

STOCK MARKET	ASIAN MARKETS	WORLD MARKETS	PESO-DOLLAR RATES	ASIAN MONIES-US\$ RATE	WORLD CURRENCIES	DUBAI CRUDE OIL
<b>PSEi</b> OPEN: 6,174.37 HIGH: 6,223.56 LOW: 6,148.43 CLOSE: 6,165.35 VOL.: 0.508 B VAL(P): 3,707 B 9.92 PTS. 0.16% 30 DAYS TO JULY 1, 2022	<b>JULY 1, 2022</b> JAPAN (NIKKEI 225) 25,935.62 ▼ -457.42 -1.73 HONG KONG (HANG SENG)* 21,859.79 ▼ -137.10 -0.62 TAIWAN (WEIGHTED) 14,343.08 ▼ -482.65 -3.26 THAILAND (SET INDEX) 1,572.67 ▲ 4.34 0.28 S. KOREA (KSE COMPOSITE) 2,305.42 ▼ -27.22 -1.17 SINGAPORE (STRAITS TIMES) 3,095.59 ▼ -6.62 -0.21 SYDNEY (ALL ORDINARIES) 6,539.90 ▼ -28.20 -0.43 MALAYSIA (KLSE COMPOSITE) 1,449.74 ▲ 5.52 0.38 * CLOSING PRICE : JUNE 30, 2022	<b>JULY 1, 2022</b> Dow Jones 31,097.260 ▲ 321.830 NASDAQ 11,127.845 ▲ 99.109 S&P 500 3,825.330 ▲ 39.950 FTSE 100 7,168.650 ▼ -0.630 Euro Stoxx50 3,441.260 ▼ -8.640	<b>FX</b> OPEN P54.980 HIGH P54.900 LOW P55.310 CLOSE P55.090 W.AVE. P55.117 VOL. \$1,292.20 M SOURCE : BAP 52.15 53.12 54.09 55.06 56.03 57.00 11.50 CTVS 30 DAYS TO JULY 1, 2022	<b>JULY 1, 2022</b> LATEST BID (0900GMT) PREVIOUS JAPAN (YEN) 135.190 136.240 HONG KONG (HK DOLLAR) 7.847 7.846 TAIWAN (NT DOLLAR) 29.796 29.729 THAILAND (BAHT) 35.570 35.310 S. KOREA (WON) 1,298.670 1,298.410 SINGAPORE (DOLLAR) 1.396 1.391 INDONESIA (RUPIAH) 14,935 14,895 MALAYSIA (RINGGIT) 4.406 4.406	<b>JULY 1, 2022</b> CLOSE PREVIOUS US\$/UK POUND 1.2094 1.2128 US\$/EURO 1.0428 1.0424 \$/AUSTRALIAN DOLLAR 0.6814 0.6878 CANADA DOLLAR/US\$ 1.2883 1.2913 SWISS FRANC/US\$ 0.9593 0.9567	<b>DUBAI CRUDE OIL</b> FUTURES PRICE ON NEAREST MONTH OF DELIVERY \$106.25/BBL 122.00 117.00 112.00 107.00 102.00 97.00 30 DAYS TO JULY 1, 2022

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PHILIPPINE STOCK EXCHANGE'S 10 MOST ACTIVE STOCKS BY VALUE TURNOVER • JULY 1, 2022 (PSEi snapshot on S1/2; article on S2/2)

BDO P112.100 Value P322,426,961 P1.600 ▲ 1.448%	SM P770.000 Value P228,415,910 ▼ -12.000 ▼ -1.535%	SCC P36.000 Value P225,746,745 P1.000 ▲ 2.857%	MER P353.000 Value P203,209,502 ▼ -7.000 ▼ -1.944%	ALI P26.000 Value P160,707,790 P0.500 ▲ 1.961%	AC P625.000 Value P159,265,990 P25.000 ▲ 4.167%	TEL P1,670.000 Value P155,185,905 ▼ -P10.000 ▼ -0.595%	MEG P2.080 Value P147,530,930 ▼ -P0.080 ▼ -3.704%	JFC P205.000 Value P141,369,918 P1.400 ▲ 0.688%	CNVRG P20.950 Value P138,430,650 ▼ -P0.200 ▼ -0.946%
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# June inflation likely hit 6% — poll

By Keisha B. Ta-asan

PHILIPPINE INFLATION probably hit 6% in June amid spiraling oil and food prices and higher electricity rates, according to a median estimate of 16 analysts in a *BusinessWorld* poll

last week, boosting the case for bigger increases in key interest rates.

This would be the quickest since 6.1% in November 2018, and faster than 5.4% in May and 3.7% in June last year, according to data from the Bangko Sentral ng Pilipinas (BSP). It would also breach the central bank's 2-4%

target and the Development Budget Coordination Committee's 3.7-4.7% estimate this year.

"Higher inflation for the month remains to be driven by persistently elevated oil prices now impacting more and more commodities," Domini S. Velasquez, chief economist at China Banking Corp., said in an e-mail.

