

STOCK MARKET	ASIAN MARKETS	WORLD MARKETS	PESO-DOLLAR RATES	ASIAN MONIES-US\$ RATE	WORLD CURRENCIES	DUBAI CRUDE OIL
PSEi OPEN: 6,827.94 HIGH: 6,881.59 LOW: 6,785.39 CLOSE: 6,868.92 VOL.: 1.061 B VAL(P): 5.684 B 66.19 PTS. 0.97% 30 DAYS TO MAY 5, 2022	MAY 5, 2022 JAPAN (NIKKEI 225)** 26,818.53 ▼ -29.37 -0.11 HONG KONG (HANG SENG) 20,793.40 ▼ -76.12 -0.36 TAIWAN (WEIGHTED) 16,696.12 ▼ 130.29 0.79 THAILAND (SET INDEX) 1,647.40 ▼ -4.89 -0.30 S.KOREA (KSE COMPOSITE)* 2,677.57 ▼ -2.89 -0.11 SINGAPORE (STRAITS TIMES) 3,343.73 ▼ -5.54 -0.17 SYDNEY (ALL ORDINARIES) 7,364.70 ▼ 60.00 0.82 MALAYSIA (KLSE COMPOSITE) 1,582.98 ▼ -17.45 -1.09	MAY 4, 2022 Dow Jones 34,061.060 ▲ 932.270 NASDAQ 12,964.856 ▲ 401.099 S&P 500 4,300.170 ▲ 124.690 FTSE 100 7,493.450 ▼ -67.880 Euro Stoxx50 3,651.870 ▼ -40.090	FX OPEN P52.380 HIGH P52.230 LOW P52.425 CLOSE P52.385 W.AVE. P52.331 VOL. \$907.50 M SOURCE : BAP	MAY 5, 2022 LATEST BID (0900GMT) JAPAN (YEN) 129.620 ▲ 130.020 HONG KONG (HK DOLLAR) 7.849 ▲ 7.849 TAIWAN (NT DOLLAR) 29.495 ▲ 29.511 THAILAND (BAHT) 34.040 ▲ 34.310 S. KOREA (WON) 1,258.400 ▲ 1,265.230 SINGAPORE (DOLLAR) 1.377 ▲ 1.382 INDONESIA (RUPIAH) 14,495 ▲ 14,495 MALAYSIA (RINGGIT) 4.344 ▲ 4.352	MAY 5, 2022 US\$/UK POUND 1.2557 ▲ 1.2512 US\$/EURO 1.0601 ▲ 1.0531 \$/AUSTRALIAN DOLLAR 0.7218 ▲ 0.7119 CANADA DOLLAR/US\$ 1.2752 ▼ 1.2810 SWISS FRANC/US\$ 0.9779 ▼ 0.9797	FUTURES PRICE ON NEAREST MONTH OF DELIVERY \$104.65/bbl \$0.80 30 DAYS TO MAY 4, 2022

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PHILIPPINE STOCK EXCHANGE'S 10 MOST ACTIVE STOCKS BY VALUE TURNOVER • MAY 5, 2022 (PSEi snapshot on S1/4; article on S2/2)

SM	P861.000	CNVRG	P30.000	ICT	P211.000	SMPH	P37.000	BDO	P129.000	URC	P111.200	GLO	P2,388.000	TEL	P1,932.000	BPI	P97.000	ALI	P32.550
Value	P571,477,370	Value	P558,120,180	Value	P354,993,378	Value	P315,428,300	Value	P205,521,064	Value	P174,430,525	Value	P167,239,940	Value	P167,087,710	Value	P163,115,044	Value	P143,391,000
P12.000	▲ 1.413%	P1.800	▲ 6.383%	-P4.000	▲ -1.860%	P0.250	▲ 0.680%	P1.200	▲ 0.939%	P0.400	▲ 0.361%	P166.000	▲ 7.471%	P43.000	▲ 2.276%	-P0.900	▼ -0.919%	P0.550	▲ 1.719%

Inflation zooms to over 3-year high

By Keisha B. Ta-asan

PHILIPPINE INFLATION surged to an annual 4.9% in April, the highest in more than three years as soaring food and energy prices continued to hurt consumers

This could bolster the case for the Bangko Sentral ng Pilipinas (BSP) to tighten monetary policy earlier than expected.

