



BusinessWorld

STOCK MARKET

ASIAN MARKETS

WORLD MARKETS

PESO-DOLLAR RATES

ASIAN MONIES-US\$ RATE

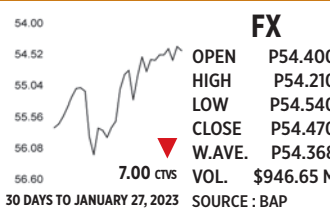
WORLD CURRENCIES

DUBAI CRUDE OIL



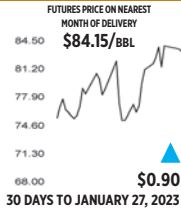
| ASIAN MARKETS | | | |
|---------------------------|-----------|----------|-------|
| JANUARY 27, 2023 | | | |
| | CLOSE | NET | % |
| JAPAN (NIKKEI 225) | 27,382.56 | ▲ 19.81 | 0.07 |
| HONG KONG (HANG SENG) | 22,688.90 | ▲ 122.12 | 0.54 |
| TAIWAN (WEIGHTED) | HOLIDAY | | |
| THAILAND (SET INDEX) | 1,681.30 | ▲ 9.96 | 0.60 |
| S.KOREA (KSE COMPOSITE) | 2,484.02 | ▲ 15.37 | 0.62 |
| SINGAPORE (STRAITS TIMES) | 3,394.21 | ▲ 17.02 | 0.50 |
| SYDNEY (ALL ORDINARIES) | 7,493.80 | ▲ 25.50 | 0.34 |
| MALAYSIA (KLSE COMPOSITE) | 1,497.55 | ▼ -0.84 | -0.06 |

| WORLD MARKETS | | |
|------------------|------------|-----------|
| JANUARY 27, 2023 | | |
| | CLOSE | NET |
| Dow Jones | 33,978.080 | ▲ 28.670 |
| NASDAQ | 11,621.709 | ▲ 109.296 |
| S&P 500 | 4,070.560 | ▲ 10.130 |
| FTSE 100 | 7,765.150 | ▲ 4.040 |
| Euro Stoxx50 | 3,862.200 | ▲ 2.100 |



| ASIAN MONIES-US\$ RATE | | |
|------------------------|----------------------|-------------|
| JANUARY 27, 2023 | | |
| | LATEST BID (0900GMT) | PREVIOUS |
| JAPAN (YEN) | 129.850 | ▲ 129.920 |
| HONG KONG (HK DOLLAR) | 7.829 | ▲ 7.830 |
| TAIWAN (NT DOLLAR) | 30.217 | ▲ 30.241 |
| THAILAND (BAHT) | 32.790 | ▼ 32.720 |
| S. KOREA (WON) | 1,229.620 | ▲ 1,232.680 |
| SINGAPORE (DOLLAR) | 1.313 | ▼ 1.312 |
| INDONESIA (RUPIAH) | 14,980 | ▲ 14,945 |
| MALAYSIA (RINGGIT) | 4.241 | ▲ 4.243 |

| WORLD CURRENCIES | | |
|----------------------|--------|----------|
| JANUARY 27, 2023 | | |
| | CLOSE | PREVIOUS |
| US\$/UK POUND | 1.2397 | ▲ 1.2385 |
| US\$/EURO | 1.0867 | ▼ 1.0907 |
| \$/AUSTRALIAN DOLLAR | 0.7103 | ▲ 0.7102 |
| CANADA DOLLAR/US\$ | 1.3309 | ▼ 1.3401 |
| SWISS FRANC/US\$ | 0.9206 | ▲ 0.9184 |



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S1/1-12 • 3 SECTIONS, 24 PAGES

