P25
IN METRO MANILA, PHILIPPINES

BusinessWorld

STOCK MARKET

PSEi — 30 DAYS TO JANUARY 31, 2023

OPEN:	6,935.67
HIGH:	6,935.67
LOW:	6,740.19
CLOSE:	6793.25
VOL.:	1.544 B
VAL(P):	11.271 B

▼ 177.72 PTS. 2.54%

ASIAN MARKETS — JANUARY 31, 2023

	CLOSE		NET	%
Japan (Nikkei 225)	27,327.11	▼	-106.29	-0.39
Hong Kong (Hang Seng)	21,842.33	▼	-227.40	-1.03
Taiwan (Weighted)	15,265.20	▼	-228.62	-1.48
Thailand (SET Index)	1,673.07	▼	-8.15	-0.48
S.Korea (Kse Composite)	2,425.08	▼	-25.39	-1.00
Singapore (Straits Times)	3,363.70	▼	-14.59	-0.43
Sydney (All Ordinaries)	7,476.70	▼	-5.00	-0.07
Malaysia (Klse Composite)	1,485.50	▼	-13.89	-0.93

WORLD MARKETS — JANUARY 30, 2023

	CLOSE		NET
Dow Jones	33,717.090	▼	-260.990
NASDAQ	11,393.814	▼	-227.895
S&P 500	4,017.770	▼	-52.790
FTSE 100	7,784.870	▲	19.720
Euro Stoxx50	3,862.040	▼	-0.160

PESO-DOLLAR RATES

FX — 30 DAYS TO JANUARY 31, 2023

OPEN	P54.650
HIGH	P54.470
LOW	P54.700
CLOSE	P54.640
W.AVE.	P54.571
VOL.	$984.31 M

▼ 9.50 CTVS
SOURCE : BAP

ASIAN MONIES-US$ RATE — JANUARY 31, 2023

	LATEST BID (0900GMT)		PREVIOUS
Japan (yen)	130.310	▼	129.980
Hong Kong (HK dollar)	7.838	▼	7.835
Taiwan (NT dollar)	30.064	▲	30.073
Thailand (baht)	33.000	▼	32.710
S. Korea (won)	1,236.560	▼	1,228.530
Singapore (dollar)	1.317	▼	1.313
Indonesia (rupiah)	14,985	▼	14,965
Malaysia (ringgit)	4.262	▼	4.244

WORLD CURRENCIES — JANUARY 31, 2023

	CLOSE		PREVIOUS
US$/UK pound	1.2315	▼	1.2385
US$/Euro	1.0815	▼	1.0891
$/Aust dollar	0.7006	▼	0.7076
Canada dollar/US$	1.3454	▲	1.3334
Swiss Franc/US$	0.9282	▲	0.9202

DUBAI CRUDE OIL

FUTURES PRICE ON NEAREST MONTH OF DELIVERY
$82.65/BBL
▼ $1.50
30 DAYS TO JANUARY 30, 2023

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PHILIPPINE STOCK EXCHANGE'S 10 MOST ACTIVE STOCKS BY VALUE TURNOVER • JANUARY 31, 2023 (PSEi snapshot on *S1/2*; article on *S2/2*)

		Value		
ALI	P29.300	P942,122,605	-P1.750 ▼	-5.636%
SM	P920.000	P757,917,270	-P10.000 ▼	-1.075%
BDO	P122.800	P551,201,302	-P0.200 ▼	-0.163%
SMPH	P36.900	P533,697,895	-P0.800 ▼	-2.122%
JFC	P238.000	P530,397,058	-P2.000 ▼	-0.833%
ICT	P207.400	P493,105,913	-P4.400 ▼	-2.077%
DMC	P11.000	P472,916,856	-P0.700 ▼	-5.983%
UBP	P96.650	P427,228,165	-P0.350 ▼	-0.361%
TEL	P1,342.000	P378,241,355	-P87.000 ▼	-6.088%
SCC	P32.000	P361,326,665	-P1.000 ▼	-3.030%

Inflation remained high in Jan. — BSP

HEADLINE INFLATION likely settled within the 7.5% to 8.3% range in January due to a rise in power and water rates, and higher pump prices, the Bangko Sentral ng Pilipinas (BSP) said on Tuesday.

The BSP's month-ahead forecast range indicates that inflation may have been faster than the 14-year high of 8.1% in December and the 3% seen in January 2022.

