

STOCK MARKET	ASIAN MARKETS	WORLD MARKETS	PESO-DOLLAR RATES	ASIAN MONIES-US\$ RATE	WORLD CURRENCIES	DUBAI CRUDE OIL
PSEi OPEN: 6,310.03 HIGH: 6,362.30 LOW: 6,291.94 CLOSE: 6,362.30 VOL.: 0.528 B VAL(P): 5.867 B 50.27 pts, 0.79% 30 DAYS TO AUGUST 2, 2022	AUGUST 2, 2022 JAPAN (NIKKEI 225) 27,594.73 ▼ -398.62 -1.42 HONG KONG (HANG SENG) 19,689.21 ▼ -476.63 -2.36 TAIWAN (WEIGHTED) 14,747.23 ▼ -234.46 -1.56 THAILAND (SET INDEX) 1,587.68 ▼ -5.56 -0.35 S.KOREA (KSE COMPOSITE) 2,439.62 ▼ -12.63 -0.52 SINGAPORE (STRAITS TIMES) 3,240.11 ▲ 1.36 0.04 SYDNEY (ALL ORDINARIES) 6,998.10 ▲ 5.10 0.07 MALAYSIA (KLSE COMPOSITE) 1,495.05 ▼ -7.02 -0.47	AUGUST 1, 2022 Dow Jones 32,798.400 ▼ -46.730 NASDAQ 12,368.976 ▼ -21.712 S&P 500 4,118.630 ▼ -11.660 FTSE 100 7,413.420 ▼ -10.010 Euro Stoxx50 3,655.590 ▼ -6.910	FX OPEN P55.300 HIGH P55.300 LOW P55.450 CLOSE P55.435 W.AVE. P55.393 VOL. 777.17 M SOURCE: BAP 12.50 pts 30 DAYS TO AUGUST 2, 2022	AUGUST 2, 2022 LATEST BID (0900GMT) JAPAN (YEN) 130.840 ▲ 132.160 HONG KONG (HK DOLLAR) 7.850 — 7.850 TAIWAN (NT DOLLAR) 29.982 ▼ 29.994 THAILAND (BAHT) 36.130 ▼ 36.030 S. KOREA (WON) 1,307.510 ▼ 1,302.080 SINGAPORE (DOLLAR) 1.380 ▼ 1.377 INDONESIA (RUPIAH) 14,890 ▼ 14,870 MALAYSIA (RINGGIT) 4.453 ▼ 4.451	AUGUST 2, 2022 US\$/UK POUND 1.2207 ▼ 1.2239 US\$/EURO 1.0236 ▼ 1.0256 \$/AUST DOLLAR 0.6924 ▼ 0.7028 CANADA DOLLAR/US\$ 1.2859 ▲ 1.2776 SWISS FRANC/US\$ 0.9514 ▲ 0.9434	FUTURES PRICE ON NEAREST MONTH OF DELIVERY \$101.50/BBL 114.00 107.00 100.00 93.20 86.00 30 DAYS TO AUGUST 1, 2022 \$5.74

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

BDO	AC	SM	SCC	ALI	CNVRG	URC	SMPH	SECB	TEL
P112.600 Value P658,363,598 -P1.200 ▼ -1.054%	P660.000 Value P340,385,935 ▲ 3.286%	P769.000 Value P326,728,900 ▼ -1.410%	P40.550 Value P281,394,515 ▲ 0.996%	P26.100 Value P272,453,020 ▲ 2.554%	P20.050 Value P272,330,559 ▲ 5.973%	P121.000 Value P252,087,440 ▲ 2.804%	P37.000 Value P231,653,510 — 0.000%	P84.000 Value P228,041,965 ▼ -3.337%	P1,728.000 Value P191,856,600 ▲ 4.411%

Higher rates won't kill growth — BSP

PHL economy seen to expand 6.5% this year

MAYBANK INVESTMENT Banking Group slashed its growth forecast for the Philippines this year, amid the increasing possibility of a recession in the United States, China, and the European Union (EU).