PHILIPPINE STOCK EXCHANGE'S 10 MOST ACTIVE STOCKS BY VALUE TURNOVER • JANUARY 27, 2023 (PSEI snapshot on S1/4; article on S2/2)

| STOCK | VALUE | PO.000 | % CHG |
|-------|------------|--------------|---------|
| GTCAP | P525,000 | P485,132,330 | 0.000% |
| BDO | P122,000 | P474,771,292 | 0.000% |
| TEL | P1,454,000 | P301,365,920 | -3.196% |
| ALI | P32,900 | P211,232,060 | 0.766% |
| BPI | P110,100 | P207,009,787 | 1.381% |
| URC | P142,400 | P199,351,668 | 0.993% |
| JFC | P241,400 | P186,372,448 | 0.000% |
| ICT | P213,000 | P175,223,914 | 0.948% |
| FCG | P0.930 | P166,919,280 | -1.064% |
| BLOOM | P9,400 | P156,010,565 | 4.911% |

Fitch sees better profits for PHL banks

By Keisha B. Ta-asan
Reporter

PHILIPPINE BANKS will continue to see improved profits this year, supported by better margins following the central bank's rate hikes, according to Fitch Ratings.

"In the absence of a new shock in the economy, we expect banking sector profitability to continue to improve in 2023, helped by rising interest rate margins as banks continue to re-price their loans while funding costs are likely to remain controlled thanks to banks' favorable funding structure," Tamma

Febrian, a director at Fitch Ratings' Asia-Pacific Banking team, said in an e-mail interview with BusinessWorld.

Mr. Febrian said this would offset any rise in credit costs stemming from the vulnerable sectors.

"Capitalization levels are likely to remain steady, supported

by sustained earnings growth that is broadly in line with credit growth," he added.

Latest data from the Bangko Sentral ng Pilipinas (BSP) showed outstanding loans extended by universal and commercial banks climbed by 13.7% year on year to P10.64 trillion in November 2022.

As lending growth continued to pick up, M3 — the broadest measure of liquidity in an economy — expanded by 5.4% to P15.6 trillion in November.

However, rising inflation and higher interest rates, which may affect consumers' purchasing power, could result in weaker asset quality for lenders, Mr. Febrian said.

Inflation averaged 5.8% in 2022, well-above the BSP's 2-4% target range. The BSP expects inflation to average 4.5% this year, although BSP Governor Felipe M. Medalla has said this is expected to be below 4% by the third quarter and below 2% by early 2024.

Banks, S1/4

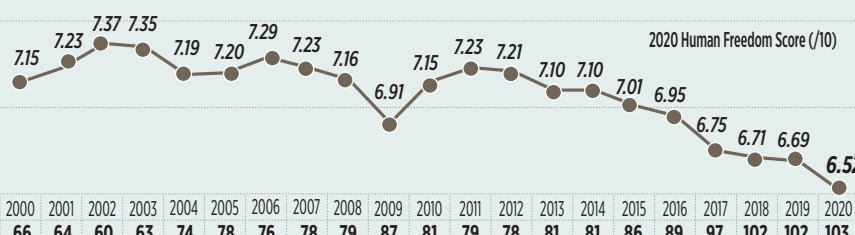
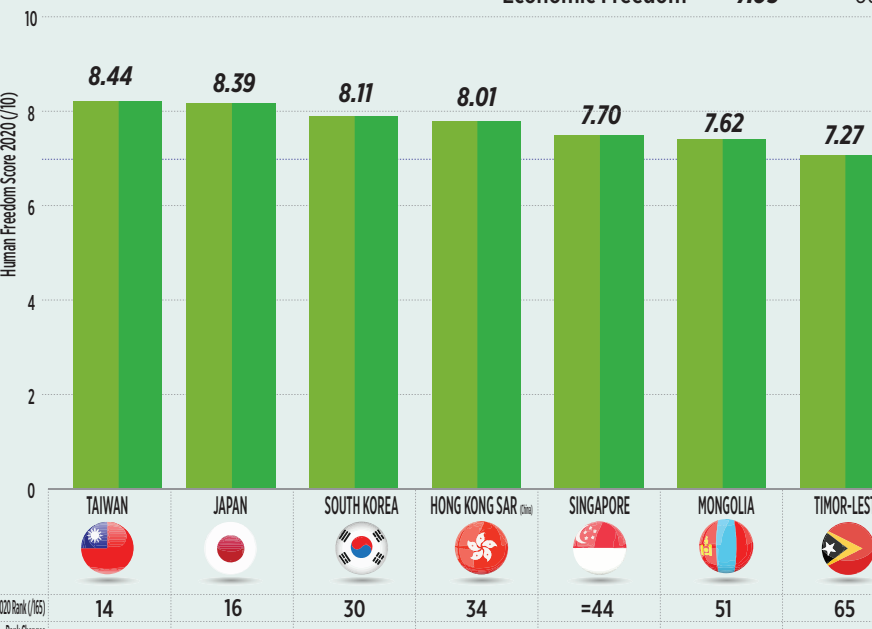
PHILIPPINES SLIPS IN HUMAN FREEDOM RANKING

