <tr><td>CANADA DOLLAR/US\$</td><td>1.2702 ▼ 1.2730</td></tr> <tr><td>SWISS FRANC/US\$</td><td>0.9230 ▲ 0.9165</td></tr> </table>	CLOSE	PREVIOUS	US\$/UK POUND	1.371 ▼ 1.3225	US\$/EURO	1.0864 ▼ 1.0926	\$/AUSTRALIAN DOLLAR	0.7405 ▲ 0.7370	CANADA DOLLAR/US\$	1.2702 ▼ 1.2730	SWISS FRANC/US\$	0.9230 ▲ 0.9165	FUTURES PRICE ON NEAREST MONTH OF DELIVERY \$108.80/BBL 117.00 109.00 102.20 94.80 87.40 80.00 \$7.90 30 DAYS TO MARCH 4, 2022
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PHILIPPINE STOCK EXCHANGE'S 10 MOST ACTIVE STOCKS BY VALUE TURNOVER • MARCH 7, 2022 (PSEi snapshot on S1/4; article on S2/2)

BDO	P130.000	SCC	P34.100	MBT	P55.300	SMPH	P39.500	ICT	P229.000	SPNEC	P1.990	ACEN	P8.060	DMC	P9.500	URC	P114.600	GLO	P2,540.000										
Value	P660,796,198	Value	P539,051,325	Value	P467,433,051	Value	P396,853,075	Value	P384,112,556	Value	P327,152,510	Value	P314,226,815	Value	P303,144,930	Value	P296,977,729	Value	P271,564,070										
P0.000	—	0.000%	P2.200	▲	6.897%	-P2.850	▼	-4.901%	P0.300	▲	0.765%	P2.800	▲	1.238%	-P0.130	▼	-6.132%	-P0.070	▼	-0.861%	P0.300	▲	3.261%	-P5.100	▼	-4.261%	-P30.000	▼	-1.167%

Surging oil a key risk to PHL — Diokno

NEDA weighs impact of fare hike on inflation

A PESO increase in transport fares could add 0.3 percentage point (ppt) to inflation, National Economic and Development Authority (NEDA) Undersecretary Rosemarie G. Edillon told the hearing.

"For sure there will be an impact on inflation," she said in mixed English and Filipino, adding that economic managers are studying other potential inflation triggers.

"We are looking at other triggers on inflation coming from — God forbid — interest rate hike, that sort of thing," Ms. Edillon said.

Party-list Rep. Sharon S. Garin was asking her how big an impact the 0.3-ppt increase in inflation would have on the Philippine economy.

"What are the risks of all these prices going up — pork and other basic needs — will those highly impact our economy, if we increase it by P1?" she asked, referring to transport fares.

She also asked the NEDA official why the government did not

seem willing to grant the petition for a fare increase.

"What is the effect of the fare hike on our economy?" Ms. Garin, who heads the Committee on Economic Affairs, asked. "We won't push it if that would lead to an economic crash."

"If the fare increase snowballs into wage hikes, that will have a huge impact," Ms. Edillon said. "We are also looking how big its impact is for the rest of the economy."

She added that ideally, the government could grant a "reasonable fare increase" as long as it is accompanied by state subsidies.

The central bank last month raised its inflation forecast for the year to 3.7% from 3.4% previously as it cited the impact of higher global oil and nonoil prices.

Spiraling global oil prices could slash Philippine economic growth by as much as 0.9 ppt or about P300 billion, according to estimates by the NEDA.

