



BusinessWorld

| STOCK MARKET | ASIAN MARKETS | WORLD MARKETS | PESO-DOLLAR RATES | ASIAN MONIES-US\$ RATE | WORLD CURRENCIES | DUBAI CRUDE OIL |
|---|--|--|--|--|--|---|
| PSEI OPEN: 6,241.94 HIGH: 6,253.51 LOW: 6,197.98 CLOSE: 6,238.82 VOL.: 0.683 B VAL(P): 5,240 B 21.26 PTS. 0.34% 30 DAYS TO JUNE 27, 2022 | JUNE 27, 2022 JAPAN (NIKKEI 225) 26,871.27 ▲ 379.30 1.43 HONG KONG (HANG SENG) 22,229.52 ▲ 510.46 2.35 TAIWAN (WEIGHTED) 15,548.01 ▲ 244.69 1.60 THAILAND (SET INDEX) 1,580.42 ▲ 11.66 0.74 S.KOREA (KSE COMPOSITE) 2,401.92 ▲ 35.32 1.49 SINGAPORE (STRAITS TIMES) 3,138.89 ▲ 27.24 0.88 SYDNEY (ALL ORDINARIES) 6,706.00 ▲ 127.30 1.94 MALAYSIA (KLSE COMPOSITE) 1,438.12 ▲ 1.42 0.10 | JUNE 24, 2022 Dow Jones 31,500.680 ▲ 823.320 NASDAQ 11,607.620 ▲ 375.427 S&P 500 3,911.740 ▲ 116.010 FTSE 100 7,208.810 ▲ 188.360 Euro Stoxx50 3,488.170 ▲ 103.020 | FX OPEN P54.930 HIGH P54.780 LOW P55.150 CLOSE P54.780 W.AVE. P54.982 VOL. \$1,179.20 M SOURCE: BAP 20.50 CYS 30 DAYS TO JUNE 27, 2022 | JUNE 27, 2022 LATEST BID (0900GMT) PREVIOUS JAPAN (YEN) 135.100 ▲ 135.170 HONG KONG (HK DOLLAR) 7.846 ▲ 7.849 TAIWAN (NT DOLLAR) 29.626 ▲ 29.695 THAILAND (BAHT) 35.300 ▲ 35.450 S. KOREA (WON) 1,282.800 ▲ 1,288.890 SINGAPORE (DOLLAR) 1.385 ▲ 1.386 INDONESIA (RUPIAH) 14,800 ▲ 14,845 MALAYSIA (RINGGIT) 4.403 ▼ 4.400 | JUNE 27, 2022 CLOSE PREVIOUS US\$/UK POUND 1.2292 ▲ 1.2262 US\$/EURO 1.0576 ▲ 1.0554 \$/AUSTRALIAN DOLLAR 0.6921 ▼ 0.6948 CANADA DOLLAR/US\$ 1.2883 ▼ 1.2893 SWISS FRANC/US\$ 0.9588 ▲ 0.9578 | FUTURE PRICE ON NEAREST MONTH OF DELIVERY \$106.65/BRRL ▲ \$0.20 30 DAYS TO JUNE 24, 2022 |

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PHILIPPINE STOCK EXCHANGE'S 10 MOST ACTIVE STOCKS BY VALUE TURNOVER • JUNE 27, 2022 (PSEi snapshot on S1/2; article on S2/2)

| ALI P27,400 | CNVRG P19,580 | UBP P76,500 | ICT P188,000 | BPI P85,500 | AEV P51,450 | URC P101,500 | BDO P118,100 | SPNEC P1,650 | SM P799,500 |
|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|
| Value P523,570,965 | Value P430,439,132 | Value P384,020,767 | Value P287,679,021 | Value P264,692,489 | Value P240,337,346 | Value P231,165,148 | Value P200,273,276 | Value P165,468,740 | Value P148,284,745 |
| P0.550 ▲ 2.048% | P1.080 ▲ 5.838% | P0.550 ▲ 0.724% | P3.000 ▲ 1.622% | -P2.500 ▼ -2.841% | -P0.050 ▼ -0.097% | P6.200 ▲ 6.506% | P0.300 ▲ 0.255% | P0.110 ▲ 7.143% | -P2.000 ▼ -0.250% |

Full liberalization of RE market sought

BSP may need to be more hawkish to curb inflation

THE PHILIPPINE central bank should deliver more aggressive rate hikes in order to curb inflation that is now expected to reach 5% this year, economists said.

