

STOCK MARKET	ASIAN MARKETS	WORLD MARKETS	PESO-DOLLAR RATES	ASIAN MONIES-US\$ RATE	WORLD CURRENCIES	DUBAI CRUDE OIL																																																																					
PSEi OPEN: 6,560.13 HIGH: 6,580.12 LOW: 6,515.53 CLOSE: 6,580.12 VOL.: 0.517 B VAL(P): 6.098 B 54.96 PTS. 0.84% 30 DAYS TO DECEMBER 9, 2022	DECEMBER 9, 2022 <table border="1"> <tr><th>CLOSE</th><th>NET</th><th>%</th></tr> <tr><td>JAPAN (Nikkei 225)</td><td>27,901.01</td><td>▲ 326.58 1.18</td></tr> <tr><td>HONG KONG (HANG SENG)</td><td>19,900.87</td><td>▲ 450.64 2.32</td></tr> <tr><td>TAIWAN (WEIGHTED)</td><td>14,705.43</td><td>▲ 152.39 1.05</td></tr> <tr><td>THAILAND (SET INDEX)</td><td>1,623.13</td><td>▲ 2.64 0.16</td></tr> <tr><td>S.KOREA (KSE COMPOSITE)</td><td>2,389.04</td><td>▲ 17.96 0.76</td></tr> <tr><td>SINGAPORE (STRAITS TIMES)</td><td>3,245.97</td><td>▲ 9.89 0.31</td></tr> <tr><td>SYDNEY (ALL ORDINARIES)</td><td>7,213.20</td><td>▲ 37.70 0.53</td></tr> <tr><td>MALAYSIA (KLSE COMPOSITE)</td><td>1,477.19</td><td>▲ 11.26 0.77</td></tr> </table>	CLOSE	NET	%	JAPAN (Nikkei 225)	27,901.01	▲ 326.58 1.18	HONG KONG (HANG SENG)	19,900.87	▲ 450.64 2.32	TAIWAN (WEIGHTED)	14,705.43	▲ 152.39 1.05	THAILAND (SET INDEX)	1,623.13	▲ 2.64 0.16	S.KOREA (KSE COMPOSITE)	2,389.04	▲ 17.96 0.76	SINGAPORE (STRAITS TIMES)	3,245.97	▲ 9.89 0.31	SYDNEY (ALL ORDINARIES)	7,213.20	▲ 37.70 0.53	MALAYSIA (KLSE COMPOSITE)	1,477.19	▲ 11.26 0.77	DECEMBER 9, 2022 <table border="1"> <tr><th>CLOSE</th><th>NET</th></tr> <tr><td>Dow Jones</td><td>33,476.460 ▼ -305.020</td></tr> <tr><td>NASDAQ</td><td>11,004.617 ▼ -77.386</td></tr> <tr><td>S&P 500</td><td>3,934.380 ▼ -29.130</td></tr> <tr><td>FTSE 100</td><td>7,476.630 ▲ 4.460</td></tr> <tr><td>Euro Stoxx50</td><td>3,779.440 ▲ 22.470</td></tr> </table>	CLOSE	NET	Dow Jones	33,476.460 ▼ -305.020	NASDAQ	11,004.617 ▼ -77.386	S&P 500	3,934.380 ▼ -29.130	FTSE 100	7,476.630 ▲ 4.460	Euro Stoxx50	3,779.440 ▲ 22.470	FX OPEN P55.270 HIGH P55.170 LOW P55.390 CLOSE P55.370 W.AVE. P55.270 VOL. \$944.00 M SOURCE: BAP 8.00 CENTS 30 DAYS TO DECEMBER 9, 2022	DECEMBER 9, 2022 <table border="1"> <tr><th>LATEST BID (0900GMT)</th><th>PREVIOUS</th></tr> <tr><td>JAPAN (YEN)</td><td>136.560 ▲ 136.870</td></tr> <tr><td>HONG KONG (HK DOLLAR)</td><td>7.785 ▲ 7.786</td></tr> <tr><td>TAIWAN (NT DOLLAR)</td><td>30.703 ▲ 30.645</td></tr> <tr><td>THAILAND (BAHT)</td><td>34.640 ▲ 34.760</td></tr> <tr><td>S. KOREA (WON)</td><td>1,303.870 ▲ 1,319.060</td></tr> <tr><td>SINGAPORE (DOLLAR)</td><td>1.353 ▲ 1.357</td></tr> <tr><td>INDONESIA (RUPIAH)</td><td>15,582 ▲ 15,620</td></tr> <tr><td>MALAYSIA (RINGGIT)</td><td>4.401 ▲ 4.399</td></tr> </table>	LATEST BID (0900GMT)	PREVIOUS	JAPAN (YEN)	136.560 ▲ 136.870	HONG KONG (HK DOLLAR)	7.785 ▲ 7.786	TAIWAN (NT DOLLAR)	30.703 ▲ 30.645	THAILAND (BAHT)	34.640 ▲ 34.760	S. KOREA (WON)	1,303.870 ▲ 1,319.060	SINGAPORE (DOLLAR)	1.353 ▲ 1.357	INDONESIA (RUPIAH)	15,582 ▲ 15,620	MALAYSIA (RINGGIT)	4.401 ▲ 4.399	DECEMBER 9, 2022 <table border="1"> <tr><th>CLOSE</th><th>PREVIOUS</th></tr> <tr><td>US\$/UK POUND</td><td>1.2255 ▲ 1.2168</td></tr> <tr><td>US\$/EURO</td><td>1.0530 ▲ 1.0505</td></tr> <tr><td>\$/AUSTRALIAN DOLLAR</td><td>0.6795 ▲ 0.6716</td></tr> <tr><td>CANADA DOLLAR/US\$</td><td>1.3650 ▲ 1.3682</td></tr> <tr><td>SWISS FRANC/US\$</td><td>0.9343 ▼ 0.9407</td></tr> </table>	CLOSE	PREVIOUS	US\$/UK POUND	1.2255 ▲ 1.2168	US\$/EURO	1.0530 ▲ 1.0505	\$/AUSTRALIAN DOLLAR	0.6795 ▲ 0.6716	CANADA DOLLAR/US\$	1.3650 ▲ 1.3682	SWISS FRANC/US\$	0.9343 ▼ 0.9407	FUTURES PRICE ON NEAREST MONTH OF DELIVERY \$72.05/BBL 30 DAYS TO DECEMBER 9, 2022
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VOL. XXXVI • ISSUE 99 **MONDAY • DECEMBER 12, 2022 • www.bworldonline.com** SI/1-10 • 3 SECTIONS, 18 PAGES

