P25 IN METRO MANILA, PHILIPPINES

BusinessWorld

STOCK MARKET

PSEi

OPEN:	6,997.46
HIGH:	6,997.46
LOW:	6,892.00
CLOSE:	6,936.61
VOL.:	1.242 B
VAL(P):	9.952 B

ASIAN MARKETS

FEBRUARY 6, 2023

	CLOSE		NET	%
Japan (Nikkei 225)	27,693.65	▲	184.19	0.67
Hong Kong (Hang Seng)	21,222.16	▼	-438.31	-2.02
Taiwan (Weighted)	15,392.82	▼	-209.84	-1.34
Thailand (SET Index)	1,682.11	▼	-6.25	-0.37
S.Korea (Kse Composite)	2,438.19	▼	-42.21	-1.70
Singapore (Straits Times)	3,385.93	▲	1.64	0.05
Sydney (All Ordinaries)	7,539.00	▼	-19.10	-0.25
Malaysia (Klse Composite) *	1,490.47	▲	0.67	0.04

* CLOSING PRICE AS OF FEBRUARY 3, 2023

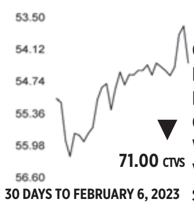
WORLD MARKETS

FEBRUARY 3, 2023

	CLOSE		NET
Dow Jones	33,926.010	▼	-127.930
NASDAQ	12,006.955	▼	-193.863
S&P 500	4,136.480	▼	-43.280
FTSE 100	7,901.800	▲	81.640
Euro Stoxx50	3,879.130	▲	35.350

PESO-DOLLAR RATES

FX



OPEN	P54.150
HIGH	P54.120
LOW	P54.470
CLOSE	P54.390
W.AVE.	P54.279
VOL.	$1,053.15 M

SOURCE : BAP

ASIAN MONIES-US$ RATE

FEBRUARY 6, 2023

	LATEST BID (0900GMT)		PREVIOUS
Japan (yen)	131.770	▼	131.170
Hong Kong (HK dollar)	7.846	▲	7.847
Taiwan (NT dollar)	30.001	▼	29.966
Thailand (baht)	33.610	▼	33.390
S. Korea (won)	1,255.660	▼	1,247.460
Singapore (dollar)	1.324	▼	1.323
Indonesia (rupiah)	15,050	▼	14,890
Malaysia (ringgit)	4.256	—	4.256

WORLD CURRENCIES

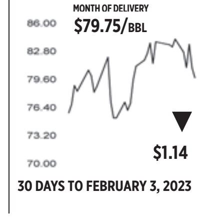
FEBRUARY 6, 2023

	CLOSE		PREVIOUS
US$/UK pound	1.2051	—	1.2051
US$/Euro	1.0773	▼	1.0793
$/Aust dollar	0.6904	▼	0.6919
Canada dollar/US$	1.3428	▲	1.3396
Swiss Franc/US$	0.9230	▼	0.9258

DUBAI CRUDE OIL

FUTURES PRICE ON NEAREST MONTH OF DELIVERY

$79.75/BBL



VOL. XXXVI • ISSUE 139 | TUESDAY • FEBRUARY 7, 2023 • www.bworldonline.com | S1/1-10 • 2 SECTIONS, 16 PAGES

PHILIPPINE STOCK EXCHANGE'S 10 MOST ACTIVE STOCKS BY VALUE TURNOVER • FEBRUARY 6, 2023 (PSEi snapshot on *S1/4*; article on *S2/2*)

		Value			
ALI	P29.300	P607,248,295	-P0.100	▼	-0.340%
BDO	P125.000	P429,778,865	-P1.000	▼	-0.794%
BPI	P108.000	P352,153,297	-P2.400	▼	-2.174%
ICT	P210.000	P327,481,180	-P8.000	▼	-3.670%
SM	P910.000	P315,494,975	-P9.000	▼	-0.979%
DMC	P11.720	P293,833,724	P0.280	▲	2.448%
MEG	P2.320	P271,156,360	P0.060	▲	2.655%
RLC	P16.100	P268,175,680	P0.360	▲	2.287%
AC	P715.000	P250,726,075	-P17.000	▼	-2.322%
UBP	P92.350	P247,342,962	-P3.650	▼	-3.802%

Imported onion SRP set at P125/kg

THE DEPARTMENT of Agriculture (DA) approved a suggested retail price (SRP) of P125 a kilo for imported red onions in the National Capital Region (NCR) starting on Wednesday.

