P25 IN METRO MANILA, PHILIPPINES

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STOCK MARKET

PSEi (30 DAYS TO AUGUST 5, 2022): ▼ 77.61 PTS. 1.19%

PSEi	
OPEN:	6,484.61
HIGH:	6,519.80
LOW:	6,405.50
CLOSE:	6,405.50
VOL.:	0.713 B
VAL(P):	12.712 B

ASIAN MARKETS

AUGUST 5, 2022	CLOSE		NET	%
Japan (Nikkei 225)	28,175.87	▲	243.67	0.87
Hong Kong (Hang Seng)	20,201.94	▲	27.90	0.14
Taiwan (Weighted)	15,036.04	▲	333.84	2.27
Thailand (SET Index)	1,601.09	▲	2.34	0.15
S.Korea (Kse Composite)	2,490.80	▲	17.69	0.72
Singapore (Straits Times)	3,282.88	▲	13.02	0.40
Sydney (All Ordinaries)	7,015.60	▲	40.70	0.58
Malaysia (Klse Composite)	1,501.55	▲	-6.16	-0.41

WORLD MARKETS

AUGUST 5, 2022	CLOSE		NET
Dow Jones	32,803.470	▲	76.650
NASDAQ	12,657.555	▼	-63.025
S&P 500	4,145.190	▼	-6.750
FTSE 100	7,439.740	▼	-8.320
Euro Stoxx50	3,641.200	▼	-19.280

PESO-DOLLAR RATES

FX (30 DAYS TO AUGUST 5, 2022): ▲ 40.00 CTVS

FX	
OPEN	P55.480
HIGH	P55.150
LOW	P55.500
CLOSE	P55.200
W.AVE.	P55.294
VOL.	1,222.20 M

SOURCE : BAP

ASIAN MONIES-US$ RATE

AUGUST 5, 2022	LATEST BID (0900GMT)		PREVIOUS
Japan (yen)	134.970	▼	134.190
Hong Kong (HK dollar)	7.850	—	7.850
Taiwan (NT dollar)	29.973	▲	30.002
Thailand (baht)	35.760	▲	36.040
S. Korea (won)	1,302.240	▲	1,310.250
Singapore (dollar)	1.381	▼	1.379
Indonesia (rupiah)	14,890	▲	14,930
Malaysia (ringgit)	4.454	▲	4.456

WORLD CURRENCIES

AUGUST 5, 2022	CLOSE		PREVIOUS
US$/UK pound	1.2071	▼	1.2165
US$/Euro	1.0181	▼	1.0189
$/Aust dollar	0.6909	▼	0.6973
Canada dollar/US$	1.2930	▲	1.2841
Swiss Franc/US$	0.9611	▲	0.9593

DUBAI CRUDE OIL

FUTURES PRICE ON NEAREST MONTH OF DELIVERY
$98.35/BBL
▼ $0.20
30 DAYS TO AUGUST 5, 2022

VOL. XXXVI • ISSUE 9

MONDAY • AUGUST 8, 2022 • www.bworldonline.com

S1/1-10 • 2 SECTIONS, 18 PAGES

PHILIPPINE STOCK EXCHANGE'S 10 MOST ACTIVE STOCKS BY VALUE TURNOVER • AUGUST 5, 2022 (PSEi snapshot on *S1/4*; article on *S2/2*)

		Value			
SECB	P82.000	P2,378,773,806	-P0.100	▼	-0.122%
SCC	P41.000	P2,224,589,025	P0.100	▲	0.244%
AC	P697.000	P1,136,283,560	P4.500	▲	0.650%
BDO	P116.900	P546,823,025	-P1.800	▼	-1.516%
SM	P780.000	P492,313,385	-P12.000	▼	-1.515%
CNVRG	P20.000	P475,727,425	P0.060	▲	0.301%
ACEN	P08.860	P473,791,150	P0.150	▲	1.722%
MONDE	P15.800	P326,475,690	P0.300	▲	1.935%
ICT	P184.600	P322,922,346	-P3.300	▼	-1.756%
ALI	P25.900	P309,114,530	-P0.100	▼	-0.385%

GDP growth likely eased in Q2 — poll

By Lourdes O. Pilar
Researcher

THE Philippine economy likely grew at a slower pace in the second quarter as surging inflation may have affected consumer spending.