PHILIPPINE STOCK EXCHANGE'S 10 MOST ACTIVE STOCKS BY VALUE TURNOVER • DECEMBER 9, 2022 (PSEi snapshot on S1/2; article on S2/2)

SMPH	P34.700	BDO	P129.000	ICT	P203.000	SM	P930.000	ALI	P29.200	JFC	P236.800	TEL	P1,730.000	URC	P136.600	GLO	P2,160.000	ACEN	P7.250
Value	P650,630,175	Value	P560,779,273	Value	P549,401,260	Value	P314,138,920	Value	P299,715,980	Value	P259,624,156	Value	P256,163,510	Value	P226,877,052	Value	P198,514,730	Value	P184,376,962
P0.000	— 0.000%	P0.000	— 0.000%	P13.000	▲ 6.842%	P20.000	▲ 2.198%	P0.200	▲ 0.690%	-P0.200	▼ -0.084%	P30.000	▲ 1.765%	P2.200	▲ 1.637%	-P22.000	▼ -1.008%	-P0.200	▼ -2.685%

BSP may hike rates by 50 bps — poll

By Keisha B. Taasan
Reporter

THE PHILIPPINE central bank is widely expected to raise benchmark interest rates by 50 basis points (bps) at its meeting on Thursday, as the US Federal Reserve is also likely to tighten policy this week.

A *BusinessWorld* poll last week showed 14 out of 15 analysts expect the Monetary Board (MB) to continue hiking borrowing costs at its Dec. 15 meeting.

For 13 analysts, the central bank may deliver a 50-bp rate increase, while one economist sees a 25-bp hike.

On the other hand, one analyst expects the Bangko Sentral ng Pilipinas (BSP) to keep rates unchanged.

“The outcome of the US FOMC (Federal Open Market Committee) meeting overnight, the trajectory of the dollar-peso exchange rate and November’s inflation print will be key considerations for the BSP’s decision,” ANZ Research economist Debalika Sarkar said.

“We believe that the central bank will maintain a comfortable interest rate differential with the US to support the peso and limit the pass-through effect on domestic inflation, which is already running far above the tolerance limit,” she added.

The BSP has hiked policy rates by 300 bps since May to keep rising prices in check, with the key rate now at 5%.