The Philippines slipped by a notch to 103rd out of 165 countries in the latest edition of the Human Freedom Index (HFI), co-published by the Cato Institute and the Fraser Institute. The country's overall HFI score fell by 0.17 point to 6.52 in 2020. It was also below the 6.81 global average score.

2020 HFI Scores of Select East and Southeast Asian Countries/Territories

| | | |
|--------------------|-------------|-------------|
| Philippines (2020) | Score (/10) | Rank (/165) |
| Human Freedom | 6.52 | 103 |
| Personal Freedom | 6.11 | 112 |
| Economic Freedom | 7.09 | 66 |

NOTES:
-The HFI covers 165 jurisdictions for 2020. The index is a scale of 0 to 10, where 10 represents more freedom.
-2020 is the latest available data of the report.
-The latest iteration uses 83 distinct indicators of personal and economic freedom in the following areas: rule of law; security and safety; movement; religion; association, assembly, and civil society; expression and information; relationships; size of government; legal system and property rights; sound money; freedom to trade internationally; and regulation.



Top Five

| 2020 Rank (/165) | Rank Changes from 2019 | Country/Territory | 2020 Human Freedom Score (/10) | Score Changes from 2019 |
|------------------|------------------------|-------------------|--------------------------------|-------------------------|
| 1 | ▲ | Switzerland | 8.94 | -0.23 |
| 2 | ▲ | New Zealand | 8.75 | -0.29 |
| 3 | ▲ | Estonia | 8.73 | -0.21 |
| 4 | ▼ | Denmark | 8.72 | -0.29 |
| 5 | ▼ | Ireland | 8.70 | -0.25 |

Bottom Five

| 2020 Rank (/165) | Rank Changes from 2019 | Country/Territory | 2020 Human Freedom Score (/10) | Score Changes from 2019 |
|------------------|------------------------|-------------------|--------------------------------|-------------------------|
| 165 | ▲ | Syria | 3.30 | -0.06 |
| 164 | ▼ | Yemen | 3.94 | -0.05 |
| 163 | ▲ | Venezuela | 4.09 | 0.19 |
| 162 | ▼ | Iran | 4.26 | -0.01 |
| 161 | ▼ | Egypt | 4.28 | -0.07 |

SOURCE: CATO INSTITUTE AND FRASER INSTITUTE'S THE HUMAN FREEDOM INDEX 2022: A GLOBAL MEASUREMENT OF PERSONAL, CIVIL, AND ECONOMIC FREEDOM (HTTPS://WWW.FRASERINSTITUTE.ORG/SITES/DEFAULT/FILES/HUMAN-FREEDOM-INDEX-2022.PDF) BUSINESSWORLD RESEARCH: ABIGAIL MARIE P. YRAOLA BUSINESSWORLD GRAPHICS: CRESCENCIO I. CRUZ

Consumption likely to slow amid looming recession, say experts

By Luisa Maria Jacinta C. Jocson
Reporter

THE GOVERNMENT should diversify its major growth drivers to rely less on consumption as household spending is seen to slow amid a potential global recession, analysts said.

