

STOCK MARKET	ASIAN MARKETS	WORLD MARKETS	PESO-DOLLAR RATES	ASIAN MONIES-US\$ RATE	WORLD CURRENCIES	DUBAI CRUDE OIL																																																																					
<b>PSEi</b> OPEN: 6,503.06 HIGH: 6,503.53 LOW: 6,430.45 CLOSE: 6,467.01 VOL.: 0.762 B VAL(P): 5.376 B 63.03 PTS. 0.96% 30 DAYS TO JUNE 13, 2022	<b>JUNE 13, 2022</b> <table border="1"> <tr><th>CLOSE</th><th>NET</th><th>%</th></tr> <tr><td>JAPAN (NIKKEI 225)</td><td>26,987.44</td><td>-836.85 -3.01</td></tr> <tr><td>HONG KONG (HANG SENG)</td><td>21,067.58</td><td>-738.60 -3.39</td></tr> <tr><td>TAIWAN (WEIGHTED)</td><td>16,070.98</td><td>-389.14 -2.36</td></tr> <tr><td>THAILAND (SET INDEX)</td><td>1,600.99</td><td>-31.63 -1.94</td></tr> <tr><td>S.KOREA (KSE COMPOSITE)</td><td>2,504.51</td><td>-91.36 -3.52</td></tr> <tr><td>SINGAPORE (STRAITS TIMES)</td><td>3,140.19</td><td>-41.54 -1.31</td></tr> <tr><td>SYDNEY (ALL ORDINARIES)*</td><td>6,932.00</td><td>-87.70 -1.25</td></tr> <tr><td>MALAYSIA (KLSE COMPOSITE)</td><td>1,464.83</td><td>-29.12 -1.95</td></tr> </table>	CLOSE	NET	%	JAPAN (NIKKEI 225)	26,987.44	-836.85 -3.01	HONG KONG (HANG SENG)	21,067.58	-738.60 -3.39	TAIWAN (WEIGHTED)	16,070.98	-389.14 -2.36	THAILAND (SET INDEX)	1,600.99	-31.63 -1.94	S.KOREA (KSE COMPOSITE)	2,504.51	-91.36 -3.52	SINGAPORE (STRAITS TIMES)	3,140.19	-41.54 -1.31	SYDNEY (ALL ORDINARIES)*	6,932.00	-87.70 -1.25	MALAYSIA (KLSE COMPOSITE)	1,464.83	-29.12 -1.95	<b>JUNE 10, 2022</b> <table border="1"> <tr><th>CLOSE</th><th>NET</th></tr> <tr><td>Dow Jones</td><td>31,392.790 ▼ -880.000</td></tr> <tr><td>NASDAQ</td><td>11,340.024 ▼ -414.202</td></tr> <tr><td>S&amp;P 500</td><td>3,900.860 ▼ -116.960</td></tr> <tr><td>FTSE 100</td><td>7,317.520 ▼ -158.690</td></tr> <tr><td>Euro Stoxx50</td><td>3,510.730 ▼ -89.460</td></tr> </table>	CLOSE	NET	Dow Jones	31,392.790 ▼ -880.000	NASDAQ	11,340.024 ▼ -414.202	S&P 500	3,900.860 ▼ -116.960	FTSE 100	7,317.520 ▼ -158.690	Euro Stoxx50	3,510.730 ▼ -89.460	<b>FX</b> OPEN P53.100 HIGH P53.100 LOW P53.300 CLOSE P53.300 W.AVE. P53.249 VOL. \$685.20 M SOURCE : BAP	<b>JUNE 13, 2022</b> <table border="1"> <tr><th>LATEST BID (0900GMT)</th><th>PREVIOUS</th></tr> <tr><td>JAPAN (YEN)</td><td>134.320 ▲ 134.420</td></tr> <tr><td>HONG KONG (HK DOLLAR)</td><td>7.850 ▼ 7.849</td></tr> <tr><td>TAIWAN (NT DOLLAR)</td><td>29.710 ▼ 29.657</td></tr> <tr><td>THAILAND (BAHT)</td><td>34.810 ▼ 34.720</td></tr> <tr><td>S. KOREA (WON)</td><td>1,288.570 ▼ 1,279.320</td></tr> <tr><td>SINGAPORE (DOLLAR)</td><td>1.389 ▼ 1.388</td></tr> <tr><td>INDONESIA (RUPIAH)</td><td>14,678 ▼ 14,550</td></tr> <tr><td>MALAYSIA (RINGGIT)</td><td>4.419 ▼ 4.400</td></tr> </table>	LATEST BID (0900GMT)	PREVIOUS	JAPAN (YEN)	134.320 ▲ 134.420	HONG KONG (HK DOLLAR)	7.850 ▼ 7.849	TAIWAN (NT DOLLAR)	29.710 ▼ 29.657	THAILAND (BAHT)	34.810 ▼ 34.720	S. KOREA (WON)	1,288.570 ▼ 1,279.320	SINGAPORE (DOLLAR)	1.389 ▼ 1.388	INDONESIA (RUPIAH)	14,678 ▼ 14,550	MALAYSIA (RINGGIT)	4.419 ▼ 4.400	<b>JUNE 13, 2022</b> <table border="1"> <tr><th>CLOSE</th><th>PREVIOUS</th></tr> <tr><td>US\$/UK POUND</td><td>1.2213 ▼ 1.2314</td></tr> <tr><td>US\$/EURO</td><td>1.0472 ▼ 1.0515</td></tr> <tr><td>\$/AUSTRALIAN DOLLAR</td><td>0.6981 ▼ 0.7051</td></tr> <tr><td>CANADA DOLLAR/US\$</td><td>1.2847 ▲ 1.2781</td></tr> <tr><td>SWISS FRANC/US\$</td><td>0.9914 ▲ 0.9871</td></tr> </table>	CLOSE	PREVIOUS	US\$/UK POUND	1.2213 ▼ 1.2314	US\$/EURO	1.0472 ▼ 1.0515	\$/AUSTRALIAN DOLLAR	0.6981 ▼ 0.7051	CANADA DOLLAR/US\$	1.2847 ▲ 1.2781	SWISS FRANC/US\$	0.9914 ▲ 0.9871	<b>FUTURES PRICE ON NEAREST MONTH OF DELIVERY</b> \$118.99/BBL \$0.19 30 DAYS TO JUNE 10, 2022
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VOL. XXXV • ISSUE 229 TUESDAY • JUNE 14, 2022 • www.bworldonline.com S1/1-12 • 1 SECTION, 12 PAGES

