

STOCK MARKET	ASIAN MARKETS	WORLD MARKETS	PESO-DOLLAR RATES	ASIAN MONIES-US\$ RATE	WORLD CURRENCIES	DUBAI CRUDE OIL
PSEi OPEN: 6,308.86 HIGH: 6,331.56 LOW: 6,273.73 CLOSE: 6,331.56 VOL.: 0.917 B VAL(P): 11,713 B 61.45 PTS. 0.96% 30 DAYS TO JUNE 17, 2022	JUNE 17, 2022 JAPAN (NIKKEI 225) 25,963.00 ▼ -468.20 -1.77 HONG KONG (HANG SENG) 21,075.00 ▼ 229.57 1.10 TAIWAN (WEIGHTED) 15,641.26 ▼ -197.35 -1.25 THAILAND (SET INDEX) 1,560.65 ▼ -0.45 -0.03 S.KOREA (KSE COMPOSITE) 2,440.93 ▼ -10.48 -0.43 SINGAPORE (STRAITS TIMES) 3,098.09 ▲ 0.66 0.02 SYDNEY (ALL ORDINARIES) 6,474.80 ▼ -116.30 -1.76 MALAYSIA (KLSE COMPOSITE) 1,456.74 ▼ -16.03 -1.09	JUNE 16, 2022 Dow Jones 29,927.070 ▼ -741.460 NASDAQ 10,646.099 ▼ -453.056 S&P 500 3,666.770 ▼ -123.220 FTSE 100 7,044.980 ▼ -228.430 Euro Stoxx50 3,371.120 ▼ -72.250	FX OPEN P53.470 HIGH P53.430 LOW P53.760 CLOSE P53.750 W.AVE. P53.551 VOL. \$962.50 M SOURCE : BAP 52.15 52.00 51.85 51.70 51.55 51.40 51.25 51.10 51.00 50.90 50.80 50.70 50.60 50.50 50.40 50.30 50.20 50.10 50.00 28.00 CTS 30 DAYS TO JUNE 17, 2022	JUNE 17, 2022 LATEST BID (0900GMT) PREVIOUS JAPAN (YEN) 133.310 132.570 HONG KONG (HK DOLLAR) 7.850 7.850 TAIWAN (NT DOLLAR) 29.744 29.775 THAILAND (BAHT) 35.200 35.030 S. KOREA (WON) 1,289.740 1,294.420 SINGAPORE (DOLLAR) 1.385 1.388 INDONESIA (RUPIAH) 14,830 14,765 MALAYSIA (RINGGIT) 4.395 4.400	JUNE 17, 2022 CLOSE PREVIOUS US\$/UK POUND 1.2295 ▲ 1.2114 US\$/EURO 1.0526 ▲ 1.0420 \$/AUSTRALIAN DOLLAR 0.6996 ▲ 0.6979 CANADA DOLLAR/US\$ 1.2968 ▲ 1.2934 SWISS FRANC/US\$ 0.9662 ▼ 0.9799	FUTURES PRICE ON NEAREST MONTH OF DELIVERY \$114.95/BBL 1200.00 114.00 109.00 103.00 98.00 93.00 \$1.35 30 DAYS TO JUNE 16, 2022

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PHILIPPINE STOCK EXCHANGE'S 10 MOST ACTIVE STOCKS BY VALUE TURNOVER • JUNE 17, 2022 (PSEi snapshot on S1/4; article on S2/2)

SMPH	P37.750	ICT	P194.900	BPI	P94.800	SM	P785.000	TEL	P1,864.000	BDO	P121.000	ALI	P27.800	URC	P97.600	AC	P640.000	CNVRG	P20.150
Value	P5,689,299,910	Value	P561,890,244	Value	P476,309,639	Value	P450,525,835	Value	P326,502,165	Value	P286,400,110	Value	P282,565,990	Value	P277,915,555	Value	P272,883,890	Value	P242,723,485
	-P0.150 ▼ -0.396%		P8.500 ▲ 4.560%		-P1.200 ▼ -1.250%		-P24.500 ▼ -3.027%		P104.000 ▲ 5.909%		-P2.800 ▼ -2.262%		-P0.600 ▼ -2.113%		P0.800 ▲ 0.826%		P1.500 ▲ 0.235%		-P0.850 ▼ -4.048%

BSP may go for up to 50-bp hike — poll

By Keisha B. Ta-asan

THE BANGKO SENTRAL ng Pilipinas (BSP) is widely expected to raise interest rates on Thursday, with several analysts now forecasting a 50-basis-point (bp) increase after the aggressive tightening by the US Federal Reserve last week.