"While it is true that much of the growth is coming from consumption, this is hardly stable and is coming mainly from the easing down of the lockdowns," Ateneo de Manila University Economics Professor Leonardo A. Lanzona said in an e-mail.

The Philippine economy grew by 7.6% in 2022, the fastest economic growth since 1976. Preliminary data from the statistics authority showed household consumption surged by 8.3% last year from 4.2% in 2021.

On the demand side, household consumption was the biggest

contributor to gross domestic product (GDP) growth last year. Restaurant and hotel spending contributed the most to household expenditures amid the reopening of the economy.

HSBC Philippines Chief Executive Sandeep Uppal said during the Philippine Economic Briefing in London last week that the Philippines is seen as a destination for investments due to its "rising consumption."

However, consumption may likely wane amid the looming global recession, University of Asia and the Pacific Senior Economist Cid L. Teresa said.

"Consumption spending heavily depends on disposable income, which could be negatively affected by a global recession. Although a major portion of the consumption spending of Filipinos is for necessities such as food, the potential impact of supply disruptions due to the

Consumption, S1/4

VAT refund program expected to boost tourist spending

THE PHILIPPINE government's move to grant value-added tax (VAT) refunds for foreign tourists is expected to boost the tourism industry's recovery from the coronavirus pandemic.

President Ferdinand R. Marcos, Jr. is expected to issue an executive order to implement the VAT refund program for foreign tourists by 2024, Malacañang said on Sunday. No details were given.

"The VAT refund for tourists can (encourage) tourists to spend more here in the Philippines as this practice is also done in many developed economies with huge arrival figures," John Paolo R. Rivera, an economist at the Asian Institute of Management, said in a Viber message.

The Philippines applies a uniform 12% VAT on nearly all sales of services and imports in the country.

Many countries currently offer VAT refunds to tourists upon their departure. For instance, tourists can claim a VAT refund on purchases made in European Union member countries, such as Spain, France and Italy, but the minimum purchase required to qualify for refunds would depend per country.

Aside from the VAT refund scheme, Mr. Marcos on Jan. 26 approved other recommenda-

tions by the Private Sector Advisory Council (PSAC) such as the rollout of e-visas by 2023 with priority given to Chinese and Indian nationals, and the removal of the One Health Pass.

The PSAC had also recommended the revocation of outdated advisories and loud-speaker announcements at all airports, as well as the automatic inclusion of travel tax in all airline tickets.

VAT, S1/10

Singapore's SMEC eyes 'major role' in NAIA O&M

By Arjay L. Balinbin
Senior Reporter

SMEC Philippines, Inc., a unit of Singaporean infrastructure and urban development consultancy company Surbana Jurong Group, said it is now preparing its expression of interest for the technical aspect of the operations and maintenance (O&M) of the Ninoy Aquino International Airport (NAIA).

"We are participating," SMEC Philippines President/Country Manager Ricardo M. Yuzon, Jr. told BusinessWorld last week. "We are developing now our expression of interest for the O&M of NAIA."

He said the professional services company, which has Australian origins, will be involved in the support facilities for the operations and management of Manila's main gateway.

According to the company, the Asian Development Bank (ADB) recently issued a request for expression of interest.

Mr. Yuzon noted that SMEC's parent company, Surbana Jurong Group, has been involved in various airport projects, including the expansion of Singapore's Changi Airport.

"Just like the mother company, which was involved in the design and construction of the Changi Airport and other airports, we would want also to play a major role in NAIA, but on the technical aspect," Mr. Yuzon said.

"Technical aspect means we can also be involved in the de-

sign of the facilities; but since the airport is already there, the next step that can be done will be the rehabilitation of the runway and rehabilitation of the facilities, especially given what happened last time that the power system shut down," he added.

The Department of Transportation (DoTr) previously said that it was engaging the ADB for technical support in opening up the NAIA operations and maintenance to private companies.

SMEC, S1/10



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