

STOCK MARKET	ASIAN MARKETS	WORLD MARKETS	PESO-DOLLAR RATES	ASIAN MONIES-US\$ RATE	WORLD CURRENCIES	DUBAI CRUDE OIL
<b>STOCK MARKET</b> <b>PSEi</b> OPEN: 6,770.42 HIGH: 6,844.14 LOW: 6,753.03 CLOSE: 6,824.63 VOL.: 0.910 B VAL(P): 13,764 B 5.64 PTS. 0.08% 30 DAYS TO AUGUST 18, 2022	<b>AUGUST 18, 2022</b> JAPAN (NIKKEI 225) 28,942.14 ▼ -280.63 -0.96 HONG KONG (HANG SENG) 19,763.91 ▼ -158.54 -0.80 TAIWAN (WEIGHTED) 15,396.76 ▼ -68.69 -0.44 THAILAND (SET INDEX) 1,635.13 ▼ -4.59 -0.28 S.KOREA (KSE COMPOSITE) 2,508.05 ▼ -8.42 -0.33 SINGAPORE (STRAITS TIMES) 3,272.09 ▲ 9.33 0.29 SYDNEY (ALL ORDINARIES) 7,112.80 ▼ -14.90 -0.21 MALAYSIA (KLSE COMPOSITE) 1,516.62 ▼ -1.54 -0.10	<b>AUGUST 17, 2022</b> Dow Jones 33,980.320 ▼ -171.690 NASDAQ 12,938.123 ▼ -164.426 S&P 500 4,274.040 ▼ -31.160 FTSE 100 7,515.750 ▼ -20.310 Euro Stoxx50 3,667.360 ▼ -19.140	<b>FX</b> OPEN P55.850 HIGH P55.755 LOW P55.975 CLOSE P55.888 W.AVE. P55.856 VOL. \$939.30 M SOURCE : BAP 2.80 CTS 30 DAYS TO AUGUST 18, 2022	<b>AUGUST 18, 2022</b> <b>LATEST BID (0900GMT)</b> JAPAN (YEN) 135.290 ▼ 134.690 HONG KONG (HK DOLLAR) 7.845 ▼ 7.841 TAIWAN (NT DOLLAR) 30.014 ▼ 29.975 THAILAND (BAHT) 35.620 ▼ 35.430 S. KOREA (WON) 1,323.030 ▼ 1,313.520 SINGAPORE (DOLLAR) 1.382 ▼ 1.381 INDONESIA (RUPIAH) 14,830 ▼ 14,765 MALAYSIA (RINGGIT) 4.472 ▼ 4.466	<b>AUGUST 18, 2022</b> US\$/UK POUND 1.2040 ▼ 1.2093 US\$/EURO 1.0161 ▼ 1.0172 \$/AUST DOLLAR 0.6940 ▼ 0.6966 CANADA DOLLAR/US\$ 1.2904 ▼ 1.2875 SWISS FRANC/US\$ 0.9542 ▼ 0.9507	<b>DUBAI CRUDE OIL</b> FUTURES PRICE ON NEAREST MONTH OF DELIVERY <b>\$90.40/bbl</b> 118.00 108.00 98.00 88.00 78.00 30 DAYS TO AUGUST 17, 2022

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PHILIPPINE STOCK EXCHANGE'S 10 MOST ACTIVE STOCKS BY VALUE TURNOVER • AUGUST 18, 2022 (PSEi snapshot on S1/4; article on S2/2)

EMI	P20.550	ALI	P28.600	SM	P880.000	BDO	P127.600	SMPH	P37.750	SPNEC	P1.730	AC	P770.000	CNVRG	P19.700	TEL	P1,730.000	SECB	P92.450
Value	P1,254,952,905	Value	P523,737,400	Value	P375,597,460	Value	P257,101,781	Value	P203,990,045	Value	P194,143,240	Value	P189,039,175	Value	P181,222,398	Value	P180,942,575	Value	P163,475,783
PO.400	▲ 1.985%	-PO.800	▼ -2.721%	-P2.000	▼ -0.227%	-PO.600	▼ -0.468%	-PO.250	▼ -0.658%	-PO.070	▼ -3.889%	-P5.000	▼ -0.645%	PO.040	▲ 0.203%	P22.000	▲ 1.288%	P1.750	▲ 1.929%

## BSP raises policy rates by 50 bps

By Keisha B. Ta-asan

THE BANGKO SENTRAL ng Pilipinas (BSP) raised its benchmark interest rate by 50 basis points (bps) on Thursday, and signaled it has room to further hike rates as it battles inflation.

The Monetary Board (MB) increased the overnight reverse

repurchase rate by 50 bps to 3.75%, as expected by 13 out of 18 analysts in a *BusinessWorld* poll.

The rates on the overnight deposit and lending facilities were also increased to 3.25% and 4.25%, respectively.

The central bank has raised rates by a total of 175 bps so far this year.

