

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: 7,008.01 HIGH: 7,094.86 LOW: 6,967.87 CLOSE: 7,094.86 VOL: 0.992 B VAL(P): 7,990 B 80.82 PTS, 1.15% 30 DAYS TO JANUARY 18, 2023	<b>ASIAN MARKETS</b> JANUARY 18, 2023 JAPAN (NIKKEI 225) 26,791.12 ▲ 652.44 2.50 HONG KONG (HANG SENG) 21,678.00 ▲ 100.36 0.47 TAIWAN (WEIGHTED) 14,932.93 ▲ 5.92 0.04 THAILAND (SET INDEX) 1,684.22 ▲ 3.18 0.19 S.KOREA (KSE COMPOSITE) 2,368.32 ▼ -11.07 -0.47 SINGAPORE (STRAITS TIMES) 3,283.40 ▲ 2.89 0.09 SYDNEY (ALL ORDINARIES) 7,393.40 ▲ 7.10 0.10 MALAYSIA (KLSE COMPOSITE) 1,495.50 ▼ -3.88 -0.26 <small>*CLOSING PRICE AS OF JANUARY 17, 2023</small>	<b>WORLD MARKETS</b> JANUARY 17, 2023 Dow Jones 33,910.850 ▼ -391.760 NASDAQ 11,095.113 ▲ 15.956 S&P 500 3,990.970 ▼ -8.120 FTSE 100 7,851.030 ▼ -9.040 Euro Stoxx50 3,912.410 ▲ 20.960	<b>PESO-DOLLAR RATES</b> <b>FX</b> OPEN P54.800 HIGH P54.570 LOW P55.010 CLOSE P54.620 W.AVE. P54.829 VOL. \$1,429.60 M SOURCE : BAP 20.00 CYS 30 DAYS TO JANUARY 18, 2023	<b>ASIAN MONIES-US\$ RATE</b> JANUARY 18, 2023 LATEST BID (0900GMT) PREVIOUS JAPAN (YEN) 129.740 128.750 HONG KONG (HK DOLLAR) 7.826 7.819 TAIWAN (NT DOLLAR) 30.326 30.328 THAILAND (BAHT) 32.920 33.070 S. KOREA (WON) 1,235.030 1,238.450 SINGAPORE (DOLLAR) 1.318 1.323 INDONESIA (RUPIAH) 15,085 15,160 MALAYSIA (RINGGIT) 4.314 4.323	<b>WORLD CURRENCIES</b> JANUARY 18, 2023 US\$/UK POUND 1.2332 ▲ 1.2215 US\$/EURO 1.0846 ▲ 1.0821 \$/AUSTRALIAN DOLLAR 0.7018 ▲ 0.6954 CANADA DOLLAR/US\$ 1.3365 ▼ 1.3418 SWISS FRANC/US\$ 0.9150 ▼ 0.9237	<b>DUBAI CRUDE OIL</b> FUTURES PRICE ON NEAREST MONTH OF DELIVERY <b>\$82.49/BBL</b> 30 DAYS TO JANUARY 17, 2023

VOL. XXXVI • ISSUE 126 THURSDAY • JANUARY 19, 2023 • www.bworldonline.com S1/1-12 • 2 SECTIONS, 16 PAGES

PHILIPPINE STOCK EXCHANGE'S 10 MOST ACTIVE STOCKS BY VALUE TURNOVER • JANUARY 18, 2023 (PSEI snapshot on S1/5; article on S2/2)

STOCK	VALUE	CHANGE	PERCENTAGE
BDO	P123.600	▲	0.107%
SM	P934.000	▲	4.924%
ICT	P221.600	▲	1.565%
ALI	P32.450	▲	2.778%
TEL	P1,480.000	▲	2.720%
BPI	P113.300	▲	0.246%
EMI	P20.400	▲	9.070%
CNVRG	P19.000	▲	0.000%
SMPH	P38.300	▲	0.000%
JFC	P250.000	▼	-0.794%

# Marcos pitches wealth fund in Davos

## BSP to pilot test wholesale digital currency 'til 2024

THE BANGKO SENTRAL ng Pilipinas' (BSP) pilot project that tests the use of wholesale central bank digital currency (CBDC) among selected financial institutions will run until 2024, an official said on Wednesday.

"This project was launched in 2022 and will run until 2024. The coverage of the pilot project is wholesale CBDC whereby the BSP will use the test and learn approach using a sandbox environment," BSP Currency Policy and Integrity Department Director Eloisa T. Glindro said during the central bank's 4<sup>th</sup> Regional Macroeconomic Conference Series virtual event.

"So, this will involve transfers of large value transactions among a limited number of participating financial institutions," Ms. Glindro said.

The BSP last year launched the CBDCph project to better understand the opportunities and risks of wholesale CBDC, as well as address gaps in the national payment system.

The project covers areas including policy and regulatory considerations, technological infrastructure, governance and organizational requirements, legal matters, payment and settlement models, reconciliation procedures, and risk management.

"The objectives of this project are very modest. One is to build a necessary capacity within the BSP as well as with supervised financial institutions to have that hands-on knowledge on the functionality, architecture, as well as the operational and organizational requirements for CBDC," Ms. Glindro said.