PHILIPPINE STOCK EXCHANGE'S 10 MOST ACTIVE STOCKS BY VALUE TURNOVER • JUNE 13, 2022 (PSEi snapshot on S1/2; article on S1/6)

SMPH	P37.200	ALI	P30.050	ICT	P200.000	SM	P806.000	BDO	P124.700	TEL	P1,796.000	SCC	P33.900	BPI	P92.650	AC	P642.000	GLO	P2,328.000
Value	P605,557,590	Value	P402,306,845	Value	P363,582,753	Value	P302,446,380	Value	P283,868,053	Value	P276,529,435	Value	P257,410,485	Value	P158,767,907	Value	P152,284,875	Value	P147,577,840
P0.200	▲ 0.541%	P0.050	▲ 0.167%	-P2.000	▼ -0.990%	-P14.000	▼ -1.707%	-P1.300	▼ -1.032%	-P40.000	▼ -2.179%	-P0.200	▼ -0.587%	P0.050	▲ 0.054%	-P13.000	▼ -1.985%	-P36.000	▼ -1.523%

## FDI net inflows drop to 10-month low

### Gov't agencies urged to review budget proposals

THE DEPARTMENT of Budget and Management (DBM) on Monday urged government agencies to review their budget proposals for 2023, amid limited fiscal space.

In a statement, the DBM said agencies should reevaluate their budget proposals for next year "to ensure the efficient use of limited resources and to provide additional fiscal space for new public programs and projects."

The Development Budget Coordination Committee (DBCC) last month approved a record P5.268-trillion cap on the national budget for 2023, which represents 22.1% of the gross domestic product (GDP). Next year's budget is 4.9% higher than the P5.02-trillion budget for this year.