A *BusinessWorld* poll last week showed 15 out of 16 analysts anticipate the Monetary Board increasing its benchmark interest rate at its June 23 meeting. However, analysts appear divided on the pace of tightening, with nine analysts seeing a hike of 25 bps while six analysts anticipate an increase of 50 bps.

“Considering the current volatility of the economy, where inflation rate is at its highest since 2018 at 5.4% (in May) and expectations are high that this will further erode and may breach the government target... coupled with the US Federal Reserve decision to increase their policy rate to 75 bps, it is expected that local policy rate to likewise increase by another 25 bps,” Colegio de San Juan de Letran Graduate School Associate Professor Emmanuel J. Lopez said in an e-mail.

Inflation rose to 5.4% in May, the highest in three and a half years and above the BSP’s 2-4% target range. The BSP last month raised its average inflation estimate to 4.6% this year, higher than the previous estimate of 4.3%.

















Makoto Tsuchiya, an economist at Oxford Economics, said the BSP will likely put more focus on elevated prices than economic growth at the next meeting, citing the stronger-than-expected gross domestic product (GDP) growth in the first quarter.

Hike, S1/5



ANALYSTS' EXPECTATIONS ON POLICY RATES (JUNE 23)

(+50 bps)

 Alvin Joseph A. Arogo Philippine National Bank	 Emilio S. Neri, Jr. Bank of the Philippine Islands	 Jonathan L. Ravelas BDO Unibank, Inc.	 Michael L. Ricafort Rizal Commercial Banking Corp.	 Nicholas Antonio T. Mapa ING Bank N.V. Manila Branch	 Robert Dan J. Roces Security Bank Corp.
 Domini S. Velasquez China Banking Corp.	 Emmanuel J. Lopez Colegio De San Juan de Letran Graduate School	 John Paolo R. Rivera Asian Institute of Management	 Makoto Tsuchiya Oxford Economics	 Miguel Chanco Pantheon Macroeconomics	 Patrick M. Ella Sun Life Financial
 Ruben Carlo O. Asuncion UnionBank of the Philippines, Inc.	 Sonia Zhu Moody's Analytics	 Victor A. Abola University of Asia and the Pacific	 <p>MITZIE IRENE P. CONCHADA De La Salle University</p>		

CURRENT POLICY SETTINGS

Overnight Deposit Rate	1.75%
Overnight Reverse Repurchase Rate	2.25%
Overnight Lending Rate	2.75%

BUSINESSWORLD GRAPHICS: BONG R. FORTIN

Incoming BSP governor not keen on cryptocurrency

INCOMING Bangko Sentral ng Pilipinas (BSP) Governor Felipe M. Medalla is not keen on regulating cryptocurrency, dismissing the virtual asset as based on the “greater fool theory.”

“Every Bitcoin buyer that I know does not use (cryptocurrency) for anything... The only reason you’re using this is you think somebody else will buy it from you at a higher price. That’s a very scary investment,” Mr. Medalla said during a virtual roundtable discussion with *BusinessWorld* editors on June 14.

Mr. Medalla, currently a member of the Monetary Board, said cryptocurrency is based on the “greater fool theory.” The

theory goes that a market player can make money buying overpriced items if there is a “greater fool” that wants to purchase it at an even higher price.

Billionaire Bill Gates also cited the same theory in criticizing cryptocurrency at a TechCrunch event last week.

“The value of crypto is what some other person decides someone else will pay for it, so not adding to society like other investments,” Mr. Gates was quoted as saying.

Mr. Medalla noted that cryptocurrency is valuable for people who want to hide their money from the government.

“This is a new tool that adds to the ability to do that. There

are plenty of people who want to hide their money from the government,” he said.

The BSP does not regulate cryptocurrency itself but has guidelines on virtual asset service providers. Under the rules, entities that engage with virtual assets are required to secure a license from the BSP.

Cryptocurrencies in the Philippines are classified as digital or virtual assets.

“My view is the moment you cross from the virtual world to the fiat and physical world, you have to have KYC (Know Your Customer) policies... and apply the same anti-money laundering policy,” Mr. Medalla said.

KYC refers to the process that institutions use to verify identities of their clients and ascertain fraud risks they may pose. This can keep money laundering, terrorism financing, and other types of unlawful financial activities in check.

