

STOCK MARKET	ASIAN MARKETS	WORLD MARKETS	PESO-DOLLAR RATES	ASIAN MONIES-US\$ RATE	WORLD CURRENCIES	DUBAI CRUDE OIL
PSEi OPEN: 7,158.57 HIGH: 7,158.57 LOW: 7,106.49 CLOSE: 7,156.07 VOL: 1.116 B VAL(P): 4.171 B 714 PFS. 0.10% 30 DAYS TO APRIL 5, 2022	APRIL 5, 2022 JAPAN (Nikkei 225) 27,787.98 ▲ 51.51 0.19 HONG KONG (Hang Seng) 22,502.31 ▲ 462.76 2.10 TAIWAN (Weighted) 17,625.59 ▼ -67.88 -0.38 THAILAND (SET Index) 1,703.29 ▲ 0.36 0.02 S. KOREA (KSE Composite) 2,759.20 ▲ 1.30 0.05 SINGAPORE (Straits Times) 3,443.41 ▲ 26.44 0.77 SYDNEY (All Ordinaries) 7,527.90 ▲ 14.20 0.19 MALAYSIA (KLC Composite) 1,596.79 ▼ -2.13 -0.13 <small>* CLOSING PRICE AS OF APRIL 1, 2022</small>	APRIL 4, 2022 Dow Jones 34,921.880 ▲ 103.610 NASDAQ 14,532.554 ▲ 271.054 S&P 500 4,582.640 ▲ 36.780 FTSE 100 7,558.920 ▲ 21.020 Euro Stoxx50 3,774.500 ▲ 39.240	FX OPEN P51.320 HIGH P51.140 LOW P51.355 CLOSE P51.190 W.AVE. P51.262 VOL. \$1,303.55 M SOURCE : BAP 19.00 CTVS 30 DAYS TO APRIL 5, 2022	APRIL 5, 2022 LATEST BID (0900GMT) JAPAN (YEN) 122.770 ▼ 122.600 HONG KONG (HK DOLLAR) 7.832 ▲ 7.835 TAIWAN (NT DOLLAR) 28.608 ▲ 28.620 THAILAND (BAHT) 33.400 ▲ 33.480 S. KOREA (WON) 1,212.700 ▲ 1,213.900 SINGAPORE (DOLLAR) 1.355 ▲ 1.357 INDONESIA (RUPIAH) 14,345 ▲ 14,353 MALAYSIA (RINGGIT) 4.207 ▲ 4.215	APRIL 5, 2022 US\$/UK POUND 1.3133 ▼ 1.3115 US\$/EURO 1.0982 ▲ 1.1020 \$/AUSTRALIAN DOLLAR 0.7634 ▲ 0.7513 CANADA DOLLAR/US\$ 1.2457 ▲ 1.2494 SWISS FRANC/US\$ 0.9255 ▼ 0.9271	FUTURES PRICE ON NEAREST MONTH OF DELIVERY \$101.79/BBL 130.00 120.00 110.00 100.00 90.00 80.00 \$0.19 30 DAYS TO APRIL 4, 2022

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PHILIPPINE STOCK EXCHANGE'S 10 MOST ACTIVE STOCKS BY VALUE TURNOVER • APRIL 5, 2022 (PSEi snapshot on S1/2; article on S2/2)

CNVRG	P29.300	ALI	P34.850	SM	P889.000	GLO	P2,420.000	BDO	P133.400	BLOOM	P6.180	AEV	P60.000	ICT	P226.000	UBP	P101.500	TEL	P1,818.000
Value	P358,915,980	Value	P344,455,655	Value	P337,453,615	Value	P221,078,000	Value	P150,306,137	Value	P146,351,925	Value	P136,877,413	Value	P129,869,262	Value	P129,571,254	Value	P121,257,610
PO.350	▲ 1.209%	-PO.450	▼ -1.275%	-P1.000	▼ -0.112%	-P78.000	▼ -3.122%	P2.200	▲ 1.677%	-PO.190	▼ -2.983%	PO.000	— 0.000%	P1.200	▲ 0.534%	P2.200	▲ 2.220%	P3.000	▲ 0.165%

March inflation climbs to 6-month high

By Bernadette Therese M. Gadon
Researcher

PHILIPPINE INFLATION climbed to a six-month high in March as food, utilities, and transport costs rose due to the spike in global oil prices after Russia's invasion of Ukraine.