"Second is that we want to leverage from the learnings of this pilot project in defining the roadmap for future pilot projects for other use cases like cross-border payments, intraday liquidity facility, among others, and also equity settlement," she added.

The project is led by a management team from multilateral institutions and international standard-setting bodies to ensure coverage of critical operational areas.

The BSP chose to focus on the wholesale aspect of CBDCs as it is mainly restricted to banks and other financial institutions. Retail CBDC is intended for the general public.

Digital currency, S1/4

## Diageo's acquisition to help Don Papa Rum reach more markets

By Justine Irish D. Tabile Reporter

DIAGEO PLC's acquisition of Don Papa Rum is expected to help the Philippine brand expand to more markets around the world, according to analysts.

Diageo, which owns brands such as Johnnie Walker and Smirnoff, on Tuesday announced it was acquiring Don Papa Rum, a homegrown dark rum brand, for an initial €260 million (around P15.3 billion). Depending on the brand's performance, Diageo will pay up to €177.5 million (around P10.5 billion) through to 2028, which may bring the total deal value to €437 million (around P26 billion).

"This acquisition underpins the increasing investment appetite in the luxury or premium goods sector post-pandemic," AP Securities, Inc. Equity Research Analyst Carlos Angelo O. Temporal said in a Viber message.

"A rationale behind this is the resiliency of demand in this sector against the backdrop of surging interest rates and inflation," he added.

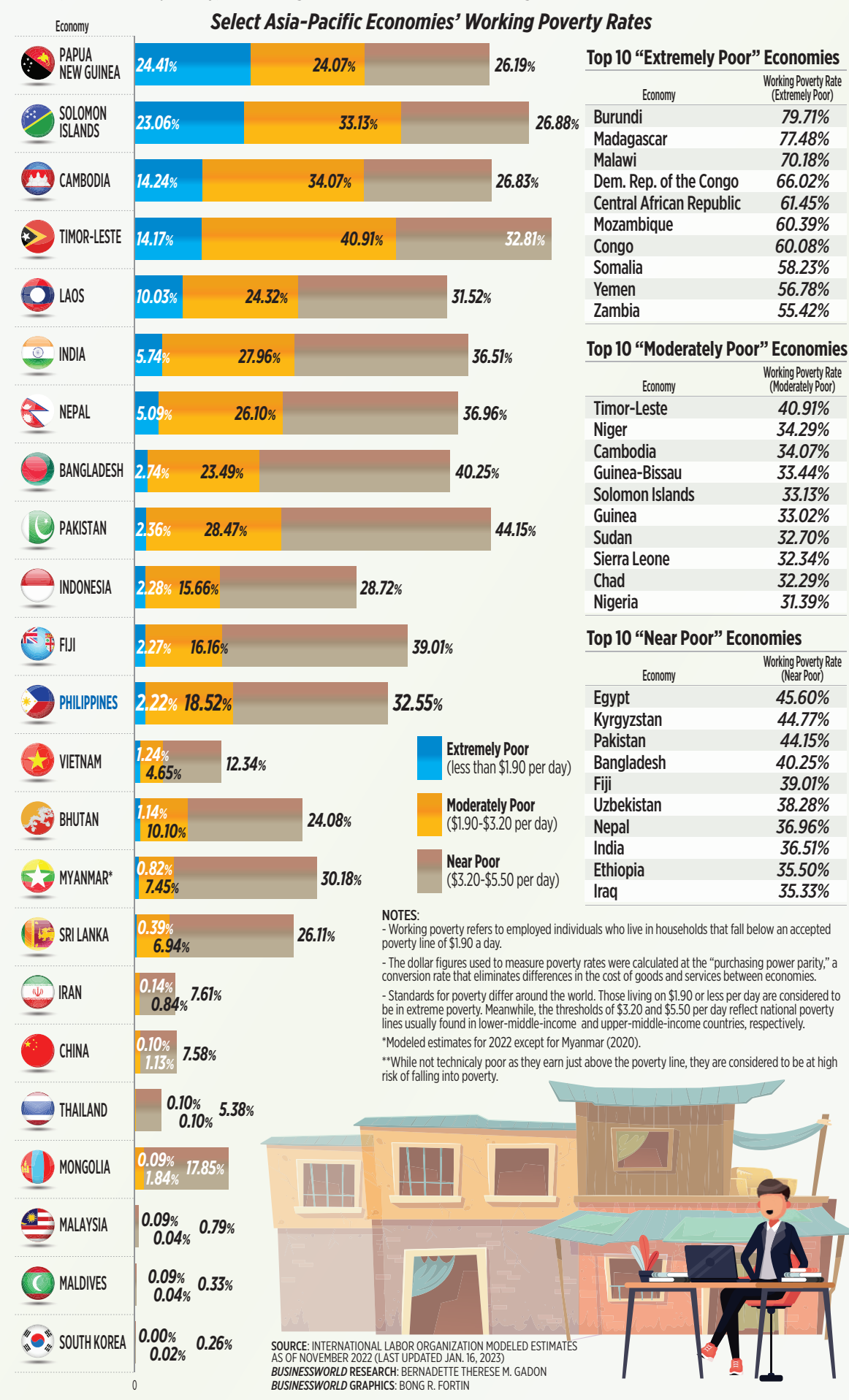
Don Papa Rum was launched in 2012 by entrepreneur Stephen Carroll and Andrew John Garcia. The super-premium dark rum is distilled and aged for a minimum in American oak barrels in Negros Occidental.