Consumer prices rose to a 40-month high of 4.9% annually, from 4% in March and 4.1% in April a year ago, preliminary data from the Philippine Statistics Authority (PSA) showed.

It was the quickest pace since the 5.2% print in December 2018, and higher than the 4.6% median estimate in a *BusinessWorld* poll last week.

The headline figure also breached the central bank's 2-4% target range for the year, and near the upper bound of its 4.2-5% forecast range for April.

The last time inflation went above the target was in September 2021 when it rose by 4.2%.

Month on month, inflation inched up by 0.8%. Stripping out the seasonality effects on prices, April's inflation steadied at 1% month on month from March's 1%.

Inflation averaged 3.7% in the four months to April, higher than

4.1% seen in the same period last year. However, it was still lower than the central bank's 4.3% forecast for the year.

Prices of heavily weighted food and non-alcoholic beverages grew by 3.8% in April, accelerating from 2.6% in March. This matched the pace recorded in April 2021.

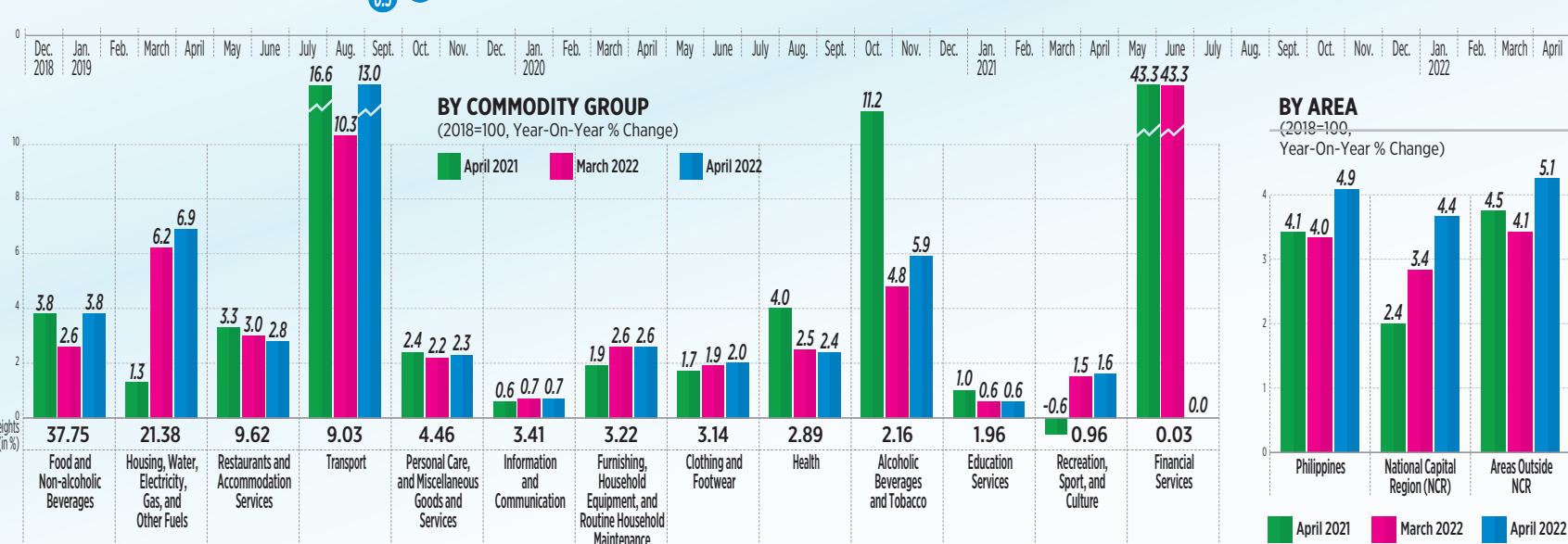
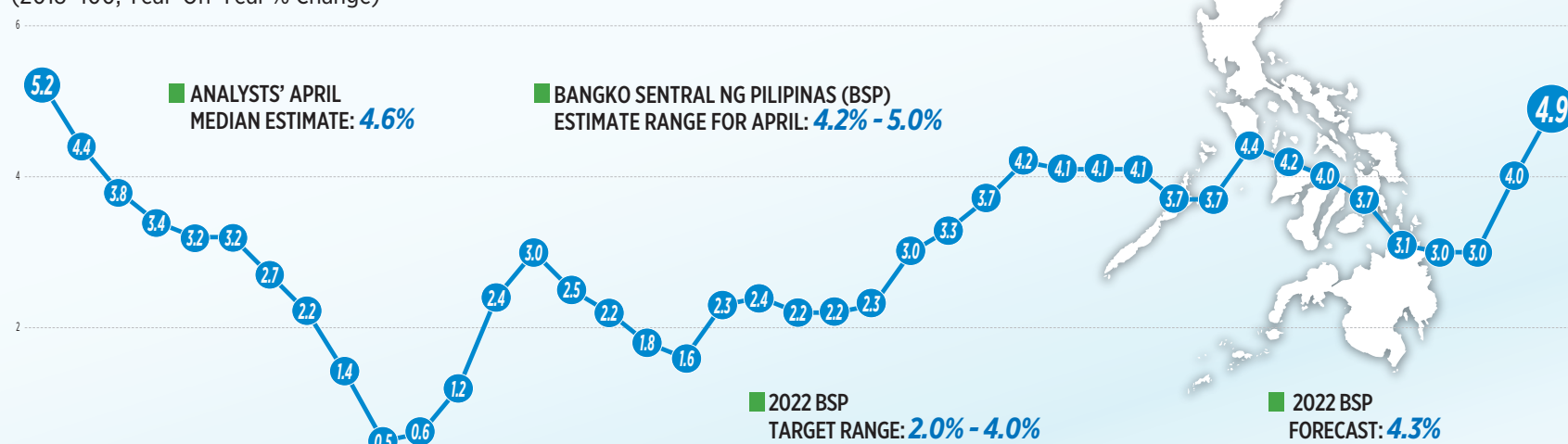
Housing, water, electricity, gas, and other fuels rose by 6.9% in April from 6.2% the prior month and higher than the 1.3% a year ago.

