

STOCK MARKET	ASIAN MARKETS	WORLD MARKETS	PESO-DOLLAR RATES	ASIAN MONIES-US\$ RATE	WORLD CURRENCIES	DUBAI CRUDE OIL																																																																																										
<b>PSEi</b> OPEN: 6,919.01 HIGH: 6,931.79 LOW: 6,881.26 CLOSE: 6,881.26 VOL.: 1.029 B VAL(P): 6.140 B 55.35 pts. 0.79% 30 DAYS TO FEBRUARY 7, 2023	<b>FEBRUARY 7, 2023</b> <table border="1"> <tr><th></th><th>CLOSE</th><th>NET</th><th>%</th></tr> <tr><td>JAPAN (NIKKEI 225)</td><td>27,685.47</td><td>-8.18</td><td>-0.03</td></tr> <tr><td>HONG KONG (HANG SENG)</td><td>21,298.70</td><td>76.54</td><td>0.36</td></tr> <tr><td>TAIWAN (WEIGHTED)</td><td>15,400.91</td><td>8.09</td><td>0.05</td></tr> <tr><td>THAILAND (SET INDEX)</td><td>1,680.49</td><td>-1.62</td><td>-0.10</td></tr> <tr><td>S.KOREA (KSE COMPOSITE)</td><td>2,451.71</td><td>13.52</td><td>0.55</td></tr> <tr><td>SINGAPORE (STRAITS TIMES)</td><td>3,380.84</td><td>-5.09</td><td>-0.15</td></tr> <tr><td>SYDNEY (ALL ORDINARIES)</td><td>7,504.10</td><td>-34.90</td><td>-0.46</td></tr> <tr><td>MALAYSIA (KLSE COMPOSITE)</td><td>1,476.38</td><td>-14.09</td><td>-0.95</td></tr> </table>		CLOSE	NET	%	JAPAN (NIKKEI 225)	27,685.47	-8.18	-0.03	HONG KONG (HANG SENG)	21,298.70	76.54	0.36	TAIWAN (WEIGHTED)	15,400.91	8.09	0.05	THAILAND (SET INDEX)	1,680.49	-1.62	-0.10	S.KOREA (KSE COMPOSITE)	2,451.71	13.52	0.55	SINGAPORE (STRAITS TIMES)	3,380.84	-5.09	-0.15	SYDNEY (ALL ORDINARIES)	7,504.10	-34.90	-0.46	MALAYSIA (KLSE COMPOSITE)	1,476.38	-14.09	-0.95	<b>FEBRUARY 6, 2023</b> <table border="1"> <tr><th></th><th>CLOSE</th><th>NET</th></tr> <tr><td>Dow Jones</td><td>33,891.020</td><td>-34.990</td></tr> <tr><td>NASDAQ</td><td>11,887.450</td><td>-119.505</td></tr> <tr><td>S&amp;P 500</td><td>4,111.080</td><td>-25.400</td></tr> <tr><td>FTSE 100</td><td>7,836.710</td><td>-65.090</td></tr> <tr><td>Euro Stoxx50</td><td>3,856.400</td><td>-22.730</td></tr> </table>		CLOSE	NET	Dow Jones	33,891.020	-34.990	NASDAQ	11,887.450	-119.505	S&P 500	4,111.080	-25.400	FTSE 100	7,836.710	-65.090	Euro Stoxx50	3,856.400	-22.730	<b>FX</b> OPEN P54.650 HIGH P54.600 LOW P55.100 CLOSE P55.085 W.AVE. P54.848 VOL. \$1,274.10 M 69.50 cms 30 DAYS TO FEBRUARY 7, 2023 SOURCE: BAP	<b>FEBRUARY 7, 2023 LATEST BID (0900GMT)</b> <table border="1"> <tr><th></th><th>PREVIOUS</th></tr> <tr><td>JAPAN (YEN)</td><td>131.720 / 131.770</td></tr> <tr><td>HONG KONG (HK DOLLAR)</td><td>7.848 / 7.846</td></tr> <tr><td>TAIWAN (NT DOLLAR)</td><td>30.077 / 30.001</td></tr> <tr><td>THAILAND (BAHT)</td><td>33.570 / 33.610</td></tr> <tr><td>S. KOREA (WON)</td><td>1,258.990 / 1,255.660</td></tr> <tr><td>SINGAPORE (DOLLAR)</td><td>1.326 / 1.324</td></tr> <tr><td>INDONESIA (RUPIAH)</td><td>15,140 / 15,050</td></tr> <tr><td>MALAYSIA (RINGGIT)</td><td>4.301 / 4.256</td></tr> </table>		PREVIOUS	JAPAN (YEN)	131.720 / 131.770	HONG KONG (HK DOLLAR)	7.848 / 7.846	TAIWAN (NT DOLLAR)	30.077 / 30.001	THAILAND (BAHT)	33.570 / 33.610	S. KOREA (WON)	1,258.990 / 1,255.660	SINGAPORE (DOLLAR)	1.326 / 1.324	INDONESIA (RUPIAH)	15,140 / 15,050	MALAYSIA (RINGGIT)	4.301 / 4.256	<b>FEBRUARY 7, 2023</b> <table border="1"> <tr><th></th><th>CLOSE</th><th>PREVIOUS</th></tr> <tr><td>US\$/UK POUND</td><td>1.2019</td><td>1.2051</td></tr> <tr><td>US\$/EURO</td><td>1.0719</td><td>1.0773</td></tr> <tr><td>\$/AUST DOLLAR</td><td>0.6942</td><td>0.6904</td></tr> <tr><td>CANADA DOLLAR/US\$</td><td>1.3406</td><td>1.3428</td></tr> <tr><td>SWISS FRANC/US\$</td><td>0.9249</td><td>0.9230</td></tr> </table>		CLOSE	PREVIOUS	US\$/UK POUND	1.2019	1.2051	US\$/EURO	1.0719	1.0773	\$/AUST DOLLAR	0.6942	0.6904	CANADA DOLLAR/US\$	1.3406	1.3428	SWISS FRANC/US\$	0.9249	0.9230	<b>FEBRUARY 7, 2023</b> FUTURES PRICE ON NEAREST MONTH OF DELIVERY <b>\$78.35/BBL</b> 1.40 30 DAYS TO FEBRUARY 6, 2023
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PHILIPPINE STOCK EXCHANGE'S 10 MOST ACTIVE STOCKS BY VALUE TURNOVER • FEBRUARY 7, 2023 (PSEi snapshot on S1/4; article on S2/2)