The upper end of the forecast or 8.3% would also be the fastest pace since the 9.1% print in November 2008 amid the global financial crisis.

January would also mark the 10th straight month that inflation surpassed the BSP's 2-4% target range.

The Philippine Statistics Authority will report January inflation data on Feb. 7.

"Upward price pressures for the month are expected to emanate from higher electricity rates, approved water rate rebasing, higher domestic petroleum prices, uptick in the prices of key food items, and the annual increase in sin taxes," the BSP said in a statement.

Manila Electric Co. (Meralco) earlier said the overall rate for a typical household went up P0.6232 to P10.9001 per kilowatt-hour (kWh) in January.

Metro Manila's two main water concessionaires also began implementing higher rates in January.

Starting January, Manila Water raised rates by P8.04 per cubic meter, while Maynilad hiked rates by P3.29 per cubic meter.

Fuel retailers continued to implement price hikes in January. For the month, pump price adjustments stood at a net increase of P7.2 a liter for gasoline, P3.05 a liter for diesel, and P4.55 per liter for kerosene.

"Meanwhile, the reduction in LPG prices as well as the peso appreciation could contribute to easing price pressures for the month," the central bank said.

Cooking gas prices declined by P4.20 per kilogram in January after two straight months of price hikes.

The peso also rebounded to the P54-a-dollar mark in January, closing the month at P54.64 on Tuesday, up by P1.115 or 2.04% from its P55.755 finish on Dec. 29, 2022.

"The BSP will continue to adjust its monetary policy stance at the necessary pace to prevent the further broadening of price pressures and monitor emerging price developments closely in accordance with the BSP's price stability mandate."

BSP Governor Felipe M. Medalla earlier signaled more policy rate increases in the first quarter this year to ensure inflation falls within the 2-4% target range by the second half.

The Monetary Board is scheduled to have its first policy meeting this year on Feb. 16.

The BSP sees headline inflation averaging 4.5% this year, lower than the actual 5.8% recorded in 2022. — **Keisha B. Ta-asan**

PHL up a spot in corruption index but score remains low

By Kyle Aristophere T. Atienza
Reporter

THE PHILIPPINES saw its ranking improve one spot in a global corruption index by watchdog Transparency International, although its score remained at record low.

Based on the 2022 Corruption Perceptions Index (CPI), Manila ranked 116th out of 180 countries, up one spot from its worst-ever showing of 117th place in the previous year. The Philippines ranked 115th in 2020, 113th in 2019, and 99th in 2018.

However, the country's score was unchanged at 33 out of 100 in a scale that measures perceived levels of public sector corruption. A score of 100 means a country is "very clean," while zero means it is "highly corrupt."

This is the second straight year the Philippines had a score of 33, its lowest ever in the index. Its highest score so far was 38 in 2014.

The Philippines' latest score is also below the global average of 43 and Asia-Pacific region's average of 45.

"Asia-Pacific continues to stagnate for the fourth year in a row with an average score of 45 points. While some governments have made headway against petty corruption, grand corruption remains common. Pacific leaders have renewed focus on anti-corruption efforts, but in Asia, they have focused on economic recovery at the expense of other priorities," Transparency International said in its report.

In a bid to consolidate power, Transparency International said regimes in the region have been curtailing space for dissent through "draconian" laws that restrict free speech. It also cited a "worrisome" trend toward authoritarianism as governments maintained — and in some cases expanded — restrictions on civic space and basic freedoms imposed during the pandemic.