PSA data showed inflation in transport also picked up to 13% from 10.3% but eased from 16.6% last year.

Inflation, S1/5

HEADLINE INFLATION RATES IN THE PHILIPPINES

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



BY REGION (April 2022)
(2018=100, Year-On-Year % Change)

PHILIPPINES	4.9
NCR	4.4
CAR	6.3
Ilocos	5.2
II Cagayan Valley	4.6
III Central Luzon	6.1
IV-A Calabarzon	4.7
Mimaropa Region	4.1
V Bicol Region	4.2
VI Western Visayas	4.9
VII Central Visayas	5.4
VIII Eastern Visayas	6.1
IX Zamboanga Peninsula	4.5
X Northern Mindanao	4.6
XI Davao Region	5.3
XII Soccsksargen	4.2
XIII Caraga	4.4
BARMM	2.1

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

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PEZA says Q1 approved investments plunged 68%

THE PHILIPPINE Economic Zone Authority (PEZA) reported a 68% decline in approved investments in the first quarter of 2022, as the Russia-Ukraine war hurt global economic prospects.

PEZA Director-General Charito B. Plaza said at a press conference on Thursday that the agency approved P8.141 billion in new investments during the first quarter, lower than the P25.382 billion during the same period in 2021.

"These (investments) came from 29 new and expansion projects with projected annual export sales of \$232.454 million and expected job generation of 3,168 direct employment," Ms. Plaza said.

She attributed the decline in approved investments to the Russia-Ukraine war, the ongoing pandemic and uncertainty ahead of the May 9 polls.

"Usually during election period, the investors would wait what is going to be the result of the election because they already anticipated that there will surely be new policies, laws, and rules that will be

adopted by the new administration," Ms. Plaza said.

The PEZA chief said more new investments are expected to come in after the May 9 polls.

"We expect that after the election, these investments will bounce back," Ms. Plaza said.

In April, PEZA raised its investment approvals target for 2022 to 7-8% growth, from its original 6% goal.

Meanwhile, Ms. Plaza urged the next administration to immediately address the issue surrounding the work-from-home arrangement (WFH) for locators within PEZA's economic zones, especially for registered information technology business process outsourcing (IT-BPO) firms and registered business enterprises (RBEs).