"Domestic pump prices increased in all four weeks for the month of June."

Record gasoline prices paired with unrelenting food and commodity costs are adding strain to Filipinos' cost of living, suggesting that the BSP might have to increase rates further to slow economic growth.

The Philippine Statistics Authority (PSA) will release June consumer price index (CPI) data on Tuesday.

Crude oil prices have spiraled out of control amid concerns over supply since Russia invaded Ukraine on Feb. 24.

Gasoline, diesel and kerosene prices had jumped by

P30, P45.90 and P39.75 a liter as of June 28, according to data from the Energy department.

The central bank also expects the price of Dubai crude to average about \$106.30 a barrel this year from the \$104.04 estimate in May.

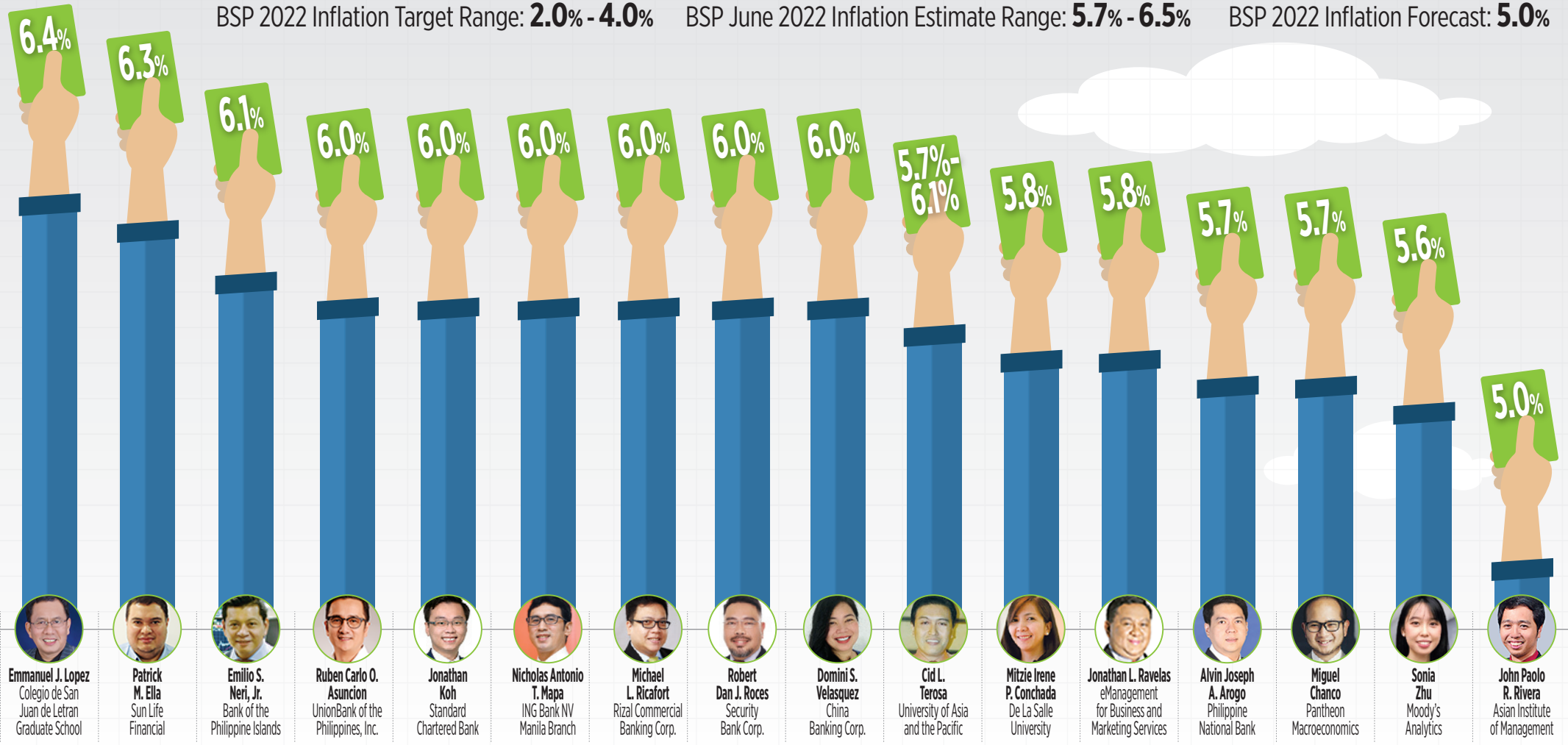
Inflation, S1/13

## ANALYSTS' JUNE 2022 INFLATION RATE ESTIMATES Median: 6.0%

BSP 2022 Inflation Target Range: 2.0% - 4.0%

BSP June 2022 Inflation Estimate Range: 5.7% - 6.5%

BSP 2022 Inflation Forecast: 5.0%



BUSINESSWORLD GRAPHICS: BONG R. FORTIN

## Business sentiment for next 12 months worsens

BUSINESS SENTIMENT worsened for the next 12 months, with consumers less likely to spend amid rising oil and food prices, according to the Philippine central bank.