Fare, S1/8

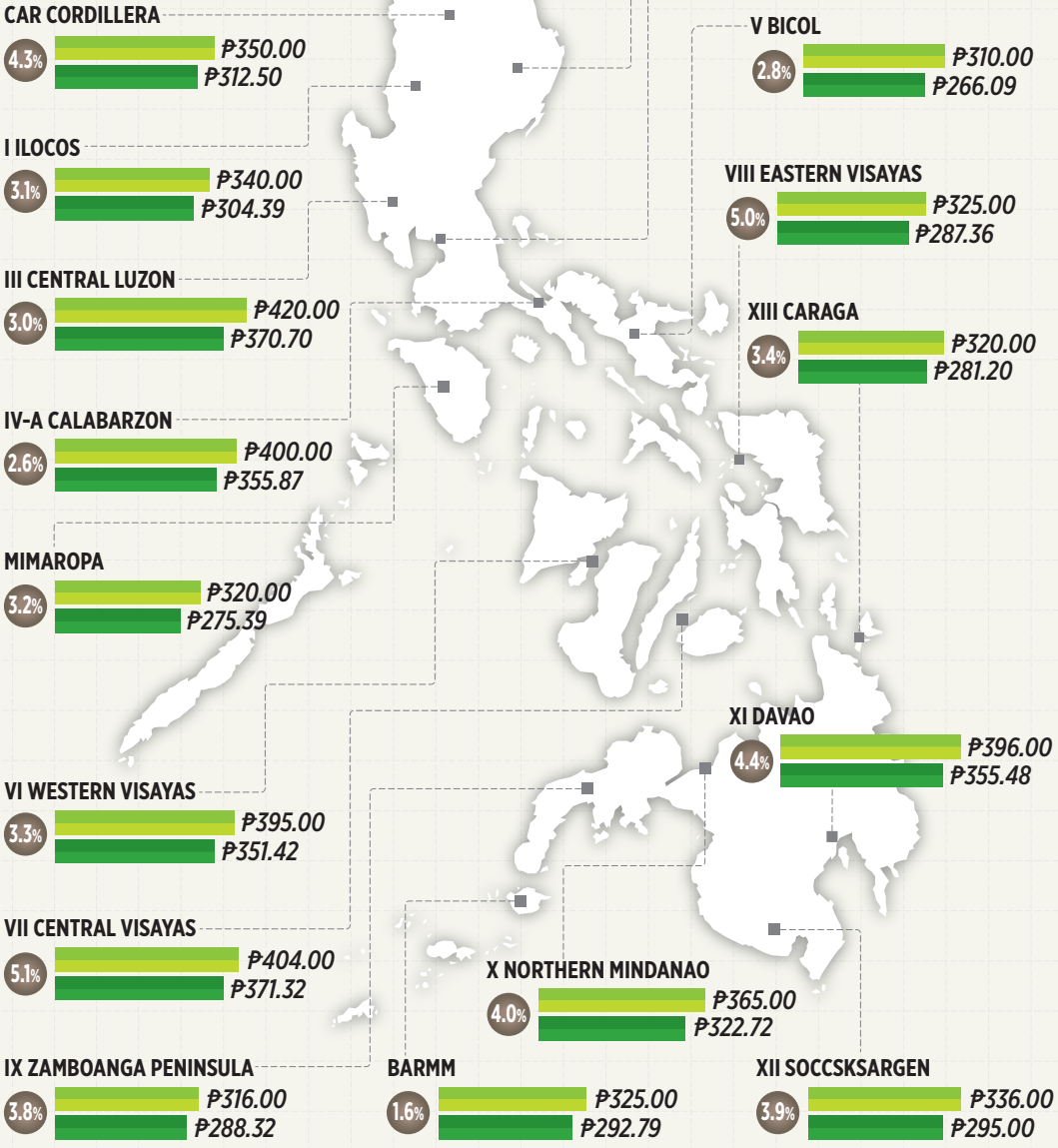
HOW MINIMUM WAGES COMPARE ACROSS REGIONS IN FEBRUARY (AFTER ACCOUNTING FOR INFLATION THAT MONTH)

The infographic compares the current minimum wages set by the country's Regional Tripartite Wages and Productivity Board and the inflation-adjusted "real" minimum wages as of February based on latest data by the Philippine Statistics Authority. While the current minimum wages are determined at the regional level to account for factors such as companies' capacity to pay and costs of living, real wages are obtained when general price increases (i.e. inflation rates) are accounted for. Real wages are 8-14.2% lower in February than their respective current salaries.