DA Assistant Secretary Kristine Y. Evangelista said stakeholders had recommended the price at a meeting on Friday.

"This has been approved. We took into consideration the importers' price... wholesalers' price, plus the expenses of retailers," she told reporters in mixed English and Filipino on Monday. "With that, we came up with a price of P125 that was agreed upon by retailers."

The DA will work with "market masters" to disseminate information about the SRP. The local price coordinating council will monitor and enforce the price in markets.

Ms. Evangelista said the department had made a cost structure to guide retailers in negotiating with the suppliers and in following the SRP.

"Since we took into consideration the landed cost, as agreed upon by the importers, we believe that the retailers will not have the reason not to sell at a proper price," she said.

The SRP will only be implemented in NCR, she added.

At least 3,500 metric tons (MT) out of 21,000 MT that were authorized for importation arrived before the Jan. 27 deadline set by the agency.

Based on DA's latest price monitoring, imported red onions per kilo is sold in wet markets at P180-P260; local red onions at P230-P320; and local white onions at P120-P250.

Raul Q. Montemayor, national manager of the Federation of Free Farmers, said the issue on onions has revealed the inefficiency and manipulation in local agricultural food markets.

"It is also sad that they are now using the imported onions to drive down the cost of local onions," he told *BusinessWorld* in a Viber message.

Mr. Montemayor lamented how the DA had refused to import onions and allowed prices to remain high in December, which benefited traders and hoarders.

"Now that farmers are trying to get the best possible prices for their products, they are driving down the retail price of imports, and this will definitely result in lower farmgate prices for farmers. Whose side is the DA on?"

Onion, S1/9

Faster PHL growth likely if Marcos addresses gaps in agri, good governance

THE PHILIPPINE ECONOMY could grow by as much as 8-10% if the government can address the gaps in agriculture, investment, and good governance, according to economists.

"If President Ferdinand R. Marcos, Jr. meets these three challenges, we will reach 8-10% growth in the next five years," University of Asia and the Pacific (UA&P) Center for Research and Communication Director for Research Bernardo M. Villegas said at a briefing on Monday.

He said the Marcos administration should aim for at least 2-3% agricultural growth every year to achieve the 8-10% gross domestic product (GDP) expansion.

Agricultural production, which contributes about a tenth to GDP, dipped by 0.1% in 2022 for a third straight year of contraction.

Economic managers have set a 6-7% GDP growth target this year, and 6.5-8% goal for 2024-2028.

Mr. Villegas said Mr. Marcos should also increase the "very low" investment rate in the Philippines to over 30%, which is the average in East Asia.

"We have the lowest savings rate in Asia, we're only saving 10% compared with our neighbors who have 25-40%. We cannot get it from local capital. (We need to) attract foreign direct investments (FDI), which he should target at $15-20 billion per year," he added.

Bangko Sentral ng Pilipinas (BSP) data showed FDI net inflows declined by 8.3% to $7.635 billion in January to October. The BSP expects FDI net inflows to have reached $8.5 billion at the end of 2022 and $11 billion by the end of this year.

Gaps, S1/9

Filipinos crunched by rates, spike in cost of living

By Keisha B. Ta-asan
Reporter

GLORIA L. JAPON, a 48-year-old public school teacher from Cavite south of the Philippine capital, admits struggling to pay her housing loan in the face of spiraling prices.

Her household costs have increased as her four children in Grade 4 to second year college started attending face-to-face classes amid decreasing coronavirus infections. "Commodity prices would continue to rise, and there's nothing I can do about it," she said by telephone in Filipino.

FOCUS

Inflation might have hit as much as 8.3% last month, the Philippine central bank said, faster than the 14-year record of 8.1% in December.

Ms. Japon said her monthly loan amortization has increased by 6% to P9,600 from 2017. "I was taken aback."

Interest rates started rising in May due to policy tightening by the Bangko Sentral ng Pilipinas (BSP), Domini S. Velasquez, chief economist at China Banking Corp., said in an e-mail.