The Bangko Sentral ng Pilipinas (BSP) on June 23 raised its benchmark rate by another 25 basis points (bps), bringing it to 2.50%. Interest rates on the overnight deposit and lending facilities were also hiked by 25 bps to 2% and 3%, respectively.

"A more aggressive stance from BSP may help allay concerns about runaway inflation expectations. Monetary policy adjustments operate with a lag and thus we believe front-loaded action would be more beneficial than gradual rate increases," ING Bank N.V. Manila Senior Economist Nicholas Antonio T. Mapa said in an e-mail.

The BSP can also help combat demand-side pressures

and mitigate the impact from second-round effects such as wage and transport fare hikes, he added.

"Lastly, an aggressive rate hike could help calm frayed nerves and mitigate inflation expectations," Mr. Mapa said.

In a note, Fitch Solutions said it expects the central bank to raise its policy rate to 3.25% by the end of the year, up from its previous forecast of 2.75%.

"Over the coming months, mounting inflationary pressure and rising global interest rates will prompt the BSP to adopt a more hawkish stance in our view," it said on Monday.

Fitch Solutions also noted the "ongoing robust economic recovery," as seen in the first quarter, gives the BSP more room to tighten its monetary policy.

Inflation, SI/8



PHILIPPINE STAR/ MICHAEL VARGAS
COMMUTERS pay for their ride at a jeepney terminal along Visayas Ave. in Quezon City, March 16.

How Filipinos are tightening their belts amid soaring prices

By Arjay L. Balinbin
Senior Reporter

FILIPINOS are now experiencing a sharp and sustained rise in prices of food, fuel, electricity and almost everything else.

As inflation hits Filipinos' wallets, many are now looking for ways to stretch their hard-earned peso as far as they can.

Mayzel D. Revuelto, a 33-year-old call center agent, was shocked to see her electricity bill hit P1,200 in May — a 50% increase from the previous month's P800 bill.

"It seems that everything has become even more expensive," the resident of San Mateo, Rizal said in Filipino in a phone interview. "The price of the 2.7-kilogram (liquefied petroleum gas) we buy every month has gone up to P270 from P190. Our P1,500 budget for groceries for two weeks before is now just enough for one week."

Inflation hit a three-and-a-half-year high of 5.4% in May, breaching the Bangko Sentral ng Pilipinas' (BSP) 2-4% target band.

Inflation is expected to continue to accelerate amid higher forecasts for global oil and commodity prices, and

the approved provisional jeepney fare hike. The BSP raised its average inflation projection for this year to 5% (from 4.6%) and for 2023 to 4.2% (from 3.9%).

A small family with an eight-year-old child, Ms. Revuelto and her husband, who works part-time, are now looking for other sources of income.

"We have no choice but to tighten our belts during these hard times," she said, adding that she had to dip into her savings to make ends meet.

Reynald B. Imperial, a 26-year-old salesman at an electronics store in Marikina City, said he decided to leave his apartment in February and move in with his uncle's family to save on rent.

Mr. Imperial, who benefited from the recent increase in daily minimum wage, said he noticed a "slight" increase in electricity and water bills to P900 (from P800) and P500 (from P300), respectively.

To cope with the soaring prices, Mr. Imperial said he stopped buying clothes from pricey online stores and instead, orders on Shopee. He also walks to work, allowing him to save P20 per day on jeepney fare.