NOTES:
 - To calculate real wages, the current (nominal) wage received by workers is divided against the latest regional consumer price index (CPI) data (February 2022) and multiplied by 100.
 - Minimum wage refers to basic pay and cost of living allowance per day.
 - The nominal wages shown here refer to the highest wages in the region (wages widely vary even within the region and sector).
 - The CPI data are under the rebased 2018 prices.

Minimum Wages (February 2022)

Legend:
 ■ Current Wage (in Pesos)
 ■ Real Wage (in Pesos)
 ● Inflation Rate (February 2022, Year On Year)



SOURCE: DEPARTMENT OF LABOR AND EMPLOYMENT'S NATIONAL WAGES AND PRODUCTIVITY COMMISSION AND PHILIPPINE STATISTICS AUTHORITY
 BUSINESSWORLD RESEARCH: MARIEDEL IRISH U. CATILOGO BUSINESSWORLD GRAPHICS: BONG R. FORTIN

By Luz Wendy T. Noble
 Reporter

RUSSIA'S INVASION of Ukraine may continue to drive oil prices even higher, which could push inflation beyond the target range for a second straight year, Bangko Sentral ng Pilipinas Governor Benjamin E. Diokno said.

"The main channel through which the Russia-Ukraine war could affect the Philippines is higher oil prices," Mr. Diokno said in a Viber message to reporters late Sunday evening.

"Based on the BSP's oil price simulation, inflation could settle above the target range of 2% to 4%, only if crude oil prices average higher than \$95.00 per barrel in 2022 and 2023," he added.

Last month, the central bank said the assumed average Dubai crude oil price for 2022 is now at \$83 per barrel, higher by \$10 than the previous assumption in December. Mr. Diokno noted that Dubai crude reached a record high of \$141.33 per barrel in July 2008.

"Should the worst-case scenario of oil prices reaching \$120-140 per barrel occur this year, inflation would be 0.7-1 percentage point above baseline in 2022. In brief, inflation would average between 4.4% and 4.7% under the worst-case scenario," the BSP chief said.

In 2021, inflation reached 4.5% which exceeded the 2-4% target range. The BSP attributed this to the low supply of meat and high oil prices which caused faster price increases.

The BSP raised its inflation forecast for the year to 3.7% from 3.4% previously as it cited the impact of higher global oil and nonoil prices. The forecast priced in a threshold of \$95 per barrel for Dubai crude, with the governor stressing only a sustained increase of beyond \$95 a barrel will warrant an adjustment to their forecast.

"Below \$95 per barrel, inflation would settle within the target range. But the oil price scenarios considered only the direct effects and do not incorporate any potential second-round effects on transport fares, food prices, and wages among others," Mr. Diokno said.

Inflation was steady at 3% for the second straight month in February as food prices eased. However, headline inflation could surpass the BSP's target by April or May given

Oil, S1/8

Tighter BOT guidelines eyed

AGENCIES proposing public-private partnership (PPP) projects could be required to submit complete financial documents and limit variations to contracts, a draft of the revised rules implementing the Build-Operate-Transfer (BOT) Law showed.

In a March 2 document, the National Economic and Development Authority (NEDA) and the PPP Center detailed the proposed changes to the implementing rules and regulations of Republic Act No. 6957 or the BOT Law. This law authorizes the private sector to finance, build, operate, and maintain infrastructure projects.

Under the draft rules, projects to be considered will need a complete feasibility study, along with economic and financial models based on recent data.

The agency or local government unit (LGU) could need to submit to the relevant approving body a set of at least 18 parameters covering the scope of the project, the contract, performance indicators, revenue share, proposed fees, and liabilities.

It could also include a condition banning one-sided provisions in the contracts.

"A contract is onerous if the cost of the project outweighs the advantages the government and the public will receive from the project," the draft rules stated.

The head of the government agency or LGU is in charge of making sure that the draft contract seen during the bidding is consistent with the parameters. This official cannot make changes that will alter the approved risk allocation, change the definition of contingent liabilities, or worsen the fiscal impact on the government.