Meanwhile, the US Federal Reserve has raised borrowing costs by 375 bps since March to a range between 3.75% and 4%. It is widely expected to deliver a smaller rate hike of just 50 bps on Dec. 13-14 following four straight 75-bp increases.

“Definitely, the size of the Fed rate hike that will be announced just the day before the BSP Monetary Board meets [will be a key consideration for the BSP]; our base case is that the Fed will pivot, too, to a smaller rate increase,” Pantheon Macroeconomics Chief Emerging Asia Economist Miguel Chanco said.

“The current inflation print suggests that the BSP will opt for a 50-bp hike in its next policy meeting on Dec. 15, following an expected similar-sized hike by the US Federal Reserve, and in a bid to bring inflation back to a target-consistent path for 2023,” Security Bank Corp. Chief Economist Robert Dan J. Roces said.

Mr. Roces said it is important to see if inflation is being driven by “temporary” factors such as holiday-induced demand or weather-related supply disruptions.

“The rise in the prices of goods and services during the period leading up to and including Christmas can have implications for inflation as it causes retailers to raise prices to capitalize on the increased demand for their products,” he said.

Rates, SI/3

ANALYSTS' EXPECTATIONS ON POLICY RATES (DECEMBER 2022)



HIKE



KEEP

Analyst	Expectation
Alvin Joseph A. Arago Philippine National Bank	(+50 bps)
Debalika Sarkar ANZ Research	(+50 bps)
Domini S. Velasquez China Banking Corp.	(+50 bps)
Emilio S. Neri, Jr. Bank of the Philippine Islands	(+50 bps)
Emmanuel J. Lopez Colegio De San Juan de Letran Graduate School	(+50 bps)
Euben Paracuelles Nomura	(+50 bps)
Jonathan L. Ravelas eManagement for Business and Marketing Services	(+50 bps)
Michael L. Ricafort Rizal Commercial Banking Corp.	(+50 bps)
Miguel Chanco Pantheon Macroeconomics	(+50 bps)
Nicholas Antonio T. Mapa ING Bank N.V. Manila Branch	(+50 bps)
Robert Dan J. Roces Security Bank Corp.	(+50 bps)
Ruben Carlo O. Asuncion UnionBank of the Philippines, Inc.	(+50 bps)
Suhaimi Bin Ilias Maybank Investment Banking Group	(+50 bps)
John Paolo R. Rivera Asian Institute of Management	(+25 bps)
Mitzie Irene P. Conchada De La Salle University	(+50 bps)

CURRENT POLICY SETTINGS

Overnight Deposit Rate	4.50%
Overnight Reverse Repurchase Rate	5.00%
Overnight Lending Rate	5.50%

BUSINESSWORLD GRAPHICS: BONG R. FORTIN

Infrastructure spending rises 39% in September

By Luisa Maria Jacinta C. Jocson
Reporter

INFRASTRUCTURE SPENDING rose by 39.3% in September as the government completed more projects, the Department of Budget and Management (DBM) said.

In its National Government (NG) disbursement report, the DBM said expenditures for infrastructure and other capital outlays increased to P99.1 billion in September from P71.2 billion a year ago.

The September figure was also 34.6% higher than the P73.7 billion spent in August.

“The growth was largely due to the sizable disbursements of the Department of Public Works and Highways for completed and partially completed road infrastructure projects,” the DBM said in a press release.

Releases for the Active Transport Bike Share System and Safe Pathways Program by the Department of Transportation (DoTr) also contributed to higher capital expenditures during the month, it added.

In the nine months to September, infrastructure spending was up 13.4%

to P727.7 billion from P641.5 billion a year earlier but 4.11% lower than the P758.9-billion program for the period.

The DBM said that spending in January to September was due to the implementation of road infrastructure projects nationwide and capital outlay projects under the Revised Armed Forces of the Philippines Modernization Program of the Department of National Defense.

It also cited direct payments made to suppliers by development partners for the implementation of foreign-assisted projects of the DoTr, such as the Metro Manila Subway Project Phase

1, Malolos-Clark Railway Project, and Maritime Safety Capability Project.

However, it attributed the lower spending against the program due to the unintended delays brought about by the election ban on public works during the earlier part of the year.

The modification of projects, unsettled right-of-way problems, intermittent weather conditions, delays in the submission of progress billings, and pending deliveries from suppliers and contractors also resulted in lower-than-programmed disbursements.