Preliminary data from the Philippine Statistics Authority (PSA) showed annual headline inflation accelerated to 4% last month from 3% in February, but slightly slower than the 4.1% print in March last year.

The March inflation was fastest since the 4.2% inflation in September 2021. It matched the 4% print in October last year

and the 4% median in a *BusinessWorld* poll conducted last week.

It was also near the upper end of the 3.3-4.1% forecast range of the Bangko Sentral ng Pilipinas (BSP) for March.

Inflation, meanwhile, picked up by 0.9% on a monthly basis.

For the first quarter, inflation settled at 3.4%, within the 2-4% central bank's inflation target band for 2022 but below the full-year forecast of 4.3%.

The central bank said the average inflation this year could breach the upper end of its target band due to surge in global crude oil prices.

However, it projects that inflation will decline and settle within the target band at 3.6% by next year.

"Inflation expectations have likewise risen, but continue to be anchored to the 2-4% target band," BSP Governor Benjamin E. Diokno said in a Viber message to reporters.

The BSP chief noted Russia's invasion of Ukraine is now a "significant headwind" to the global economic recovery.

"The Russia-Ukraine conflict could affect the Philippines through slower world GDP (gross domestic product) growth, higher crude oil prices, higher world non-oil prices, and potential second-round effects on inflation through transport fares, wages, and food prices," he said.

Inflation, S1/4

BSP ready for preemptive action to tame inflation risks — Diokno

By Luz Wendy T. Noble Reporter

THE PHILIPPINE central bank is ready to take preemptive action if inflation expectations are at risk of being "disanchored," its governor said on Tuesday.

"We are prepared to take preemptive action as needed if inflation expectations become at risk or disanchored," Bangko

Sentral ng Pilipinas (BSP) Governor Benjamin E. Diokno said at the Philippine Economic Briefing held in Pasay City on Tuesday.

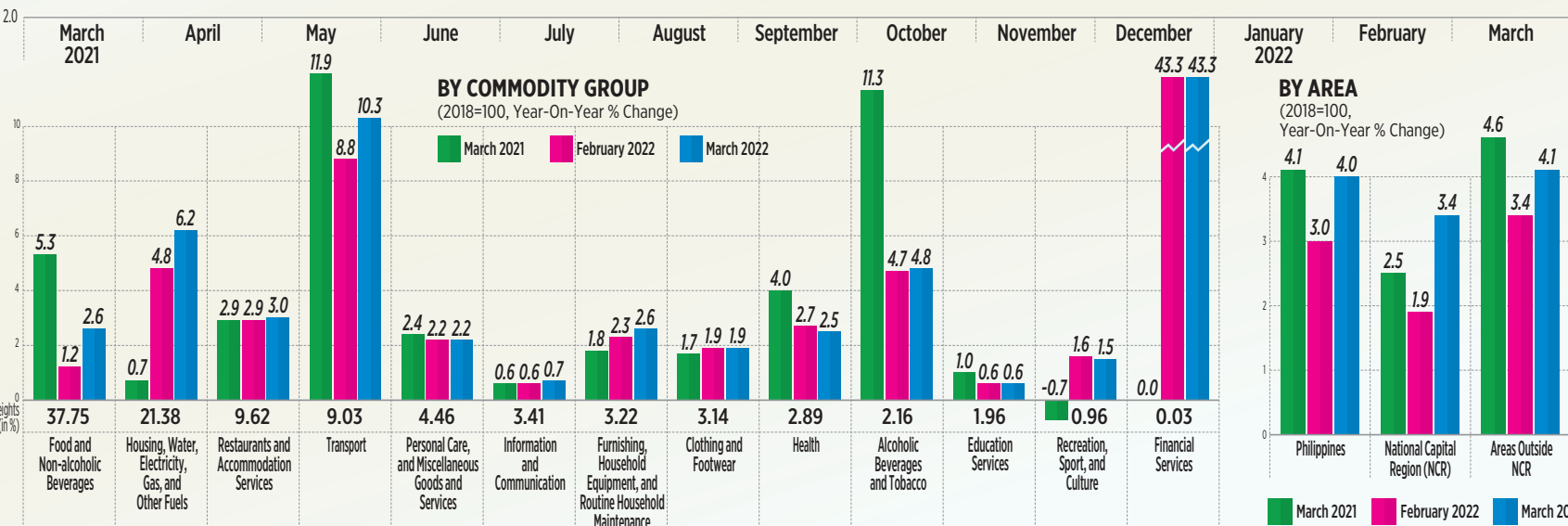
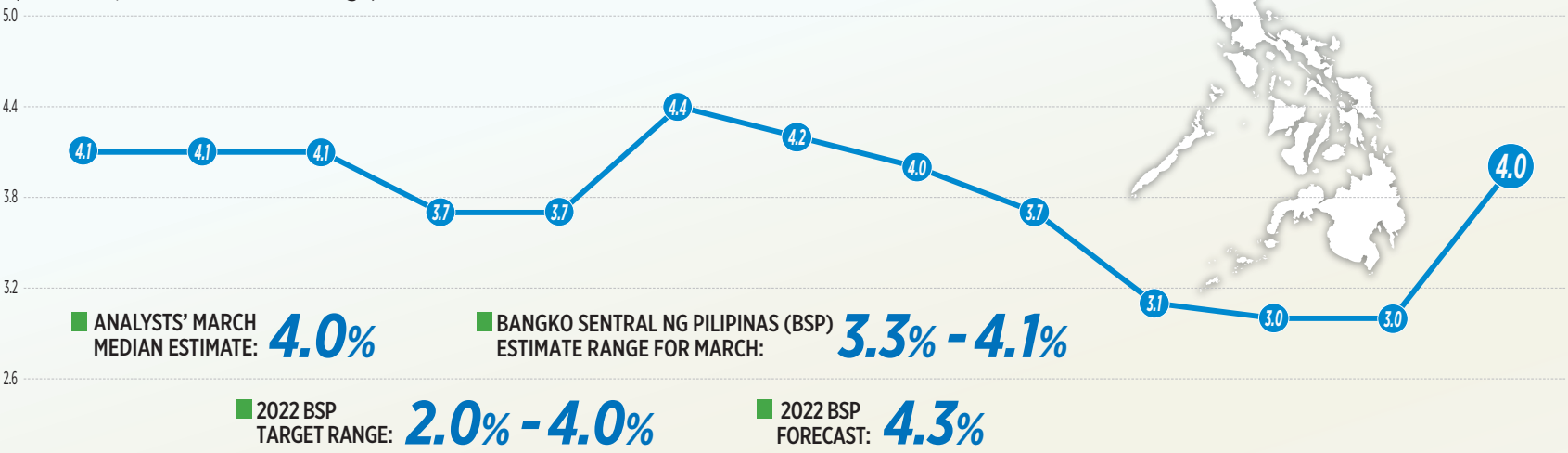
He said they continue to be patient and will consider a rate hike adjustment by the second half of 2022.