The proposed revisions aim to protect both the government and the public from excessive payments, undue guarantees, unnecessary fiscal risks, and onerous contractual provisions, the draft said. — **Jenina P. Ibañez**

FULL STORY
 Read the full story by scanning the QR code with your smartphone or by typing the link bit.ly/BOT030822

Shipping costs may rise by as much as 25%, industry group warns

By Arjay L. Balinbin
 Senior Reporter

SHIPPING COSTS may rise as much as 25% as global oil prices continue to skyrocket amid the Ukraine-Russia conflict, according to an industry group.

Philippine Liner Shipping Association (PLSA) President Mark Matthew F. Parco said that fuel is usually 40% to 50% of vessel cost.

With Brent crude now at \$130 per barrel, up from \$80 per barrel at the start of the year, the PLSA expects that other operating expenses, aside from the vessel cost, will also be affected.

"Higher energy prices will affect other costs such as drydocking, spare parts, trucking, etc.," Mr. Parco said dur-

ing a House committee hearing on the fuel crisis on Monday.

"We expect approximately 15%-25% increase in shipping cost," he added.

The industry is seeking fuel subsidies, the removal of excise tax on oil, and reduction in charges imposed by regulating agencies to soften the impact of the rising fuel prices on shipping costs.

"We join the other transport sectors for a fuel subsidy, probably, or the suspension of the excise tax," Philippine Interisland Shipping Association Executive Director Pedro G. Aguilar said during the same House committee hearing on fuel crisis on Monday.

Mr. Aguilar said that removing the excise tax on fuel will be a relief for the industry. "The impact of the excise tax on cargo ships is an increase of P400 to P500 per 20-foot container depend-

ing on the fuel consumption of the vessel and the port of destination of the cargo," he said.

"For passenger ships, while we don't have data right now, I'm pretty sure ship owners and operators of RORO (roll-on, roll-off vessels) have made their own increase just to recover the cost of the excise tax," he added.

As relief for the shipping industry suffering from high fuel prices, Mr. Aguilar said they are seeking a "substantial" reduction in the fees and charges imposed by the regulatory agencies such as the Philippine Ports Authority (PPA).

"We have been subjected to so many increases in port charges by the PPA," he added.

Sought for comment, Chelsea Logistics and Infrastructure Holdings Corp. President and Chief Executive Officer Chrissy Alfonsus V. Damuy said

that "increasing prices will also mean increase in costs to operate ships and even on our logistics business."

"The industry intends to pass these costs to shippers as these are too huge to absorb. The passing (of costs) to shippers may not be outright as it entails notices and effectivity, a certain period, ship operators absorb the costs for a certain period of time," he said via WhatsApp messenger.

PPA General Manager Jay Daniel R. Santiago has yet to respond to a request for comment as of press time.

At the same time, Chelsea Logistics' Mr. Damuy said there are concerns over the stability of oil supply considering the recent developments in the Ukraine-Russia war.

"It is very tough that it will not be passed on as the industry is yet to

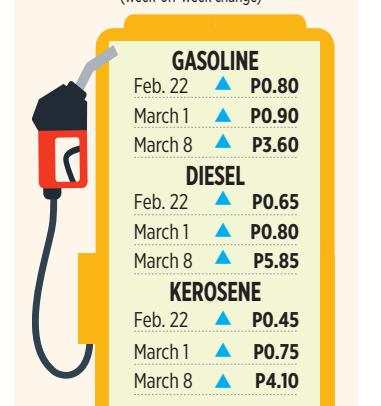
recover from the pandemic. To soften the impact, I am not sure if a subsidy to shipping is feasible being one of the prime movers of the economy considering the Philippines being an archipelago," Mr. Damuy added.

In a phone interview, Philippine Exporters Confederation, Inc. President Sergio R. Ortiz-Luis, Jr. said the possible increase in shipping cost will negatively affect exporters' competitiveness.

"There are already so many charges. There are also so many problems, including the shortage of vessels and all the charges that may increase, so they are already beginning to feel that they are losing their competitiveness," he noted.

"You can pass it on to consumers, but there is a certain point where you cannot pass it on because our consumers have various options where they can buy goods."

FUEL PRICE TRACKER (week-on-week change)



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