SM	P915.000	ALI	P29.050	ICT	P206.600	URC	P148.000	SMPH	P37.500	BDO	P124.000	BPI	P106.900	SCC	P30.250	AC	P710.000	UBP	P90.100
Value	P383,221,560	Value	P316,944,250	Value	P265,340,728	Value	P263,398,214	Value	P258,494,065	Value	P225,998,982	Value	P214,838,032	Value	P192,342,805	Value	P182,983,365	Value	P174,127,019
P5.000	▲ 0.549%	-P0.250	▼ -0.853%	-P3.400	▼ -1.619%	P0.000	— 0.000%	-P0.500	▼ -1.316%	-P1.000	▼ -0.800%	-P1.100	▼ -1.019%	P0.000	— 0.000%	-P5.000	▼ -0.699%	-P2.250	▼ -2.436%

# Inflation soars to fresh 14-year high

By Keisha B. Ta-asan  
Reporter

HEADLINE INFLATION accelerated to a fresh 14-year high in January as food prices continued to surge, fueling bets of further interest rate hikes to anchor expectations.

The consumer price index jumped 8.7% in January, the Philippine Statistics Authority (PSA) said on Tuesday, well above the 7.6% median estimate in a *BusinessWorld* poll.

World poll conducted last week and the 7.5% to 8.3% forecast range given by the Bangko Sentral ng Pilipinas (BSP).

This was also higher than the 8.1% in December, which the BSP earlier said would be the peak, and 3% a year ago.

January's headline inflation was the fastest in over 14 years or since the 9.1% uptick recorded in November 2008. It also marked the 10<sup>th</sup> consecutive month inflation was above the BSP's 2-4% target range.

Month on month, inflation climbed to 1.7% from 0.3% in December. Stripping out seasonality factors, month-on-month inflation rose by 1% in January.

Core inflation, which excludes volatile prices of food and fuel, jumped to 7.4% in January from 6.9% in December and 1.8% in the same month in 2022. This is the fastest core inflation print in more than two decades or since 8.2% in December 2000.

At a press briefing, National Statistician Claire Dennis S. Mapa attributed the sizzling January inflation to the 11.2% annual increase in food inflation, which was the fastest since the 11.3% in March 2009.

Food inflation quickened from 10.6% a month ago and 1.6% in January 2022, mainly due to 37.8% increase in vegetable prices from 32.4% in December.

Supply issues drove up prices of key agricultural products such as onions. Mr. Mapa noted onions accounted for only 0.34% of the food basket, but its inflation hit 132% in January. This pushed onions' contribution to food inflation to 12.7% during the month.

Mr. Mapa said inflation was also driven by faster increases in housing, water, electricity, gas and other fuels (8.5% from 7% in December) and restaurants and accommodation services (7.6% from 7%).

He noted housing rentals rose in January after being relatively stable during the pandemic, as

landlords adjusted rates to reflect the economy's reopening. This brought the annual inflation of housing rental to 5%, along with electricity (22%) and water rates (6.6%).

Higher rents would likely affect overall inflation for the whole year since landlords usually set rental rates for at least one year, Mr. Mapa added.