"Diageo's acquisition of Don Papa at a hefty valuation of P26 billion... reflects the attractive growth narrative of the company and the premium derived from the brand that it was able to build through the heritage of Negros Occidental, production's competitive edge which is its proximity to Mt. Kanlaon and the use of native sugarcane, and superb packaging," Mr. Temporal said.

Don Papa Rum, S1/4

## WHICH ECONOMIES HAVE THE HIGHEST WORKING POVERTY RATES?

In the Philippines, around 2.22% of the working population are in extreme poverty or living less than \$1.90 per day. Meanwhile, 18.52% are moderately poor (\$1.90-\$3.20 per day) and 32.55% are near poor\*\* (\$3.20-\$5.50 per day), according to the International Labor Organization's latest estimates for 2022.



PHILIPPINE PRESIDENT Ferdinand R. Marcos, Jr. on Wednesday pitched a still unapproved sovereign wealth fund measure to top business and world leaders at the World Economic Forum (WEF) in Davos, Switzerland, saying it would help diversify the country's financial portfolio.

"The process of establishing our first-ever sovereign wealth fund is under way," Mr. Marcos said at the WEF Country Strategy Dialogue in Davos, Switzerland, based on a video posted by Radio Television Malacañang.

Mr. Marcos said the proposed wealth fund is "one tool among many in our efforts" to diversify the Philippines' financial portfolio, "which includes our existing institutions pursuing investment that will generate stable returns."

It will also have "welfare effects spanning employment creation, improvement of public service, and a decrease in costs of economic activities," he added.

House Speaker Ferdinand Martin G. Romualdez said in a separate statement there was "huge interest" in the proposed wealth fund from WEF attendees.

The House of Representatives in December approved the bill creating the fund, but no counterpart measure has been filed in the Senate.

"It is unfortunate that the President himself talked about a fund that is yet to be deliberated by the Senate," Enrico P. Villanueva, senior economic lecturer at the University of the Philippines Los Baños, said in a Twitter message.

Mr. Marcos' move shows disregard for the democratic process, he added. "It will be hard to attract investors if the Executive branch cannot follow basic protocol and governance standards."

If approved, the sovereign wealth fund named Maharlika will be used to "invest in a wide range of outlets" including foreign currencies, fixed-income instruments, domestic and foreign corporate bonds, commercial real estate, and infrastructure projects, according to the Budget department.

The \$1.34-billion Maharlika Investment Fund (MIF) is expected to finance big government projects such as power grids and dams. Its main funders are government banks, after a backlash against a proposal to tap pension funds.

Maharlika Investment Corp., the state firm that will manage the fund, will be headed by the Finance secretary.

Marcos, S1/4

## Price growth of construction materials surges to 14-year high

THE GROWTH in wholesale and retail prices of building materials accelerated to the highest level in 14 years in 2022, as construction activity picked up, according to preliminary data from the Philippine Statistics Authority (PSA).

Data from the PSA showed the construction materials wholesale price index (CMWPI) in the National Capital Region (NCR) averaged 8.3% in 2022, faster than the 3.2% seen in 2021. This was the highest pace in 14 years or since the 10.7% growth in 2008.

This despite wholesale price growth easing to 10.3% in December, from 10.4%

in November. However, this was faster than 5.2% seen in December 2021.

The December print was also the slowest in four months or the 7% increase in August 2022.

"Demand for construction materials in December remained buoyant amid the re-opening of the economy narrative. Consumers' plan to remodel, renovate or build new houses continued and the further easing of restrictions has afforded these," UnionBank Chief Economist Ruben Carlo O. Asuncion said in an e-mail.

Mr. Asuncion noted the fourth quarter was "obviously one of the more intense

times for consumers to start building and constructing again.

ING Bank N.V. Manila Senior Economist Nicholas Antonio T. Mapa said wholesale prices eased month on month as construction activity may have been hurt by rising interest rates.

"Rising borrowing costs may have stunted some demand for construction activities. This in turn is helping keep the increase in construction materials in check," Mr. Mapa said in a separate e-mail.

The central bank raised its benchmark interest rate by a total of 350 basis points (bps) in 2022 to curb inflation. Inflation quickened to a 14-year high of 8.1% in December, bringing the full-year print to 5.8%.

"The lower annual growth in CMWPI was primarily brought about by the downtrend in the heavily weighted index of reinforcing and structural steel at 12.3% during the month, from 12.7% in November 2022," the PSA said. — **Mariedel Irish U. Catilogo**

FULL STORY



Read the full story by scanning the QR code with your smartphone or by typing the link <bit.ly/Price01923>