Maybank on Tuesday said it lowered the gross domestic product (GDP) growth forecast for the Philippines to 6.5% this year, from the 7% projection it gave in January.

The latest forecast is still within the government's 6.5-7.5% target for the year, and faster than the 5.7% expansion in 2021.

Despite the downgrade, Maybank said the Philippine GDP growth will be the second fastest among the Association of Southeast Asian Nations (ASEAN) member countries for this year, after Vietnam's 6.9%.

"We do see a rising probability of a recession because of a series of factors like the Russia-Ukraine

war which will likely cause Europe to go into recession... China, US, and the EU are major export destinations for ASEAN-6," Maybank economist Ju Ye Lee said in a webinar on Tuesday.

Ms. Lee said a 1% decline in China's GDP growth "inevitably results in a decline in GDP growth for ASEAN," although mainly Singapore, Thailand, and Malaysia.

"But if you look at the impact on the Philippines or Indonesia, they are more domestic oriented economies. The impact will likely be softer," she said.

Maybank also lowered its 2022 growth projection for ASEAN-6 to 5%, from 5.4% previously.

For 2023, the Philippines is expected to grow by 6.2%, slightly below the government's target of 6.5-8%. This is also higher than the average 4.6% GDP growth for ASEAN-6 expected in 2023.

Economy, S1/9

PHILIPPINES RISES 3 SPOTS TO 41ST OUT OF 150 IN GLOBAL PRESENCE INDEX

The Philippines' overall external projection ranking improved by three spots to 41st out of 150 countries in 2021, according to the latest edition of Elcano Global Presence Index by Madrid-based think tank Elcano Royal Institute. Its overall index score, meanwhile, dropped by 3.59 points to 48.47. The index is an annual ranking of different countries' international projection based on three main dimensions: economy, defense, and soft presence. Among the 14 East and Southeast Asia countries included in the index, the Philippines placed 9th, ahead of Myanmar (64th overall), Cambodia (92nd), Mongolia (104th), Laos (143rd), and Brunei (144th).

Elcano Global Presence 2021 Index Values and Ranks of Select East and Southeast Asian Countries



NOTES:
 - The Elcano Global Presence Index is a synthetic index that orders, quantifies, and aggregates the external projection of different countries. The 2022 edition of the index used data available in 2021. Global presence is divided into three dimensions:
 1. Economic presence (overall weight: 43%) – measured through exports of energy, primary goods, manufacturing and services, as well as direct investments abroad
 2. Military presence (21%) – measured with the troops deployed and with military equipment
 3. Soft presence (36%) – measured through migration, tourism, sports performance in international competitions, international patents, articles published in scientific journals, or official development assistance, among other indicators
 - Weights assigned to variables and dimensions are based on experts' criteria. Surveys were conducted in 2011, 2012, 2015, 2018 and 2021. Questionnaires were sent to specialists in international relations, and answers were combined to determine the weights of variables and dimensions.
 - While the index is calculated with objective data, its purpose is not to ascertain how a country is perceived by certain elites or by the public opinion as a whole. The index is calculated to discover the effective external projection of the different countries, regardless of their reputation or image.

Marcos' priority bills may face rough sailing even with 'supermajority' in Congress

By Kyle Aristophere T. Atienza
Reporter

PRESIDENT Ferdinand R. Marcos, Jr. may have the support of the "supermajority" in Congress, but this does not guarantee that lawmakers will pass his priority economic bills immediately, analysts said.

Mr. Marcos in his State of the Nation Address (SONA) last month identified 19 priority measures, including a National Government rightsizing program, a tax on digital transactions, and amendments to the Electric Power Industry Reform Act (EPIRA) and the Build-Operate-Transfer (BOT) law.

"Supermajorities can be overwhelming but they may not mean instant passage of laws. What is critical is the public support for the president," Robert John R. Go, a political science professor at the University of the Philippines (UP), said in a Messenger chat. "A popular president can shepherd Congress to pass priority measures."