In National Budget Memorandum (NBM) No. 144, the DBM said agencies should make sure that Tier 1 or existing programs and Tier 2 or new programs are in line with the government's spending direction and other key

strategies, as well as the incoming administration's priorities.

The programs should also be implementation-ready and can be completed within a year. These should also reflect the agency's absorptive capacity.

"For the National Government to maximize the use of limited resources and to practice prudent public financial management, the departments/agencies are hereby encouraged to reevaluate their Tier 1 proposals," the DBM said.

"Given the absence of additional fiscal space for FY 2023, these adjustments in the Tier 1 levels may provide some headroom for directly needed Tier 2 proposals for new and expanded PAPs (program, activity and projects)."

Budget proposals for Tier 2 or new programs should focus on "health-related expenditures, disaster-risk management, social security, digital economy/government, local government support, Budget, S1/10

### 'Compelled by circumstances': Some banks forecast 75-bp Fed hike

SINGAPORE — Investment banks have ramped up projections for US interest rate rises following a hotter-than-expected inflation reading, with several now forecasting a 75-basis-point (bp) hike this week.

The US Federal Reserve meets on Wednesday in the midst of heavy selling in stock and bond markets following May data showing the US consumer price index (CPI) rising at its fastest pace since 1981.

A 75-bp hike would be the biggest since 1994.

CME's FedWatch tool, based on the prices of short-term credit futures, shows about a 1/4 chance of a 75-bp rate hike at this month's meeting and a better-than-even chance of there being at least one 75 bp hike by next month's meeting.

"The May inflation data was so concerning that we think the Fed will

rate even more aggressively in moving rates 'expeditiously,'" BNY Mellon strategist John Velis said on Monday. His note forecast a 75-bp hike on June 15, up from 50 bps.

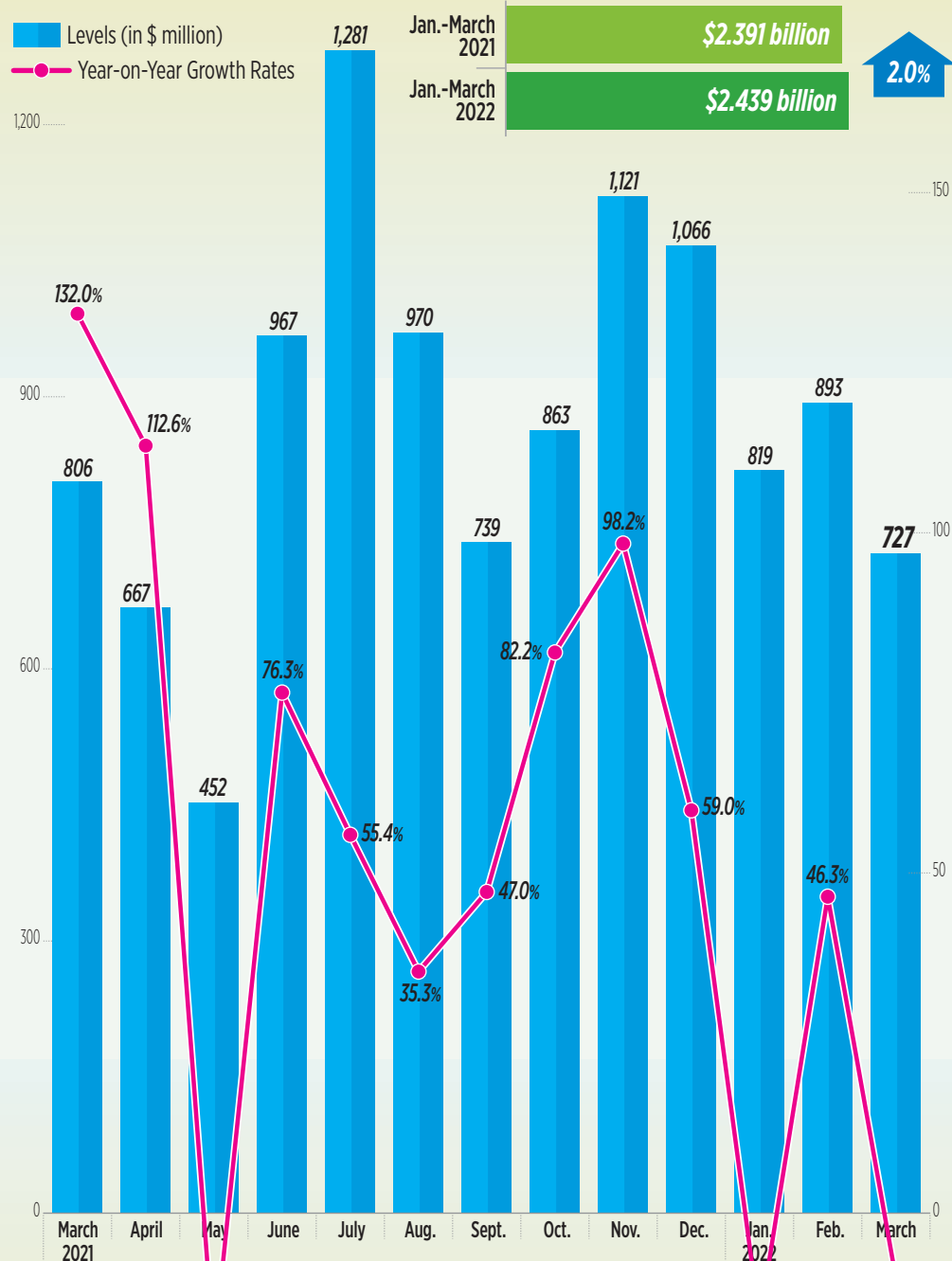
"We felt compelled by circumstances to change our view (and) so communicate it."