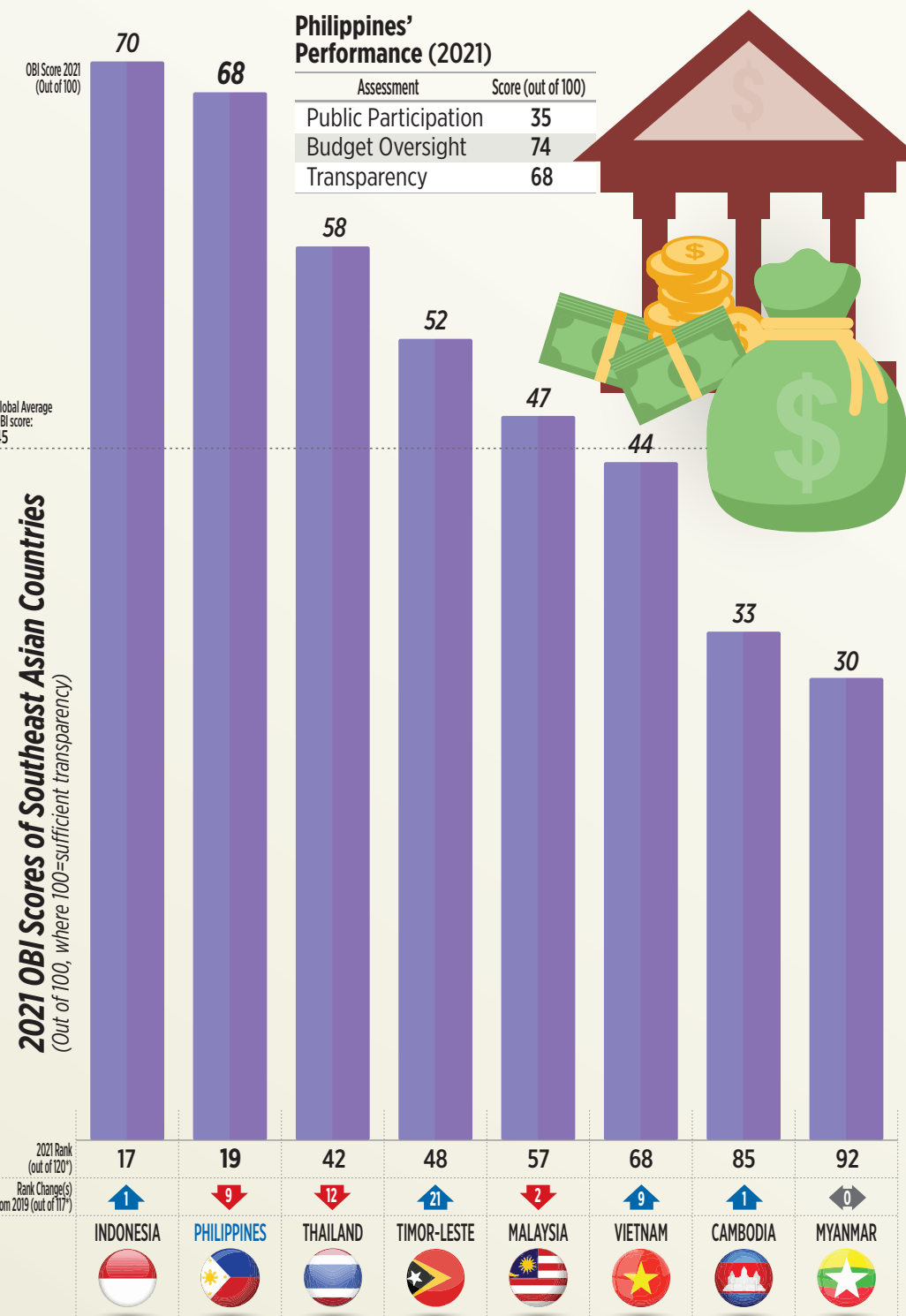
"I expect — but not too much — another wage increase so I can save more for the future," he said.

Prices, SI/8

PHILIPPINES SECOND IN BUDGET TRANSPARENCY IN SOUTHEAST ASIA

The Philippines slipped nine notches to place 19th out of 120* countries in the 2021 edition of the biennial Open Budget Survey by the nonprofit International Budget Partnership.

The survey examines countries on their level of accountability in national budget processes based on public participation, budget oversight, and transparency (also known as Open Budget Index or OBI). With an OBI score of 68 out of 100, the Philippines was the second in budget transparency in Southeast Asia, trailing behind Indonesia (70 out of 100, 17th overall). It was also above the global average OBI score of 45.