"We hope that the new administration will address this (WFH issue) immediately, so we can put a stop to the worries (and) the frustrations. Let us not make it a big issue because this is the appeal of the workers, not only the locators. In addition, the government is still earning despite the WFH arrangement," Ms. Plaza said.
 — R.M.D. Ochave

FULL STORY



Read the full story by scanning the QR code with your smartphone or by typing the link
 <bit.ly/PEZA050622>

NG debt hits record P12.68 trillion as of end-March

By Tobias Jared Tomas

THE NATIONAL GOVERNMENT'S (NG) outstanding debt rose to a record P12.68 trillion as of end-March, as domestic and offshore borrowings increased, the Bureau of the Treasury (BTr) said on Thursday.

Preliminary data from the BTr showed that outstanding debt jumped by 17.73% from P10.77 trillion a year ago, and by 4.8% from February.

In a statement, the BTr said the higher debt was "primarily due to the

net issuance of government securities to both local and external lenders."

Of the total, 70% of the debt portfolio were from domestic lenders, while the rest were from foreign sources.

Domestic debt stock stood at P8.87 trillion as of end-March, up by 14.5% year on year, and 5.4% month on month. The National Government raised P457.80 billion through the successful domestic retail Treasury bond (RTB) issuance and debt exchange during the month.

Of the total domestic debt stock, P8.57 trillion was from government securities, up by 18.9% year on year and by 5.6% month on month.

As of end-March, the outstanding domestic debt was 8.5% or P698.24 billion more than the end-December level.

Meanwhile, external debt grew by 25.8% year on year to P3.81 trillion as of end-March. It inched up by 3.6% from February.

The Treasury attributed the higher external debt to the net availing of external financing that reached P122.69 billion as of end-March. This included P117.33 billion (\$2.25 billion) that was raised from the issuance of the triple tranche 5-year, 10.5-year and 25-year global bonds.

"Third-currency exchange rate fluctuation further lowered the peso value

of external guarantees by P5.16 billion, offsetting the P2.31-billion effect of local currency depreciation against the (US dollar)," it said.

Rizal Commercial Banking Corp. Chief Economist Michael L. Ricafort said in a Viber message that the government issued RTBs and global bonds to raise funds for various projects ahead of the election ban on public works that began on March 25.

"[The] rising trend in interest rates, with long-term interest rates at new pre-pandemic highs recently could increase interest payments for new borrowings," he said.

Debt, S1/5

BSP must brace for more US policy tightening — analysts

By Luz Wendy T. Noble
 Reporter

THE BANGKO Sentral ng Pilipinas (BSP) should be prepared to act as the US Federal Reserve is poised for more rate hikes this year and domestic inflation likely to remain elevated in the next few months.

The Fed's 50-basis point hike rate that was paired with an eventual tapering of a \$9-trillion asset portfolio reflects its "seriousness" in addressing the four-decade-high inflation in the United States, former BSP Deputy Governor Diwa C. Guinigundo said. (Related story on S1/5)

"For those investors and credit rating agencies monitoring inter-

est rate differentials across countries, that US Fed move could encourage more capital flows to the US, away from some emerging markets with lower real interest rates," Mr. Guinigundo said in a Viber message.

"While our local real interest rate is higher, other factors are also considered like growth prospects, currency movement and political prognosis," he added.

Sophia Ng, an analyst at the Mitsubishi UFJ Global Markets Research, also sees the possibility of capital flight, but says this could be more manageable for the Philippines.

"The saving grace for the Philippines in my view is the relatively low foreign participation

in both equity and bond markets as compared to other emerging economies within Asia, which means that downward pressure on the peso from potential capital outflows is likely to be more modest than other AXJ (Asia except Japan) currencies that are more sensitive to portfolio outflows," Ms. Ng said in an e-mail.

With central banks now also having to confront the inflation risks caused by the Russia-Ukraine war, the timing of when to start policy tightening has become more crucial, experts said.

"I don't want to preempt future BSP moves but those decisive actions by the US Fed should make all other central banks think of the timing issue," Mr. Guinigundo said.

"A slight, symbolic move can assure the market that monetary policy is aware of the situation and it is doing something about it," he added.

Bank of the Philippine Islands Lead Economist Emilio S. Neri, Jr. said the latest Fed pronouncements strengthens the case for the BSP to stand ready given the Fed "appears to still be far behind the curve" in terms of policy tightening to battle inflation.

Mr. Neri said central banks, including the Fed, that initially deemed inflation risks to be "transitory" last year may now have to hike aggressively for the next six to 18 months due to rising import bill for oil, rising commodity prices.

BSP, S1/5