Barclays and Jefferies also forecast a 75-bp hike for this week.

"US CPI surprised to the upside and continues to show broad and persistent price pressures," Barclays analysts said in a Sunday note. "We think the Fed probably wants to surprise markets to re-establish its inflation fighting credentials."

Markets have braced, too, with a sell-off in short-dated Treasuries along with futures tied to the Fed policy rate extending in Asia on Monday. Yields on the two-year Treasury note are at their highest since late 2007. — Reuters

### NET FOREIGN DIRECT INVESTMENT (March 2022)



SOURCE: BANGKO SENTRAL NG PILIPINAS  
 BUSINESSWORLD RESEARCH: MARIEDEL IRISH U. CATILOGO  
 BUSINESSWORLD GRAPHICS: BONG R. FORTIN



NET INFLOWS of foreign direct investment (FDI) slumped to its lowest in 10 months in March, as Russia's invasion of Ukraine darkened the outlook for investments.

Data released by the Bangko Sentral ng Pilipinas (BSP) on Monday showed FDI net inflows dropped by 9.8% to \$727 million in March from \$806 million a year earlier.

This was the lowest monthly FDI inflow recorded since the \$452 million seen in May 2021.

The month's FDI net inflows fell by 18.5% from \$893 million in February.

"While the country's macroeconomic fundamentals remain sound, external risks, such as the impact of Russia's invasion of Ukraine on commodities and financial market condition, the start of policy tightening in several major central banks and the resurgence of COVID-19 (coronavirus disease 2019) cases in many Asian economies, may have contributed to investors' concern about the outlook on the global economic recovery," the BSP said in a statement.

Russia began its invasion of Ukraine on Feb. 24, sending shockwaves throughout the global economy. Oil and commodity prices soared, clouding the outlook for economic growth.

The US Federal Reserve raised its policy interest rate by 75 basis points since March, and is expected to continue policy tightening to cool inflation.

BSP data showed non-residents' net investments in debt instruments of local affiliates jumped by 45% to \$543 million in March, from \$374 million a year ago.

Also, investments in equity and investment fund shares dropped by 57.3% in March to \$184 million.

Non-residents' net investments in equity capital (other than reinvestment of earnings) plunged by 69.6% to \$106 million from \$349 million in the same month last year. Equity capital placements fell by 68.7% to \$118 million, while withdrawals dropped by 58.2% to \$12 million.