A "supermajority" elected Leyte Rep. Martin G. Romualdez, cousin of Mr. Marcos, as the speaker of the House of Representatives. He is the president of Lakas-CMD, but received the support of the Nacionalista Party, Nationalist People's Coalition, PDP-Laban, National Unity Party, and Hugpong ng Pagbabago for his speakership bid.

In the Senate, only senators Aquilino Martin "Koko" Pimentel III and Ana Theresia "Risa" Hontiveros-Baraquel are considered the minority, while senators Alan Peter S. Cayetano and Pilar Juliana "Pia" S. Cayetano have declared themselves as independent.

"The small number of minority lawmakers is going to make things smoother for Marcos," said Leon-

ardo A. Lanzona, who teaches economics at the Ateneo de Manila University, although he noted the "so-called 'supermajority' is more fragmented" than during the previous administration.

But even as the majority of the senators allied with Mr. Marcos, UP's Mr. Go noted economic bills usually undergo stricter scrutiny from the Senate.

"The Senate supermajority will not automatically translate to speedy approval. Expect more debates happening there than in the other chamber," he said.

Renato E. Reside, Jr., an associate professor at the UP School of Economics, said lawmakers and their constituencies have very diverse interests, which would likely complicate the deliberations on economic measures.

"Crafting legislation is all about evaluating tradeoffs in the process of trying to determine the bill that everyone can live with," he said in a Messenger chat.

In his SONA, Mr. Marcos asked lawmakers to pass a bill that would impose value-added tax (VAT) on digital service providers, which he estimated would generate around P11.7 billion in revenues in 2023.

UP's Mr. Go said taxation bills typically face rough sailing in Congress since these impose "additional financial burden" on citizens.

Maria Ela L. Atienza, who also teaches political science at UP, said economic bills that involve imposing new taxes are usually touted as "beneficial" to gain popular support.

"Economic bills affect taxpayers. So, any measure should be packaged to be seen as beneficial. Economic hardships and issues of graft and corruption affect the fate of these bills," she said in a Viber message.

'Supermajority,' S1/9

THE BANGKO Sentral ng Pilipinas (BSP) has room to further hike interest rates without "killing" economic recovery, according to its governor.

"Our policy rates are still accommodative. The policy rate as it goes up is not even keeping up with the inflation rate. As the inflation rate goes down, the real policy rate becomes less negative," BSP Governor Felipe M. Medalla said during a Financial Executives Institute of the Philippines membership meeting on Tuesday.

"The policy rate is still negative in real terms. So, we can afford to step on the brakes without killing our nascent economic growth," he added.

The economy expanded by a stronger-than-expected 8.3% in the first quarter. Economic managers are targeting 6.5-7.5% gross domestic product (GDP) growth this year.

Mr. Medalla said the central bank can continue to support the economy even with the planned policy rate hike of 25 or 50 basis points (bps) at its next meeting on Aug. 18.

"We're still providing support for the recovery even with the increase in August and maybe with the rest of the year," he said.

The Monetary Board last month raised the benchmark interest rates by 75 bps in an off-cycle move, as it sought to contain broadening inflationary pressures. It has raised rates by 125 bps since May.

The reverse repurchase facility rate is currently at 3.25%, while the rates on the BSP's overnight deposit and lending facilities are at 2.75% and 3.75%, respectively.

In an ambush interview with reporters, Mr. Medalla said it's too early to tell if the central bank will consider a pause in rate hikes.

BSP, S1/9

BUSINESSWORLD B-SIDE



SuperWorld: Understanding virtual real estate and 'live-to-earn'

HRISH LOTLIKAR, co-founder and chief executive officer of SuperWorld, explains how an alternative imagined world inspired by the mobile game *Pokémon GO* allows individuals to own a piece of the virtual world, the metaverse, through the blockchain technology. They can sell and trade their virtual plots of land, with each plot represented as a non-fungible token or NFT.

People are "excited and galvanized about the opportunity to create, discover, and monetize anything anywhere in the real world," Mr. Lotlikar told *BusinessWorld* senior reporter Arjay L. Balinbin.

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