The BSP raised borrowing costs by 350 basis points (bps) last year, bringing the key rate to a 14-year high of 5.5% as it tried to tame inflation.

"We could see the effects of higher borrowing costs on exchange rates and demand for securities," she said. "As interest rates in the US continue to rise, investors are moving their money to US securities to take advantage of higher yields. The increased demand is then causing the dollar to strengthen further against other currencies."

"The increase in housing loans could be driven by the country's economic recovery and possibly some borrowers locking in interest rates in expectation of further monetary tightening by the BSP."

Interest rates on loans, including those for housing and credit cards, are expected to continue going up given the lag in the effects of the central bank's policy tightening.

"Rate hikes manage inflation expectations as they signal to companies and households that the BSP is taking action to directly slow economic activity, which in turn leads to slower growth," ING Bank N.V. Manila Senior Economist Nicholas Antonio T. Mapa said in an e-mail.

"BSP policy actions do not impact inflation or prices per se, but they do impact economic growth indirectly," he said. "By adjusting settings, the BSP is affecting liquidity, which is oftentimes referred to as the lifeblood of the economy."

Philippine economic output grew by 7.2% in the fourth quarter, bringing 2022 growth to 7.6% — higher than expected and better than the government's 6.5-7.5% goal. The government expects growth at 6-7% this year amid a looming global economic slowdown.

The International Monetary Fund (IMF) has said the economy would probably grow by 5% this year, mainly due to the BSP's monetary tightening. This is higher than its 4.3% estimate for ASEAN-5 and 2.9% for the world.

"If you drain liquidity, you drain the lifeblood of the economy — economic activity slows and fewer people are hired," Mr. Mapa said. "Fewer jobs created mean less purchasing power and less demand-side pressure, which finally leads to lower prices."

The effects of monetary tightening are not directly felt because it merely sets into motion a series of events that would likely lead to slower growth, he said. Only then will inflation slow.

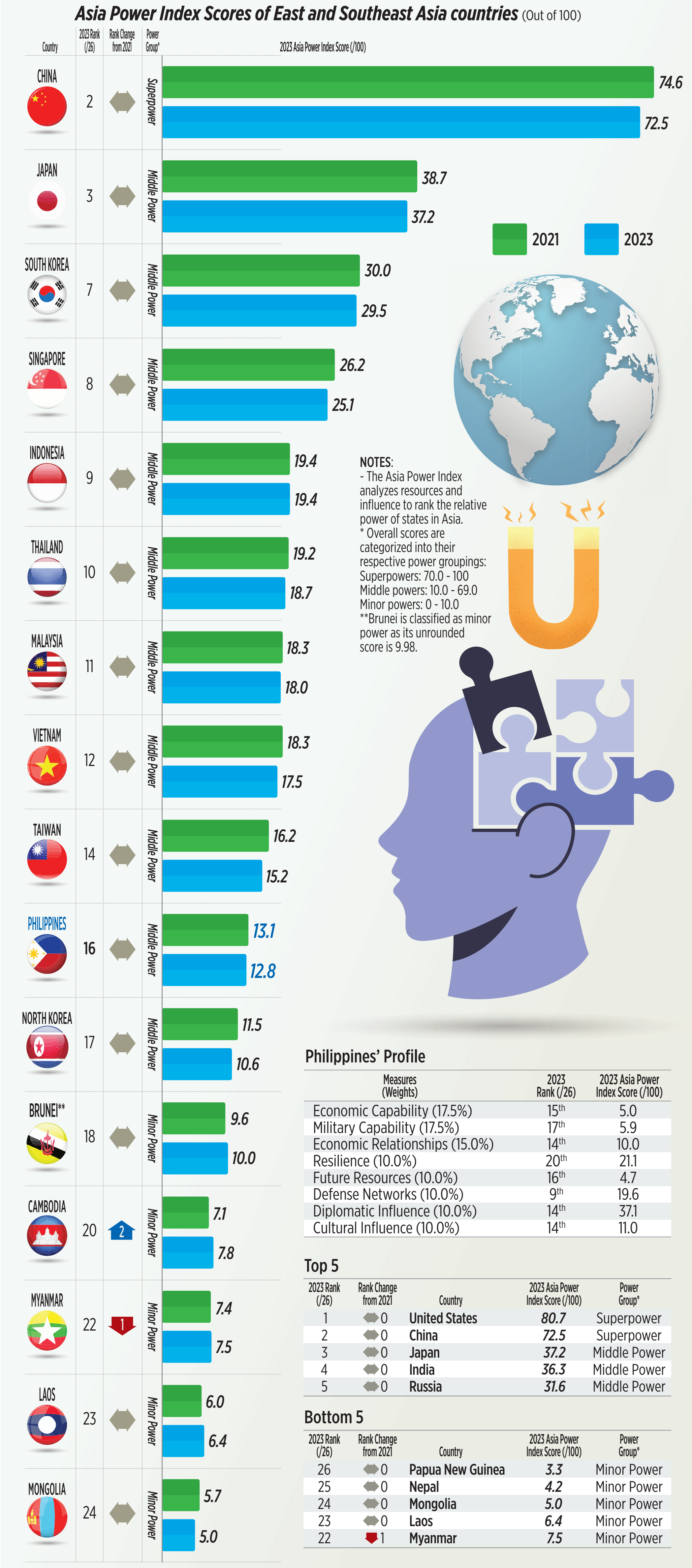
If the BSP hiked key rates by 100 bps today, projects and investments that are already in play would likely continue, Mr. Mapa said. But in the next six to 18 months, potential investments that are no longer going to happen — deterred by higher borrowing costs — would mean fewer people will be hired. "Therefore, the lag."