The equity placements were mainly from Japan, the United States, and Singapore, and invested mostly in manufacturing, real FDI, S1/10

### FUEL PRICE TRACKER (week-on-week change)

GASOLINE	
May 31	▼ P1.70
June 7	▲ P2.70
June 14	▲ P2.15
DIESEL	
May 31	▲ P1.20
June 7	▲ P6.55
June 14	▲ P4.30
KEROSENE	
May 31	▲ P2.45
June 7	▲ P5.45
June 14	▲ P4.85

- June 14, 12:01 a.m. — Caltex Philippines
- June 14, 6 a.m. — Petron Corp.; Phoenix Petroleum; Pilipinas Shell Petroleum Corp.; PTT Philippines Corp.; Seaoil Philippines, Inc.
- June 14, 8:01 a.m. — Cleanfuel (Shaw Autogas, Inc.)

## BSP to turn GS purchasing window into regular facility

By Keisha B. Ta-asan

THE BANGKO Sentral ng Pilipinas (BSP) on Monday said it will reconfigure its government securities (GS) purchasing window into a regular liquidity facility under the interest rate corridor (IRC) framework.

"Reconfiguring the GS window into a regular liquidity facility that can operate under normal and crisis conditions ensures consistency with overall monetary strategy," BSP Governor Benjamin E. Diokno said at his weekly press briefing.

"This is consistent with the BSP's thrust to develop a broad range of instruments and new operating procedures to fight future crises."

The central bank started issuing 28-day BSP bills in September

2020, as an additional tool to manage liquidity in the financial system amid the pandemic.

"The issuance of BSP Securities provides an additional monetary tool for implementing monetary policy. It also promotes greater flexibility in managing liquidity in the financial system under the interest rate corridor or IRC framework," Mr. Diokno said.

The normalization of the BSP's GS window involves three stages: transition, reconfiguration, and re-launching.

The transition stage includes scaling down its daily purchases in the GS window as it shifts into a standard facility. Nevertheless, the facility could be reactivated if justified by market conditions.

The second stage involves the conversion of the GS window from being a standing facility into an

active operation that is consistent with the overall monetary strategy consistent with the IRC framework.

The BSP introduced the IRC system to guide short-term market interest rates towards the central bank's policy rate. It consists of a rate at which the BSP lends to banks (typically an overnight lending rate) and a rate at which it takes deposits from them (deposit rate).

When the reconfiguration is finished, the BSP will re-launch the government securities outright transactions. Market-sounding activities and technical assistance from international institutions will be included.

"Basically, BSP is just reversing what it did during the pandemic when it flooded the market with excess liquidity. Now that inflation can no longer be ruled out as transitory, BSP's reconfiguration

of its open market operation using GS will have to do the heavier lifting. BSP has to normalize its balance sheet too," former BSP Deputy Governor Diwa C. Guinundo said in a Viber message.

The share of outstanding placements in BSP Securities accounted for 35% of the total amount of system liquidity absorbed by the BSP through its liquidity management facilities as of end-May 2022.

"With the economy in much better shape and at hopefully what is the tail end of the pandemic, BSP opted to close this emergency window as there was less need for such a facility," ING Bank N.V. Manila Senior Economist Nicholas Antonio T. Mapa said in an e-mail.

"Any increases in yield are likely tied to other developments

such as accelerating inflation or increase government borrowing and normal market trading activity is now taking place."

Inflation jumped to 5.4% in May, the fastest in three and a half years, as food and fuel prices continued to climb amid the prolonged Russia-Ukraine war.

The BSP last month raised its average inflation forecast for 2022 to 4.6% from 4.3%, exceeding the 2%-4% target.

Rizal Commercial Banking Corp. Chief Economist Michael L. Ricafort said in a Viber message these liquidity management tools "provide greater options, leeway, and flexibility to monetary authorities to effectively respond to evolving economic and business conditions and challenges, such as the COVID-19 (coronavirus disease 2019) pandemic/lockdowns."



**BANKING & FINANCE**  
 Big banks, consumer loans expand on improved economic conditions S1/7

**WORLD BUSINESS**  
 More of South Korea Inc. affected as trucker strike enters seventh straight day S1/9

**THE NATION**  
 Manila could face stricter lockdown if infections rise S1/10



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