A *BusinessWorld* poll of 18 economists and analysts last week yielded a median gross domestic product (GDP) growth estimate of 7.5% for the April-June period, easing from the 8.3% growth in the first quarter and 12.1% in the same period a year ago.

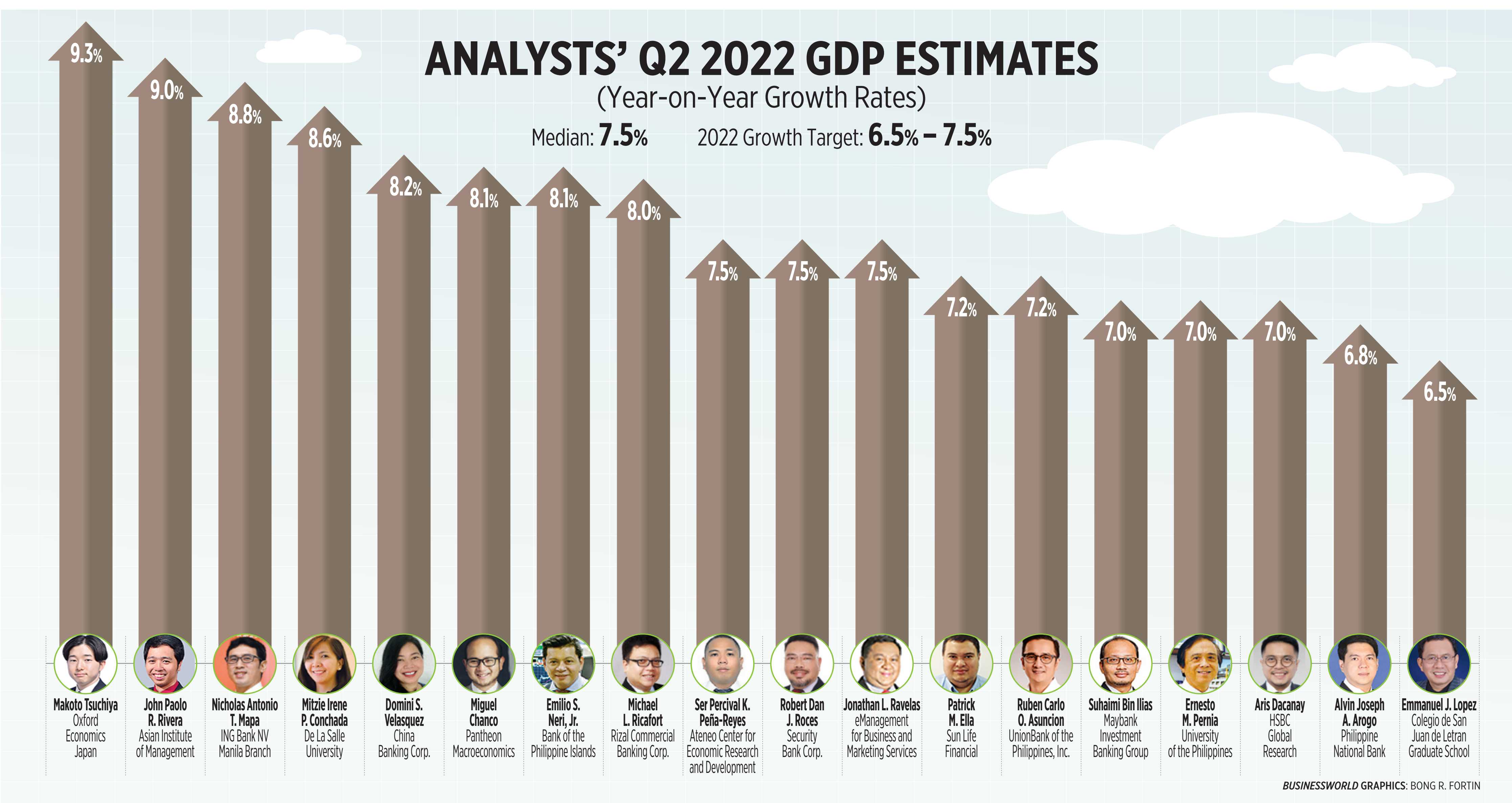
If realized, the figure would put average growth at 7.9% in the first half, above the government's 6.5-7.5% full-year target.