Mr. Diokno said March consumer price index (CPI) data suggest that inflation will likely be elevated in the coming months.

BSP, S1/4

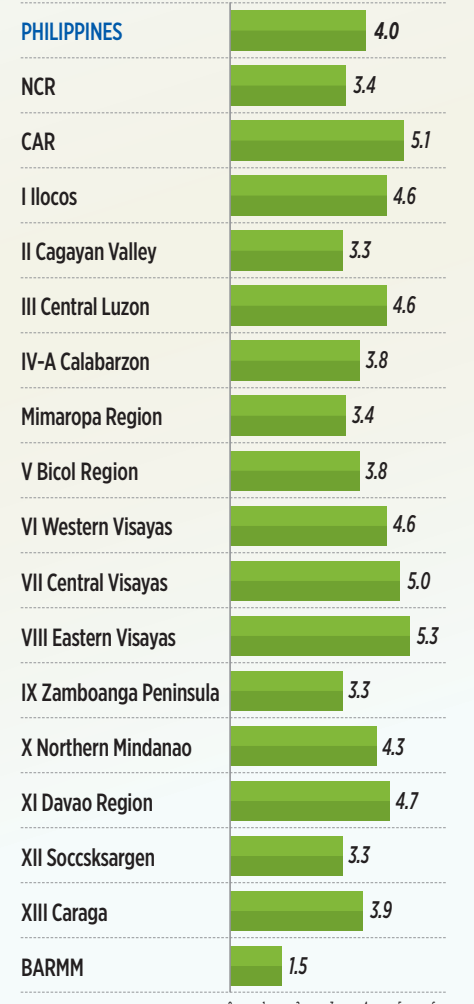
HEADLINE INFLATION RATES IN THE PHILIPPINES

(2018=100, Year-On-Year % Change)



BY REGION (March 2022)

(2018=100, Year-On-Year % Change)



SOURCE: PHILIPPINE STATISTICS AUTHORITY
BUSINESSWORLD RESEARCH: ANA OLIVIA A. TIRONA
BUSINESSWORLD GRAPHICS: BONG R. FORTIN

Budget gap seen to narrow this year as economy recovers 'strongly'

THE BUDGET deficit is expected to start narrowing this year, with borrowings likely to decline and revenues seen to rise as the economy rebounds from the coronavirus pandemic, Finance Secretary Carlos G. Dominguez III said at the Philippine Economic Briefing on Tuesday.