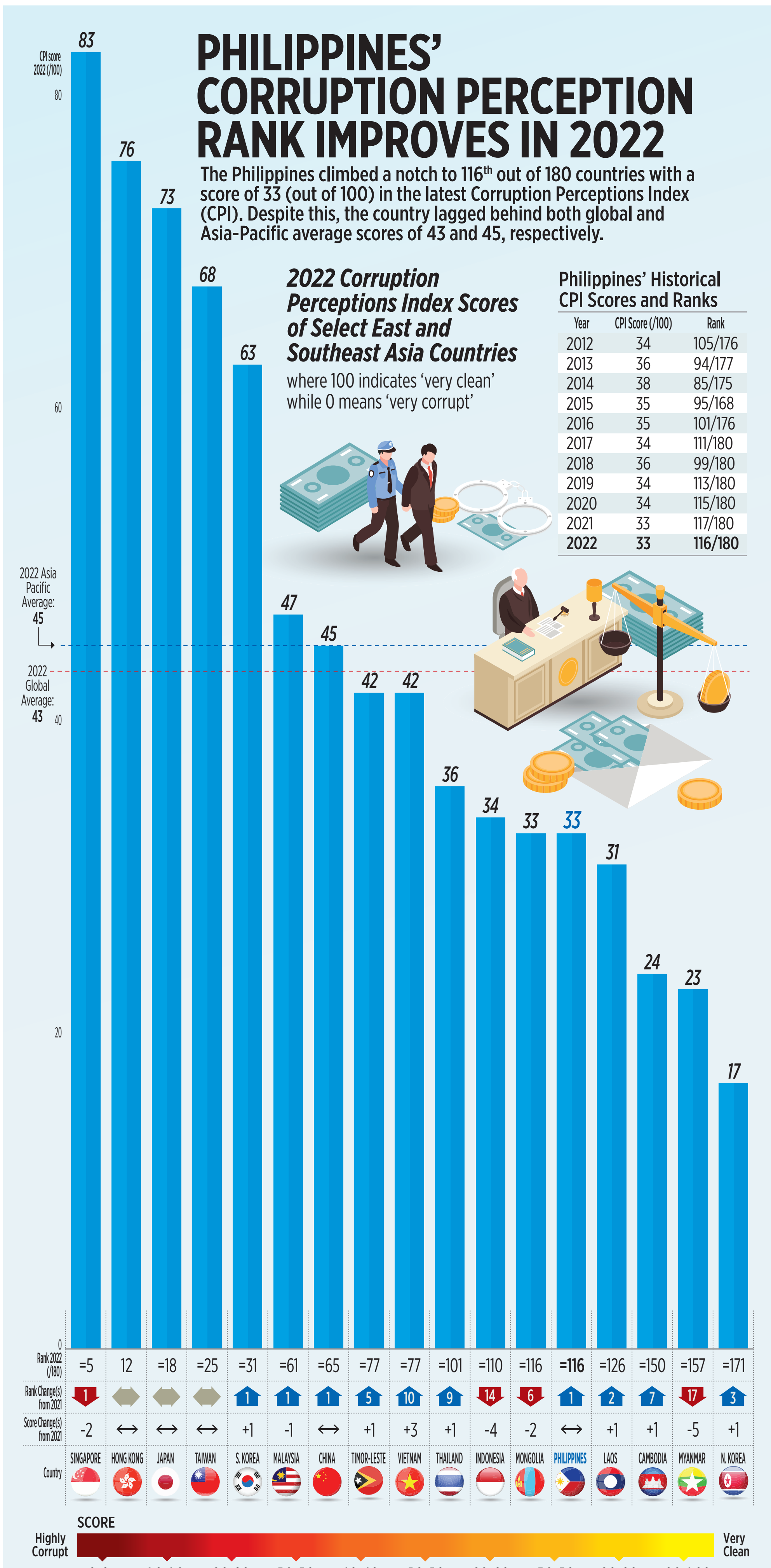
"Democracy has been declining in the region, including in some of the most populous countries in the world, such as India (40), the Philippines (33) and Bangladesh (25)," it said.

Among Asia-Pacific countries, the Philippines lagged behind Singapore (5th), Hong Kong (12th), Japan (18th), Taiwan (25th), South Korea (31st), Malaysia (61st), and China (65th). It was also behind Timor-Leste (77th), Vietnam (77th), Thailand (101st), and Indonesia (110th).

Corruption, S1/8

PHILIPPINES' CORRUPTION PERCEPTION RANK IMPROVES IN 2022

The Philippines climbed a notch to 116th out of 180 countries with a score of 33 (out of 100) in the latest Corruption Perceptions Index (CPI). Despite this, the country lagged behind both global and Asia-Pacific average scores of 43 and 45, respectively.



Philippines' Historical CPI Scores and Ranks

Year	CPI Score (/100)	Rank
2012	34	105/176
2013	36	94/177
2014	38	85/175
2015	35	95/168
2016	35	101/176
2017	34	111/180
2018	36	99/180
2019	34	113/180
2020	34	115/180
2021	33	117/180
2022	**33**	**116/180**

Least Corrupt Countries

Rank 2022 (/180)	Rank Change(s) from 2021	Country	CPI score 2022 (/100)	Score Change(s) from 2021
1	0	Denmark	90	+2
=2	1	New Zealand	87	-1
=2	1	Finland	87	-1
4	0	Norway	84	-1
=5	1	Singapore	83	-2
=5	1	Sweden	83	-2