Official second-quarter GDP data will be released on Aug. 9, alongside factory output and international merchandise trade statistics for the month of June.

Analysts said robust household spending likely drove second quarter economic growth, but this may have been hurt by rising inflation. In June, inflation rose to a near four-year high of 6.1%, the third straight month it exceeded the Bangko Sentral ng Pilipinas (BSP) 2-4% target band, as prices of food and fuel continued to spike.

Private sector spending accounts for about 75% of the country's economic output annually.

GDP, S1/3



BUSINESSWORLD GRAPHICS: BONG R. FORTIN

New progressive taxes, belt tightening may help gov't address ballooning debt

By Diego Gabriel C. Robles

THE GOVERNMENT should consider more progressive taxes and belt-tightening measures amid ballooning debt, economists said.

"We would definitely have to raise taxes because of the huge expenditures. However, this should be made progressive. Furthermore, we should assure the public that the taxes will be used for the public good," said Leonardo A. Lanzona, director of the Ateneo Center for Economic Research and Development.

The National Government's outstanding debt hit a record-high P12.79 trillion at the end of June, up 2.4% from the previous month, the Bureau of the Treasury (BTr) said on Friday.

Rizal Commercial Banking Corp. Chief Economist Michael L. Ricafort attributed the higher debt to increased government borrowings after the elections in May, and the peso's 5% depreciation against the US dollar.

Taxes, S1/3

Dollar reserves may drop further in coming months

THE Philippines' foreign exchange reserves may decline further in the coming months as the central bank continues to prop up the local currency.

Data from the Bangko Sentral ng Pilipinas (BSP) showed gross international reserves (GIR) stood at $98.83 billion as of end-July, 2% lower than the $100.85 billion level as of end-June.

The dollar reserves fell below the $100-billion level for the first time since August 2020 when GIR stood at $98.95 billion. The GIR level has been decreasing since February this year.

ING Bank N.V. Manila Senior Economist Nicholas Antonio T. Mapa said the BSP has been one of the most aggressive central banks in building up the GIR to $110 billion during the pandemic.

"Regional central banks built up reserves during the height of the pandemic, cognizant of the fact that they would need them once policy normalization starts," he said in an e-mail.

Amid the Federal Reserve's aggressive tightening, Mr. Mapa noted Asian central banks have deployed the tandem of rate hikes and foreign exchange spot intervention.

"In the coming months, we can expect GIR drawdown and rate hikes to continue. This is why GIR buildup was done in the first place, so we will see prudent central banks put their hard-earned built-up reserves to good use to get through the current turbulent landscape of a Fed rate hike rampage," Mr. Mapa said.

The peso touched its all-time low of P56.45 per dollar in July.

The Fed raised interest rates by 75 basis points (bps) in July. Coupled with earlier actions in March, May and June, the US central bank's overnight interest rate is now at a level between 2.25% and 2.50%.

The BSP has raised benchmark interest rates by a total of 125 bps so far this year, as it seeks to tame inflation.

Rizal Commercial Banking Corp. Chief Economist Michael L. Ricafort said the country's dollar reserves may still increase in the coming months amid expected rise in inflows from overseas Filipino workers remittances, business process outsourcing revenues, foreign tourism revenues, and foreign investment.

However, the GIR can be offset by the widening trend in the country's trade deficit and some net foreign debt payments, Mr. Ricafort said.

BSP Governor Felipe M. Medalla told members of the Federation of Filipino Chinese Chambers of Commerce and Industry, Inc. in a virtual forum that the country's foreign exchange buffer remains comfortable.

Dollar, S1/3