

STOCK MARKET	ASIAN MARKETS	WORLD MARKETS	PESO-DOLLAR RATES	ASIAN MONIES-US\$ RATE	WORLD CURRENCIES	DUBAI CRUDE OIL
PSEi OPEN: 6,967.54 HIGH: 7,095.12 LOW: 6,967.54 CLOSE: 6,989.88 VOL.: 16.802 B VAL(P): 10.726 B 12.15 PTS. 0.17% 30 DAYS TO MARCH 9, 2022	MARCH 9, 2022 JAPAN (Nikkei 225) 24,717.53 ▼ -73.42 -0.30 HONG KONG (Hang Seng) 20,627.71 ▼ -138.16 -0.67 TAIWAN (TAIEX) 17,015.36 ▲ 190.11 1.13 THAILAND (SET INDEX) 1,640.80 ▲ 21.70 1.34 S. KOREA (KOSPI) 2,622.40 ▼ -28.91 -1.09 SINGAPORE (STRAITS TIMES) 3,199.49 ▲ 50.63 1.61 SYDNEY (ALL ORDINARIES) 7,053.00 ▲ 72.70 1.04 MALAYSIA (KLC COMPOSITE) 1,562.33 ▲ 15.46 1.00	MARCH 8, 2022 Dow Jones 32,632.640 ▼ -184.740 NASDAQ 12,795.55 ▼ -35.410 S&P 500 4,170.700 ▼ -30.390 FTSE 100 6,964.11 ▼ 4.6300 Euro Stoxx50 3,389.00 ▼ -7.770	FX OPEN P52.280 HIGH P52.150 LOW P52.310 CLOSE P52.230 W.AVE. P52.239 VOL. \$1,135.62 M SOURCE: BAP 9.00 CTVS 30 DAYS TO MARCH 9, 2022	MARCH 9, 2022 LATEST BID (0900GMT) JAPAN (YEN) 115.860 ▼ 115.570 HONG KONG (HK DOLLAR) 7.820 ▼ 7.820 TAIWAN (NT DOLLAR) 28.384 ▼ 28.356 THAILAND (BAHT) 33.120 ▲ 33.150 S. KOREA (WON) 1,231.890 ▲ 1,234.360 SINGAPORE (DOLLAR) 1.363 ▲ 1.364 INDONESIA (RUPIAH) 14,345 ▲ 14,395 MALAYSIA (RINGGIT) 4.185 ▼ 4.180	MARCH 9, 2022 US\$/UK POUND 1.3124 ▲ 1.3098 US\$/EURO 1.0941 ▲ 1.0872 \$/AUSTRALIAN DOLLAR 0.7314 ▲ 0.7284 CANADA DOLLAR/US\$ 1.2840 ▲ 1.2832 SWISS FRANC/US\$ 0.9287 ▲ 0.9278	FUTURES PRICE ON NEAREST MONTH OF DELIVERY \$122.94/BBL 127.50 118.00 108.50 99.00 89.50 80.00 \$2.16 30 DAYS TO MARCH 8, 2022

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PHILIPPINE STOCK EXCHANGE'S 10 MOST ACTIVE STOCKS BY VALUE TURNOVER • MARCH 9, 2022 (PSEi snapshot on S1/2; article on S2/2)

SMMPH P37.000	SM P871.000	ICT P225.000	BDO P125.400	NIKL P8.570	ALI P37.200	BPI P93.250	MBT P53.750	TEL P1,833.000	URC P111.500
Value P932,098,315	Value P626,050,610	Value P567,778,154	Value P447,429,839	Value P381,846,853	Value P380,402,240	Value P333,155,379	Value P330,272,981	Value P296,133,790	Value P256,302,998
-P0.400 ▼ -1.070%	-P19.000 ▼ -2.135%	P6.000 ▲ 2.740%	P1.400 ▲ 1.129%	-P0.950 ▼ -9.979%	P0.300 ▲ 0.813%	P2.250 ▲ 2.473%	P1.250 ▲ 2.381%	-P9.000 ▼ -0.489%	P1.200 ▲ 1.088%

BSP seen to raise rates before midyear

By **Jenina P. Ibañez**
Senior Reporter

THE PHILIPPINE central bank may start raising its benchmark interest rates before mid-2022 to quell inflation risks caused by the Russia-Ukraine crisis, analysts said.

After easing to 3% in February, inflation in the Philippines could be affected by rising oil prices and natural disasters like typhoons, CLSA Senior Economist Anthony Nafte said at a briefing on Wednesday.

"Inflation is very volatile in the Philippines. I'm expecting a spike over the coming months to anywhere between 5.5% and 6%.

That's doubling the current inflation at 3%," he said.

"Among emerging ASEAN (Association of Southeast Asian Nations) economies, the Philippines will be the highest risk of raising interest rates before the middle of the year."

Mr. Nafte expects a 25-basis-point (bp) increase before mid-2022, and then another 50-bp hike in the second half of the year.

The Philippine economy would likely be "collateral damage" to the Russia-Ukraine crisis, raising prices in several sectors and pushing up inflation, Finance Secretary Carlos G. Dominguez III said on Monday evening.