“The Monetary Board deemed further monetary ac-

tion to be necessary to anchor inflation expectations and avoid a further breach in the inflation target over the policy horizon,” BSP Governor Felipe M. Medalla said during a briefing after the MB meeting.

The BSP on Thursday also raised its inflation outlook for 2022 to 5.4% from 5% previously. This is beyond the central bank’s 2%-4% target band.

It lowered the 2023 inflation projection to 4% from 4.2%, as well as the 2024 outlook to 3.2% from 3.3% previously.

“The inflation target remains at risk over the policy horizon owing to broadening price pressures. Elevated inflation expectations likewise highlight the risk of further second-round effects,” Mr. Medalla said, adding that inflation will likely peak in October or November this year.

Upside risks may continue to weigh on inflation outlook due to rising global commodity prices, a shortage in local fish supply, a spike in sugar prices, and pending petitions for transport fare hikes, he added.

A weaker global economic recovery and the resurgence of local coronavirus disease 2019 (COVID-19) cases are still the downside risks to the outlook, Mr. Medalla said.

“The favorable growth outcome in the first half of the year also gives the BSP the flexibility to act against inflation pressures while allowing domestic demand to sustain its recovery momentum amid prevailing headwinds,” he added.

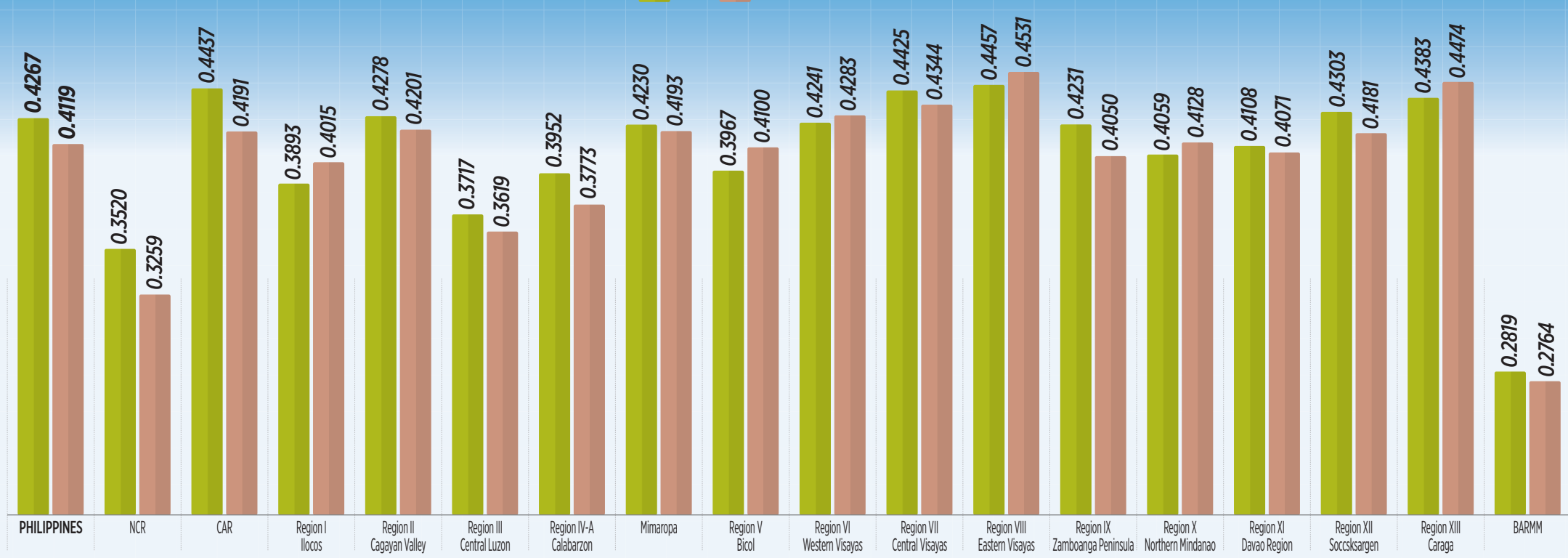
The Philippine economy expanded by 7.4% in the second quarter, bringing first-half growth to 7.8%.

Rates, S1/5

## HOW INCOME INEQUALITY COMPARED ACROSS REGIONS IN 2021

The Gini coefficient measures income disparity within a country. A reading of zero denotes perfect distribution of income, while one represents total inequality. The latest round of the Philippine Statistics Authority’s Annual Family Income and Expenditure Survey showed income inequality in the country narrowed to 0.4119 last year from 0.4267 in 2018. This infographic shows the improvements (and deteriorations) in income disparity across the country’s 17 regions from 2018 to 2021.

Gini Coefficient By Region (Higher Value Indicates Greater Income Disparity) 2018 2021



SOURCE: PHILIPPINE STATISTICS AUTHORITY'S FAMILY INCOME AND EXPENDITURE SURVEY 2021 (PRELIMINARY RESULTS AS OF AUG. 15, 2022) BUSINESSWORLD RESEARCH: ANA OLIVIA A. TIRONA BUSINESSWORLD GRAPHICS: BONG R. FORTIN

## Metro Manila’s retail prices accelerate in April

By Ana Olivia A. Tirona  
Researcher

METRO MANILA’S retail price of goods in April grew at its fastest pace in three and a half years, preliminary data from the Philippine Statistics Authority (PSA) showed.