The Bangko Sentral ng Pilipinas (BSP) confidence index fell to 59.9% from 69.8%, according to the results of its Business Expectations Survey.

"The less upbeat business outlook of most of the regions was due to perceived uncertainties brought about by the government transition to a new administration, seasonal decline in production during the rainy season and expectation of higher inflation due to rising fuel prices," according to the report.

Ferdinand R. Marcos, Jr. took his oath as Philippine president on Thursday, vowing to fulfill his promises to Filipinos including better improving their quality of life.

The Marcos administration inherited some global issues affecting the Philippines, including spiraling oil and food prices caused by Russia's invasion of Ukraine.

"Further, business confidence for the next 12 months was weighed down by concerns over the inoculation targets not being met, China lockdowns and

possible stagflation due to the Ukraine-Russia conflict," the BSP said.

Meanwhile, households expect the prices of consumer goods and services to rise faster in the third quarter, the central bank said, citing Consumer Expectations Survey.

The spending outlook of households on goods and services for the third quarter was less upbeat as the consumer index declined to 38.3% from 40.4%.

"This suggests that while more respondents continue to expect higher spending on basic goods and services, a moderation in spending among consumers is expected for Q3 2022," according to the report.

This may also reflect adjustments in consumers' spending patterns related to their expectations of higher inflation.

"Businesses are expecting that inflation will settle at 4% for Q2 2022, and at 4.1% for Q3 2022 and the next 12 months (from 4.2% across said periods in the Q1 2022 survey results)," the central bank said.

The inflation expectation of companies in the near term is above the upper end of the government's 2-4% target.

Sentiment, S1/9

### BUSINESSWORLD B-SIDE



#### Into the metaverse

THE METAVERSE, a virtual world that relies on technologies like artificial intelligence (AI) and blockchain, is seen as the next big thing by companies like Meta, as it is seen to change the way we work and connect with each other.

"It's the virtual equivalent of being together. It's going to be as close as possible to that," John Rubio, country director of Meta Philippines, said at the BusinessWorld Virtual Economic Forum on May 26. "Imagine a world where you could go back to a different place in a different time and actually experience that. Imagine how immersive that could be."

Carrying the theme "Revolutions 2022: Navigating the Changed World," the two-day event highlighted the changes shaping the world after the pandemic.

This B-Side episode features the audio recording of Mr. Rubio's fireside chat.

>>> <https://spoti.fi/3uh5fjo>



## Analysts praise Marcos veto of Bulacan economic zone bill

By Kyle Aristophere T. Atienza  
Reporter

ANALYSTS mostly welcomed newly installed President Ferdinand R. Marcos, Jr.'s veto of a bill that would have created a special economic zone north of the Philippine capital, saying it sent a message that public interest should trump business gains.

Mr. Marcos made the right decision in rejecting that bill that would have given tax perks to companies in the planned ecozone including San Miguel Corp.'s P740-billion international airport project, said Terry L. Ridon, a public investment analyst and convener of think tank InfraWatch PH.

"These are unprecedented tax perks granted to the Bulacan airport, particularly the indefinite exemption from income and property taxes, as the franchise provides no hard deadline on when the government can finally levy income and property taxes on the airport," he said in a Facebook Messenger chat at the weekend.

The project had already been given "massive tax perks" through a legislative franchise, Mr. Ridon said.

San Miguel President Ramon S. Ang did not immediately reply to a Viber message seeking comment.

Mr. Marcos fully supports the Bulacan Airport City Special Economic Zone and Freeport, and his decision to veto the bill was meant to cure its defects, Press Secretary Rose Beatriz Cruz-Angeles said in a statement on Sunday.

"Presidential Veto is the fastest way to cure the defects of House Bill 7575, especially the provision which exempts the Commission on Audit to look into the financial transactions on the special economic zone and freeport," she said.

"The construction of the Bulacan International Airport and Aero City is not affected by the veto," Ms. Angeles said, noting that the San Miguel group has a separate franchise for it.

In his veto message to Congress on July 1, Mr. Marcos cited the need for fiscal prudence especially in times "when resources are scarce and the needs are abundant."

Creating a new special economic zone, which offers lengthy tax breaks to investors, would pose a "substantial financial risk to the country," he added.

His sister Senator Maria Imelda Josefa Remedios R. Marcos, who sponsored the bill, said she did not take the veto personally.

Mr. Ridon said the government could lose as much as P150 billion in income taxes for a 40-year income tax exemption. "With no hard cap or specific sunset provision on when the tax incentives end, the government will certainly lose even more."

In his veto message, Mr. Marcos said the bill would "significantly narrow" the country's tax base. It is not "aligned with the government's objective to develop a tax system with a broad base and low rates."

"The veto sets the stage towards leveling the playing field for private investments in the public sector, as it indicates that there should be no sacred cows in the treatment of large businesses dealing with government," Mr. Ridon said.

Economic zone, S1/9