Bangko Sentral ng Pilipinas (BSP) Governor Benjamin E. Diokno

earlier said the war between Russia and Ukraine and its impact on international oil prices would continue to spill over to local costs. This could cause inflation to again exceed the central bank's target of 2% to 4% this year, he said.

Mr. Diokno previously said the BSP would remain accommodative and wait for four to six straight quarters of economic growth before considering a rate hike. The central bank, however, said it was ready to act in case there is a need to respond to second-round effects of inflation.

Central banks in Southeast Asia have not yet raised rates, although Singapore has started tightening its monetary policy through its exchange rate settings.

Mr. Nafte said the Philippines is still expected to be an economic outperformer in ASEAN because it is a domestically driven economy, making it less vulnerable to export disruptions.

"We're looking for a consumption spike in the second quarter. Traditionally, there's this huge amount of pre-election spending," he said, referring to the campaign season before the May 9 elections.

Declining coronavirus cases and improving vaccinations are also driving more mobility, Mr. Nafte added.

While there are investment uncertainties due to the upcoming elections, he said the economic recovery would be boosted if the next administration continues the

government's flagship infrastructure program.

Emerging markets like the Philippines could also relatively perform well amid the crisis because it is less vulnerable to liquidity shocks, Manulife Investment Management said in a note.

"It's also likely that global export momentum slows somewhat, and so those economies less reliant on foreign demand may enjoy a mild relative advantage."

ING Bank NV, Manila Senior Economist Nicholas Antonio T. Mapa expects the central bank to consider hiking rates by the second quarter as inflation accelerates.

Inflation would likely come in at 5.2%, breaching the central bank's target as early as the second quar-

ter, due to the depreciating peso and higher energy prices, he said via Viber.

"Despite dovish undertones from (Mr.) Diokno, BSP may be backed into a corner by May with soaring commodity prices and a weaker currency," he said.

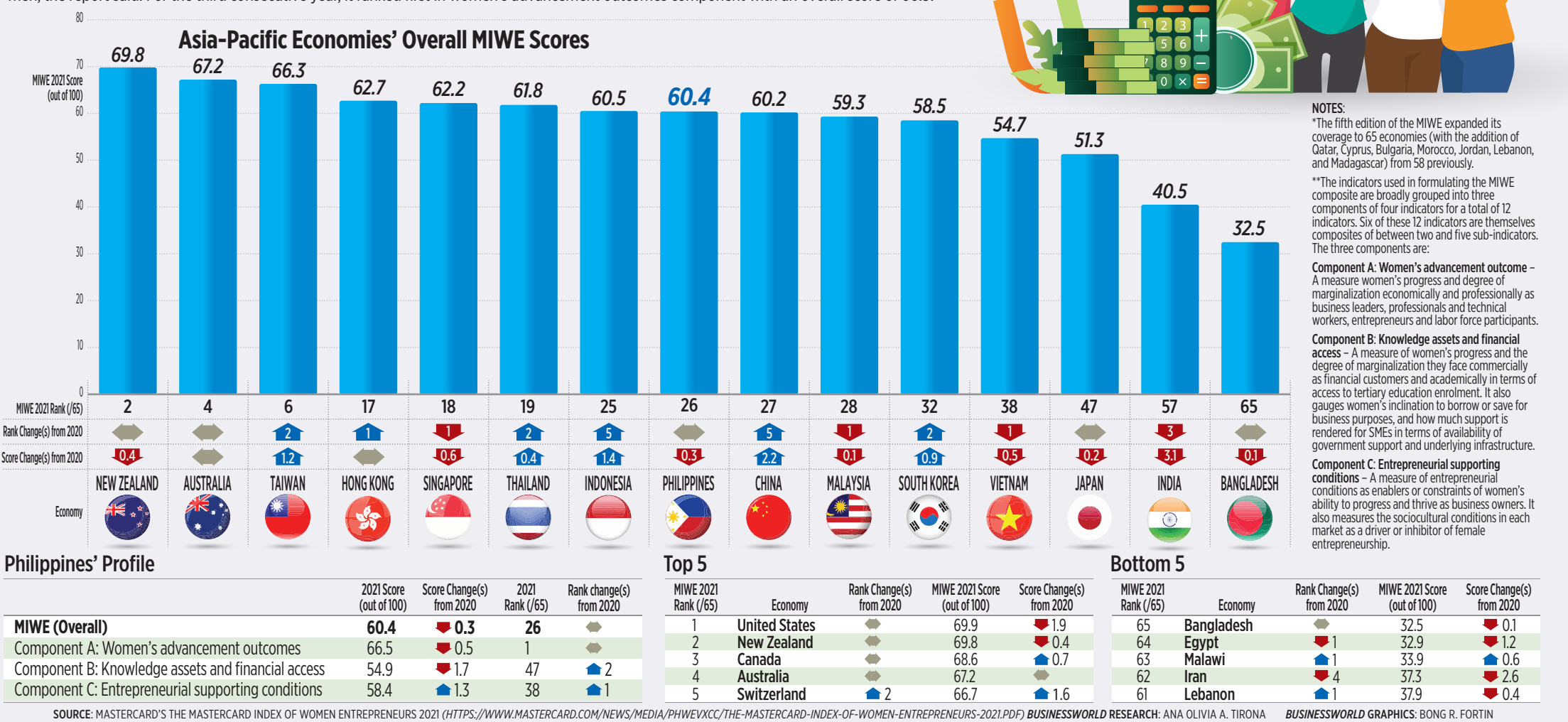
House Ways and Means Chairperson and Albay Rep. Jose Maria Clemente S. Salceda said the continued rise of pump prices could push inflation higher.