The PSA on Thursday reported that the general retail price index (GRPI) rose by 3.5% in April, faster than the 2.7% posted in March and the year-earlier rate of 2.2%. It was the fourth straight month of retail price growth in Metro Manila.

“The April print shows inflation creeping into consumption, with the uptick in the retail prices of goods and services getting more pronounced as inflation began to bite,” Security Bank Corp. Chief Economist Robert Dan J. Roces said in a Viber message.

The April GRPI was the fastest growth in three and a half years or since the 3.6% expansion seen in October 2018.

For the January to April period, retail prices grew by an average of 2.5% versus 1.8% in the same period last year.

Bank of the Philippine Islands Lead Economist Emilio S. Neri, Jr. said in a Viber message that the economic reopening “combined with a surge in transport cost resulting from the armed conflict in Eastern Europe” drove the GRPI print higher in April.

Metro Manila has been under the most lenient pandemic Alert Level 1 since March 1, allowing many businesses to resume full operations.

However, Russia’s invasion of Ukraine in late February drove oil prices to over \$100 per barrel amid concerns over supply.

April inflation rose by 4.9% from 4% in March and 4.1% in April a year ago, due to the rising prices of fuel and food.

**FULL STORY**

Read the full story by scanning the QR code with your smartphone or by typing the link [bit.ly/Retail081922](http://bit.ly/Retail081922)

## Philippines plans 1<sup>st</sup> retail bond under Marcos

By Diego Gabriel C. Robles

THE BUREAU of the Treasury (BTr) is planning to raise at least P30 billion in the first retail Treasury bond (RTB) issue under the Marcos administration.

The BTr will sell at least P30 billion worth of RTBs due in 2028, and allow existing holders to exchange the debt due this

year and in 2023 for the new bonds, according to a source.

The offer period for the peso-denominated debt is from Aug. 23 to Sept. 2, with a tenor of 5.5 years. The BTr is expected to hold a price-setting auction on Aug. 23.

National Treasurer Rosalia V. de Leon confirmed with Reuters that planning for the RTB issue was ongoing, but did not give details.

The bonds are targeted for small investors who want low-risk,

higher-yielding savings instruments backed by the government.

A teaser posted on the BTr’s Facebook page hinted that bonds will be sold in denominations of at least P5,000 and in multiples of P5,000 thereafter.

This will be the second RTB offer this year.

In March, the government raised P457.8 billion from the issuance of five-year RTBs, which have a coupon rate of 4.875%.

Meanwhile, there was no announcement of an offering for Treasury bonds (T-bonds) for Aug. 23 (Tuesday) on the Treasury website.

Yields of the five-year bonds at the secondary market stood at 5.4240% on Wednesday, based on data from the PHP Bloomberg Valuation Service Reference Rates posted on the Philippine Dealing System’s website.

Bond, S1/5

## Retailers back move to legalize ukay-ukay importation

By Revin Mikhael D. Ochave  
Reporter

LOCAL RETAILERS are backing a senator’s proposal to legalize the commercial importation of secondhand garments, also known as “ukay-ukay,” as this would mean sellers will now have to pay taxes.

“If they will legalize it, it should be a welcome development because that means they will be paying the same taxes that (legal) retailers also pay,”

Philippine Retailers Association (PRA) President Rosemarie B. Ong told *BusinessWorld* in a mobile phone message.

Ms. Ong said retailers are not worried about the competition from ukay-ukay sellers, once their operations are legalized.

“We are not worried as long as it (ukay-ukay) is legalized,” Ms. Ong said.

Alice T. Liu, chief retail officer of The Penshoppe Group (GOLDEN ABC, Inc.), said in a statement sent to *BusinessWorld* that they are supportive of the proposal to legalize commercial imports of used clothing.

“Legitimization will benefit the economy because any legitimate business should rightfully pay correct taxes with no exceptions,” Ms. Liu said.

Aside from used clothing, Ms. Liu said legitimate retailers are also concerned about counterfeit products now flooding the market.

“A concern that is equally pressing for us is the influx of counterfeit goods that have flooded the market along with the secondhand garments,” Ms. Liu said. “As such, measures to strengthen the protection of intellectual property rights should also be considered in the discussion of this proposal.”

Earlier this week, Senator Rafael T. Tulfo suggested the legalization of commercial importation of ukay-ukay, noting that the Bureau of Customs (BoC) has been unable to stop smuggling of used clothing.

“I think it’s about time, if the BoC can’t control the importation of ukay-ukay, we make them pay taxes so that the government can earn from this in some way,” Mr. Tulfo has said.

Republic Act No. 4653, which was enacted in 1966, prohibits the commercial importation of used clothing to “safeguard the health of the people and maintain the dignity of the nation.”