BSP data showed transactions in virtual currency, including cryptocurrency, surged by 71% to P105.93 billion in the first semester of 2021.

The cryptocurrency industry has suffered significant losses in recent weeks amid problems with stablecoins such as TerraUSD and cryptocurrency lending company Celsius Network. *Cryptocurrency, S1/9*

‘Trading from home’ is the new normal as PSE set to close trading floor

By Luisa Maria Jacinta C. Jacson Reporter

AS THE Philippine Stock Exchange (PSE) is poised to permanently shut its trading floor on Friday, traders said there will be little impact as many are now used to “trading from home” during the coronavirus pandemic.

“The pandemic brought out and proved the possibility of floorless trading was efficient and viable. It was imminent but it would not have been that fast, the pandemic was a catalyst that accelerated the move to go floor-

less,” R.S. Lim and Company, Inc. nominee and former PSE director Alejandro T. Yu said in a phone interview.

In an advisory on June 10, the PSE announced that it will shift to floorless trading, citing the technological advancements have made this trading setup “efficient and responsive to the needs of the investing public.”

The last day of trading on the floor will be June 24 (Friday).

PSE President and Chief Executive Officer Ramon S. Monzon has said only a third of brokers renewed their lease on the trading floor amid the pandemic.

Trading, S1/9



BSP Iloilo office to rise in Megaworld township
Megaworld Corp. Chairman and President Dr. Andrew L. Tan (center) joins officials of the Bangko Sentral ng Pilipinas (BSP) during the capsule laying ceremony for the BSP Iloilo office, which will soon rise within the 72-hectare Iloilo Business Park township in Mandurriao, Iloilo. Present during the ceremony were (from left to right) Iloilo Governor Arthur R. Defensor, Jr.; Monetary Board member and incoming BSP Governor Felipe M. Medalla; BSP Deputy Governor Bernadette Romulo-Puyat; and BSP Managing Director Rosabel B. Guerrero.

PHL needs to ratify RCEP, says Balisacan

THE PHILIPPINES stands to lose potential foreign investments if it fails to ratify its membership in the Regional Comprehensive Economic Partnership (RCEP), incoming Socioeconomic Planning Secretary Arsenio M. Balisacan said.

In a June 16 roundtable with *BusinessWorld* editors, Mr. Balisacan said membership in RCEP would send the signal to investors that the Philippines is “open for business.”

“We want to be part of [the] global value chains. If investors [and] international traders don’t see us as a key player in those value chains, then we could not expect investors to think about us. That is important and I think that we need to ratify the RCEP,” he said.

The Senate failed to give its concurrence to the RCEP before it adjourned sine die on June 1, despite appeals from economic managers and business groups.

The RCEP, which entered into force on Jan. 1, is a major trade agreement involving Australia, China, Japan, South Korea, New Zealand and the 10 members of the Association of Southeast Asian Nations (ASEAN).

Representing about 30% of the global gross domestic product (GDP), the RCEP allows for zero or reduced tariffs in trade between the members of ASEAN and its free trade agreement partners.

Hesitation over the ratification of the RCEP comes from concern that local farmers will be negatively impacted by imports from other RCEP members. Some senators also cited the lack of safeguards for the agriculture sector. *RCEP, S1/9*

“We can never really protect and do justice to our agriculture if our means of protecting our agriculture is inhibit competition, prevent competition,” Mr. Balisacan said.

The incumbent Philippine Competition Commission chairman said the main problem of low agricultural productivity has nothing to do with trade.

“It is the lack of public investments, the lack of institutional support... bad governance in the sector. I’m talking about infrastructure, research and innovation for agriculture. Our productivity, yield per hectare or production per hectare, is so low compared to our neighbors,” he added.

Mr. Balisacan said the government should raise the budget for agriculture research and development (R&D), which is around 0.3% of the country’s GDP compared with other countries that allocate around 1-2% of their GDP.

“We have very little regard for science and even more for agricultural sciences... Investing 2% of your GDP in R&D, you are likely to grow fast with productivity likely to go up,” he added.

“So we have to reset our priorities, go back to the basics, and address the key sources of productivity growth.”

Agriculture typically makes up around 10% of overall economic output, and a fourth of the country’s jobs.

President-elect Ferdinand R. Marcos, Jr. previously said he wants a review of the RCEP to determine if the agriculture sector is not unduly disadvantaged by the trade deal.