"This could drive overall inflation to as high as 5.2 to 5.4% by June, considering added pressures on bread (Russia and Ukraine are among the world's largest producers of wheat), typical power demand surges during the summer months, and second-

Rates, S1/8

PHILIPPINES STEADIES IN GLOBAL WOMEN ENTREPRENEURS RANKING

The Mastercard Index of Women Entrepreneurs (MIWE), created by American financial services company Mastercard, assessed the state of women in businesses around the world. The MIWE scored 65 economies* in a scale of 0 to 100 (100 being the best) from 12 indicators and 27 sub-indicators that create three main components of the index: women's advancement outcomes, knowledge assets and financial access, entrepreneurial supporting conditions.** In the fifth edition of the report, the Philippines placed 26th overall in 2021, unchanged from the previous year. Its score, however, dropped by 0.3 point to 60.4. The report described the Philippines as one of the outliers in 2021 — being one of six "less wealthy economies" that were "making strong inroads in the business world." Notably, Filipinas were more involved in business activities at a "faster pace" compared with men, the report said. For the third consecutive year, it ranked first in women's advancement outcomes component with an overall score of 66.5.



Banks miss 2021 lending quota for agri and agrarian reform sectors

PHILIPPINE BANKS failed to comply with the minimum required lending for the agriculture and agrarian reform (agri-agra) sectors in 2021, according to the central bank.

Lenders disbursed loans worth P851.76 billion as of end-December to these sectors, preliminary data from the Bangko Sentral ng Pilipinas (BSP) showed.

This is below the minimum required credit allocation of P1.997 trillion against their total loanable funds worth P7.992 trillion.

Under Republic Act No. 10000 or the Agri-Agra Reform Credit Act of 2009, banks must allocate 10% of their total loanable funds for the agrarian reform sector and 15% for agriculture.

Credit extended to the agriculture sector reached P776.436

billion in 2021, equivalent to only 9.71% of their total loanable funds.

Big, thrift and rural banks financed loans to the agriculture sector amounting to P740.281 billion, P18.141 billion, and P18.014 billion, respectively.

On the other hand, lending to the agrarian reform sector stood at P75.319 billion, or 0.94% of their total loanable funds.

Credit extended by big, thrift, and rural banks hit P61.584 billion, P3.194 billion, and P10.541 billion, respectively, — all below the 10% minimum requirement.

The BSP hopes that Congress, which is on a break for the elections, will prioritize changes to the Agri-Agra law.

A Bicameral Conference Committee will still need to reconcile any conflicting provisions of the

measures approved by the House of Representatives and Senate.

Once signed into law, the amendments will widen the range of credit counted as part of the quota to include the larger production chain process in the agriculture sector.

MSME LOANS

Banks also failed to meet the quota for small business loans required by law, a separate BSP data showed.

Loans extended by the Philippine banking industry amounted to P463.134 billion, equivalent to 5.41% of their total loan portfolio of P8.57 trillion.

This is lower than the 10% required allocation for small businesses under Republic Act No. 6977. The law mandates lenders

Lending, S1/8

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Manufacturing growth slows down in January

By **Ana Olivia A. Tirona**
Researcher

FACTORY OUTPUT GROWTH slowed for a second straight month in January, amid the reimposition of tighter mobility curbs due to the Omicron-driven surge in coronavirus cases.

Preliminary data from the Philippine Statistics Authority's (PSA) Monthly Integrated Survey of Selected Industries (MISS) showed manufacturing, as measured by the volume of production index (VoPI) grew by 16.5% year on year in January.

This was slower than December's revised 21.3% growth but a turnaround from the 14.5% contraction recorded in January 2021.

This was the second straight month the VoPI recorded slower growth. It also marked the 10th con-

secutive month that factory output posted a positive reading.

"This slowdown is mainly due to the Omicron surge last January when the government declared more restrictions and dampening the momentum of manufacturing growth in December," UnionBank of the Philippines, Inc. Chief Economist Ruben Carlo O. Asuncion said in an e-mail.

Metro Manila and other areas of the country were placed under a stricter Alert Level 3 in January, as the more contagious Omicron variant pushed daily infections to record levels.

"Manufacturing is leaning towards recovery despite a slower growth, compared with January 2021," Federation of Philippine Industries (FPI) Chairman Jesus L. Arranza said in a Viber call. "But due to the Omicron variant, which spreads faster than previous variants, it led to the surge in cases."

Manufacturing, S1/8