Infrastructure, SI/3

Contributing to sovereign wealth fund could undermine BSP's independence, analysts say

REQUIRING the Bangko Sentral ng Pilipinas (BSP) to contribute its annual dividends to the Maharlika Wealth Fund (MWF) could undermine its integrity, analysts said.

Calixto V. Chikiamco, president of the Foundation for Economic Freedom (FEF), said mandating the central bank to contribute its dividends to the planned sovereign wealth fund is “a bad idea.”

“Firstly, it amends the Charter of the Bangko Sentral, which mandates that the dividends of the BSP will go to its recapitalization. Such an amendment in the MWF is legally doubtful without an express amendment of the BSP Charter,” Mr. Chikiamco said in a Viber message.

“More importantly, by mandating that the profits of the BSP go to the MWF, it will undermine the mission and integrity

of the Bangko Sentral because the BSP will be perceived as a profit-making institution and its income objectives will be perceived as driving monetary and exchange rate policy,” he said. “It will destroy BSP as a credible institution focused on fostering price and financial stability.”

On Friday, Finance Secretary Benjamin E. Diokno said the proposed Maharlika Wealth Fund is being revised to require the BSP to contribute 100% of its annual dividends into the sovereign wealth fund for its first two years.

After the fund’s first two years, the central bank will only need to remit 50% of its declared dividends to it, with the remaining 50% to be deposited to a special account meant to ramp up the P200-billion recapitalization of the BSP.

The Maharlika Wealth Fund could again receive 100% of the

BSP’s dividends once the central bank is fully capitalized.

Several lawmakers headed by House Speaker Ferdinand Martin G. Romualdez and Deputy Majority Leader Ferdinand Alexander A. Marcos last month filed a bill seeking to create a sovereign wealth fund in the country with an initial capitalization of P250 billion.

Last year, the BSP’s net income stood at P34.81 billion, while its dividends amounted to P17.41 billion.

In 2019, the BSP booked a net income of P46.1 billion, declaring dividends of P23.05 billion. Its net income stood at P31.79 billion in 2020 with its declared dividend at around P15.89 billion.

“The whole concept of the MWF is a bad idea at this time and is irreparable. No amount of safeguards can salvage the concept, especially if the fund-

ing comes from the BSP,” Mr. Chikiamco said.

“Better that they reconceptualize the idea from the MWF to a development finance institution, revive the National Development Corp. (NDC) for the projects it wants to finance, and look at the privatization of government assets to recapitalize NDC,” he added.

Several business associations, economic policy groups, civil society organizations and labor groups have likewise opposed the proposed measure, citing concerns over lack of transparency, possible corruption and misuse of pension funds.

“The need to create a sovereign wealth fund has been felt across several countries in Southeast Asia with India, Malaysia, and Indonesia taking the lead on this front. However, *Wealthfund, SI/3*

Gov't debt service bill declines in October

THE NATIONAL Government (NG) saw its debt service bill drop in October as lower amortization payments offset the rise in interest payments.

Preliminary data from the Bureau of the Treasury (BTr) showed the government spent P39.817 billion for debt servicing in October, down by 55.3% from P89.066 billion in the same month a year ago.

Month on month, debt payments fell by 80.76% from P206.996 billion in September.

In October, around 83.34% of debt repayments went to interest payments, while the rest went to amortization.

Interest payments inched up 5.23% year on year to P33.185 billion in October from P31.536 billion.

Broken down, interest paid on domestic debt slipped by 6.59% to P22.407 billion from P23.989 billion, while that for foreign debt surged by 42.81% to P10.778 billion from P7.547 billion.

Domestic debt consisted of P17.636 billion in Treasury bonds, P3.575 billion in retail Treasury bonds, and P706 million in Treasury bills.

Meanwhile, overall amortization payments slumped by 88.47% to P6.632 billion in October from P57.53 billion in the same month last year.

The BTr settled P894 million with domestic lenders, while principal payments to foreign creditors amounted to P5.738 billion.

From January to October, debt repayments decreased by 11.63% to P929.663 billion from P1.052 trillion, with amortization taking up 53.41% of the total.

Principal payments in the 10-month period stood at P496.502 billion, dropping by 27.19% from P681.957 billion a year earlier. This consisted of P408.833 billion in domestic debt and P87.669 billion in foreign obligations.

Debt service, SI/3



CORPORATE NEWS
Lopez firm buys unit of US healthcare provider SI/2

THE NATION
LGUs, big and small, pursue public-private partnerships SI/10

ARTS & LEISURE
Filipino fashion by way of Switzerland S2/4



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