Cost of living, S1/9

PHILIPPINES PLACES 16TH IN 26-COUNTRY ASIA POWER INDEX

The Philippines ranked 16th out of 26 countries in the 2023 Asia Power Index, unchanged from the previous edition. However, its overall score slightly dipped to 12.8 out of 100 (where 100 indicates the country has reached the highest ability to shape and influence the behavior of other states) from 13.1 in 2021.

Asia Power Index Scores of East and Southeast Asia countries (Out of 100)



Philippines' Profile

Measures (Weights)	2023 Rank (/26)	2023 Asia Power Index Score (/100)
Economic Capability (17.5%)	15th	5.0
Military Capability (17.5%)	17th	5.9
Economic Relationships (15.0%)	14th	10.0
Resilience (10.0%)	20th	21.1
Future Resources (10.0%)	16th	4.7
Defense Networks (10.0%)	9th	19.6
Diplomatic Influence (10.0%)	14th	37.1
Cultural Influence (10.0%)	14th	11.0

Top 5

2023 Rank (/26)	Rank Change from 2021	Country	2023 Asia Power Index Score (/100)	Power Group*
1	0	United States	80.7	Superpower
2	0	China	72.5	Superpower
3	0	Japan	37.2	Middle Power
4	0	India	36.3	Middle Power
5	0	Russia	31.6	Middle Power

Bottom 5

2023 Rank (/26)	Rank Change from 2021	Country	2023 Asia Power Index Score (/100)	Power Group*
26	0	Papua New Guinea	3.3	Minor Power
25	0	Nepal	4.2	Minor Power
24	0	Mongolia	5.0	Minor Power
23	0	Laos	6.4	Minor Power
22	1	Myanmar	7.5	Minor Power

SOURCE: LOWY INSTITUTE'S ASIA POWER INDEX 2023 *(HTTPS://POWER.LOWYINSTITUTE.ORG/)*
***BUSINESSWORLD* RESEARCH**: ANA OLIVIA A. TIRONA ***BUSINESSWORLD* RESEARCH**: BONG R. FORTIN

FUEL PRICE TRACKER

(week-on-week change)

GASOLINE		
Jan. 24	▲	P2.80
Jan. 31	▲	P1.80
Feb. 7	▼	P2.10
DIESEL		
Jan. 24	▲	P2.25
Jan. 31	▲	P1.00
Feb. 7	▼	P3.00
KEROSENE		
Jan. 24	▲	P2.40
Jan. 31	▲	P1.35
Feb. 7	▼	P2.30

- *Feb. 7, 12:01 a.m.* — Caltex Philippines
- *Feb. 7, 6 a.m.* — Petron Corp.; Phoenix Petroleum; Pilipinas Shell Petroleum Corp.; PTT Philippines Corp.; Seaoil Philippines, Inc.
- *Feb. 7, 8:01 a.m.* — Cleanfuel (Shaw Autogas, Inc.)

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