Philippines' Historical OBI Scores

| Year | OBI Score (Out of 100) |
|------|------------------------|
| 2010 | 55 |
| 2012 | 48 |
| 2015 | 64 |
| 2017 | 67 |
| 2019 | 76 |
| 2021 | 68 |

| Top 10 | | | Bottom 10 | | |
|-------------------------|----------------|-----------------------------|-------------------------|-------------------|-----------------------------|
| 2021 Rank (out of 120*) | Country | OBI Score 2021 (Out of 100) | 2021 Rank (out of 120*) | Country | OBI Score 2021 (Out of 100) |
| 1 | Georgia | 87 | =117 | Equatorial Guinea | 0 |
| 2 | South Africa | 86 | =117 | Comoros | 0 |
| 3 | Sweden | 85 | =117 | Venezuela | 0 |
| 4 | New Zealand | 85 | =117 | Yemen | 0 |
| 5 | Mexico | 82 | 116 | Sudan | 1 |
| 6 | Norway | 81 | 115 | Qatar | 2 |
| 7 | Brazil | 80 | 114 | Algeria | 3 |
| 8 | Australia | 79 | 113 | Chad | 6 |
| 9 | Dominican Rep. | 77 | 112 | Iraq | 6 |
| 10 | Italy | 75 | 111 | Mali | 8 |

SOURCE: INTERNATIONAL BUDGET PARTNERSHIP'S OPEN BUDGET SURVEY 2021: 8TH EDITION
 BUSINESSWORLD RESEARCH: BERNADETTE THERESE M. GADON BUSINESSWORLD GRAPHICS: BONG R. FORTIN

THE INCOMING Marcos administration should consider the full liberalization of the renewable energy (RE) sector as part of the government's efforts on climate change mitigation, Socioeconomic Planning Secretary Karl Kendrick T. Chua said on Monday.

"We are trying to fully liberalize all renewable energies; tidal, solar, and wind. In fact, the Economic Development Cluster has a resolution pushing for that. That will, I think, create a better balance between the dirty sources of energy and the cleaner ones," he said at a briefing on Monday.

Energy officials previously said new laws may be needed to relax the foreign ownership restrictions for wind and solar projects.

In 2020, the power generation mix in the Philippines was 57% from coal-fired facilities, 21% from renewable energy, 19% from natural gas, and 2% from oil.

Mr. Chua, who steps down from his post on June 30, also expressed support for the new law aimed at regulating and developing the country's electric vehicle (EV) industry.

"(The) electric vehicle law which will help us shift to cleaner electric vehicles rather than gasoline or diesel ones," the National Economic and Development Authority (NEDA) director-general said.

Mr. Chua also backed the imposition of a tax on single-use plastics.

The Department of Finance (DoF) had proposed a P20 excise tax per kilogram of single-use plastics under package 1 of the fiscal consolidation plan, which is aimed at generating fresh revenues amid the country's record-high debt.

During the same briefing, NEDA Undersecretary of the Regional Development Group Mercedita A. Sombilla presented recommendations to accelerate climate action, such as ensuring new programs and policies "support climate-resilient and low-carbon development," and boost awareness on climate change in local communities.

She also proposed scaling up mobilization of climate finance and strengthening institutional capacity to track these climate finance flows.

RE, SI/8

FUEL PRICE TRACKER
 (week-on-week change)

| Category | Date | Price |
|----------|---------|-------|
| GASOLINE | June 14 | P2.15 |
| | June 21 | P0.18 |
| | June 28 | P0.50 |
| DIESEL | June 14 | P4.30 |
| | June 21 | P3.10 |
| | June 28 | P1.65 |
| KEROSENE | June 14 | P4.85 |
| | June 21 | P1.70 |
| | June 28 | P0.10 |

• June 28, 12:01 a.m. — Caltex Philippines
 • June 28, 6 a.m. — Petron Corp., Phoenix Petroleum, Philippines Shell Petroleum Corp., PTT Philippines Corp., Seacol Philippines, Inc.
 • June 28, 8:01 a.m. — Cleanfuel (Shaw Autogas, Inc.)