Most Corrupt Countries

Rank 2022 (/180)	Rank Change(s) from 2021	Country	CPI score 2022 (/100)	Score Change(s) from 2021
180	2	Somalia	12	-1
=178	2	South Sudan	13	+2
=178	0	Syria	13	↔
177	0	Venezuela	14	↔
176	2	Yemen	16	↔
=171	2	Burundi	17	-2
=171	1	Equatorial Guinea	17	↔
=171	7	Haiti	17	-3
=171	1	Libya	17	↔
=171	3	North Korea	17	+1

SOURCE: TRANSPARENCY INTERNATIONAL'S *CORRUPTION PERCEPTIONS INDEX 2022*
***BUSINESSWORLD* RESEARCH**: BERNADETTE THERESE M. GADON and ABIGAIL MARIE P. YRAOLA
***BUSINESSWORLD* GRAPHICS**: BONG R. FORTIN

IMF maintains PHL growth forecast

THE INTERNATIONAL Monetary Fund (IMF) kept its growth projection of 5% for the Philippines this year, even as it slashed the forecast for the ASEAN-5 grouping amid a looming global economic slowdown.

"Our projections, which predate the release of the fourth quarter 2022 GDP estimates, point to (Philippine) growth slowing down to 5% in 2023 due to a tighter policy stance and the confluence of global shocks, including spillovers from the war in Ukraine and tighter global financial conditions," IMF Representative to the Philippines Ragnar Gudmundsson said in an e-mail.

The IMF's forecast is lower than the 6-7% gross domestic product (GDP) growth target set by the government this year. It is also slower than the 7.6% GDP expansion in 2022, which was the best economic performance in over four decades.

For 2024, the IMF sees the Philippines expanding by 6% "as the global economy bottoms out" and the government accelerates structural reforms, including infrastructure and agricultural development.

"Potential growth could be boosted by further efforts to raise productivity, reduce infrastructure and education gaps, strengthening existing social protection schemes, and harnessing benefits from the digital economy," Mr. Gudmundsson said.

In its World Economic Outlook update released on Tuesday, the IMF said the world economy will likely expand by 2.9% this year, slower than the 3.4% expansion in 2022, amid the global fight against inflation and Russia's war in Ukraine. Global growth will rebound to 3.1% in 2024, it said. *(Related story on S1/9, "IMF upgrades global growth forecast")*

The multilateral lender trimmed the 2023 forecast for ASEAN-5 to 4.3% from 4.5% in the October forecast. For next year, it also cut the ASEAN-5 forecast by 0.2 percentage point to 4.7%.

IMF, S1/8

WHAT'S INSIDE

Bank lending growth slows in December as interest rates rise

By Keisha B. Ta-asan *Reporter*

GROWTH in bank lending slowed in December, data from the Bangko Sentral ng Pilipinas (BSP) showed, reflecting the impact of higher interest rates.

Outstanding loans issued by universal and commercial banks increased by 13.4% year on year to P10.9 trillion in December, slower than the revised 13.9% growth in November.

Big banks' outstanding loans — lending net of reverse repurchase (RRP) placements with the BSP — slipped by 0.4% month on month.

"Bank lending continues to expand, albeit at a slightly slower pace. BSP's rapid fire rate hikes appear to be sapping bank lending growth as expected, as the lagged impact takes hold," ING Bank N.V. Manila Senior Economist Nicholas Antonio T. Mapa said in an e-mail.

The Monetary Board hiked borrowing costs by 50 basis points (bps) in December, adding to the total 350-bp rate increase in 2022.

This brought the interest rate on the BSP's overnight reverse repurchase facility to 5.5%, while rates on the overnight deposit and lending facilities are now at 5% and 6%, respectively.

BSP data showed outstanding loans to residents, net of RRPs, grew by 13.2% to P10.58 trillion in December, slower than the revised 13.6% print in November.

Credit for production activities jumped by 12.1% to P9.56 trillion, slowing from the revised 12.6% growth in November.

Banks extended more loans for real estate activities (13.1%); manufacturing (14.9%); electricity, gas, steam and air-conditioning supply (14.4%); motor vehicles (12.7%); and information and communication (21.6%).

Meanwhile, consumer loans to residents rose 24.8% to P1.03 trillion, faster than the revised 24.2% in November. This was mainly driven by the increase in motor vehicle loans (11.5%) and salary-based general purpose consumption loans (63.8%).

Lending, S1/8