For 2022, Mr. Dominguez said the budget deficit is expected to hit P1.65 trillion, slightly lower than 2021's actual deficit of P1.67 trillion.

"Last year, our revenue collection was already 5% higher than in 2020, signaling a return to robust economic activity. This year, we expect to bring back our revenue collections to pre-pandemic levels," he said.

Domestic and external borrowings are also expected to drop to P1.65 trillion and P560 billion respectively, from local and foreign borrowings of P1.98 trillion and P568 billion respectively in 2021.

Mr. Dominguez said the Philippine economy is now recovering "strongly," but has to deal with volatility arising from the Russia-Ukraine war.

"As the pandemic subsides, the Philippine economy is now well on its way

to rapid recovery," Mr. Dominguez said, citing the decline in coronavirus disease 2019 (COVID-19) cases and reopening of the economy.

Economic managers expect the economy to grow by 7-9%, after gross domestic product (GDP) expanded by 5.6% in 2021.

Mr. Dominguez said economic managers are keeping a close eye on the impact of the Russia-Ukraine war on the economy, particularly on fuel prices.

"Our optimism is, of course, tempered by the uncertainties introduced by the Ukraine conflict. We face a situation that will almost certainly raise inflation levels in all countries. This will be due primarily to the spike in oil and commodity prices," he said.

The Finance chief emphasized there is no shortage of commodities, despite the spike in prices.

"There is no shortage of commodities, there is no shortage of fuel, of corn, of wheat. It's actually the anticipation of shortages that are driving up prices," Mr. Dominguez said. — **Tobias Jared Tomas**

World Bank trims Philippine growth outlook for 2022 on Ukraine war

By Tobias Jared Tomas

THE WORLD BANK trimmed its growth forecast for the Philippines to 5.7% in 2022 due to the impact of the war in Ukraine, warning that growth could further slow to 4.9% if conditions worsen.

At a briefing on Tuesday, World Bank East Asia and Pacific Chief Economist Aaditya Mattoo said the Philippine growth projection for 2022 was downgraded from 5.8% forecast given in October, which he said was already conservative.

The Philippine economy expanded by 5.6% in 2021.

For 2023 and 2024, the World Bank expects the country's gross domestic product (GDP) to grow by 5.6% on average.

However, these new projections are below the Philippine government's 7-9% target for 2022, and 6-7% for 2023.

"Growth will draw strength from the domestic environment with declining COVID-19 (coronavirus disease 2019) cases, looser restrictions, and wider reopening. The strong domestic condition will help compensate for the weak external environment, reeling from a global growth deceleration, rising inflation, and geopolitical turmoil," the World Bank said in a report released on Tuesday.

Consumption growth would be higher if not for the Russia-Ukraine conflict, which pushed up prices of fuel and food.

Mr. Mattoo said the Philippines is vulnerable to the impact of the Russia-Ukraine war since it is a net importer of fuel. Oil prices have surged since Russia's invasion of Ukraine, which began on Feb. 24.

The World Bank said Philippine poverty incidence is estimated at 18.3% in 2021, and this is expected to decline to 16.2% this year as the economy recovers. However, the drop in poverty may be affected by the spike in inflation.

"In the Philippines, we have done a simulation that showed if food prices increased by say, 10%, it would lead to an increase in the poverty head count by 1% or another million. The fuel price increase will have an impact of one-third as large if it's about 10%. There's a big adverse effect on poverty reduction goals, and will hurt growth," Mr. Mattoo said.

The World Bank said the Philippines faces significant external risks from the global policy tightening and rising commodity and energy prices, while domestic risks emanate from the upcoming May elections.

"The political transition risks policy discontinuity that may undermine market confidence," it said.

Threats from new COVID-19 variants also loom, but the World Bank noted the Philippines has adopted systems to allow increased mobility and localized responses to fresh outbreaks that reduce the impact on the economy.

World Bank S1/9