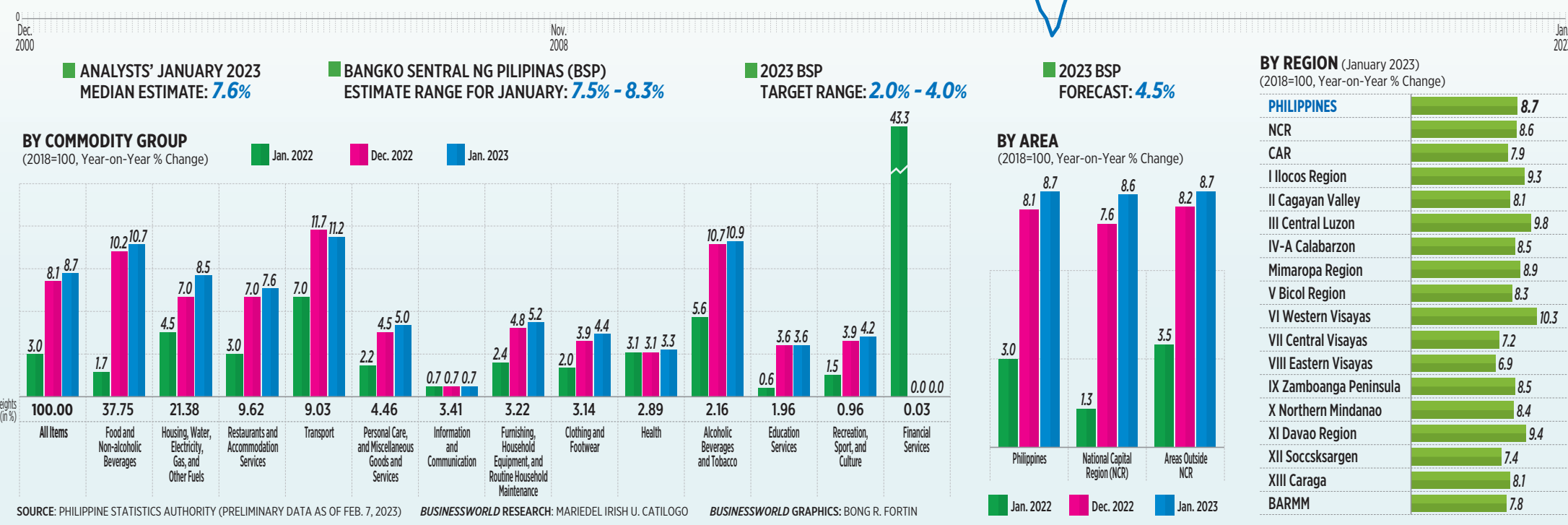
## BROAD-BASED

ING Bank NV, Manila Senior Economist Nicholas Antonio T. Mapa said headline inflation blew past expectations as price pressures were "clearly broad-based and not limited to select commodities."

Inflation, S1/11



INFLATION RATES IN THE PHILIPPINES (2018=100, Year-on-Year % Change)



## Banks' NPL ratio in 2022 hits fresh two-year low

PHILIPPINE BANKS ended 2022 with their nonperforming loan (NPL) ratio at its lowest in 28 months as the economy's reopening helped increase the capacity of Filipinos to repay their loans.

The banking industry's NPL ratio fell to 3.17% as of end-December from 3.35% as of end-November, based on preliminary data released by the Bangko Sentral ng Pilipinas (BSP) on Tuesday. This is also lower than the NPL ratio of 3.97% at the end of 2021.

The latest bad loan ratio is the lowest in 28 months or since the 2.84% in August 2020. This is also better than BSP's 8.2% projection for end-2022.

"This is still due to the further reopening of the economy towards greater normalcy that improved the ability of borrowers to pay with more jobs/employment/livelihood, sales, net income," Rizal Commercial Banking Corp. Chief Economist Michael L. Ricafort said in a Viber message.

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, preliminary data from the BSP showed.

Credit for production activities jumped by 12.1% to P9.56

trillion, easing 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%).

In the same month, domestic liquidity rose by 6.4% year on year to P16.3 trillion in December.

Mr. Ricafort noted the NPL ratio further eased in December as loan demand grew amid better economic and business prospects. Central bank data showed bad loans declined by 11.7% to P399.538 billion as of end-December from P452.453 billion a year earlier. It was also 2.1% lower from the P408.097 billion in the previous month.

The loan portfolio of Philippine banks expanded by 10.7% to P12.61 trillion as of end-2022 from P11.39 trillion as of end-2021 and by 3.4% from the P12.20 trillion a month prior.

Past due loans held by Philippine banks declined 9.4% year on year to P478.791 billion as of end-December from P528.276 billion. This brought its share to total credit to 3.80% from 4.64% a year earlier.

NPL, S1/11

## Marcos backs luxury tax, urges Filipinos to pay correct taxes

PRESIDENT Ferdinand R. Marcos, Jr. has backed a legislative proposal seeking to increase the tax rate on luxury goods.

At the same time, the Philippine leader praised the Bureau of Internal Revenue's (BIR) intensified campaign against tax evasion as the country needs more funds for its economic recovery programs.

"I think right now the tax on luxury goods only covers very specific items and luxury goods," Mr. Marcos told reporters on the sidelines of the BIR's national tax campaign event in Pasay City.

He noted demand for luxury items such as high-end bags, jewelry, cars, private jets, among others, does not easily change "whatever the situation is."

Luxury tax, S1/11

## Gov't raises P162B from latest retail Treasury bond offering

THE PHILIPPINE government on Tuesday raised an initial P162.180 billion in an auction of retail Treasury bonds (RTBs), the second under the Marcos administration.

In a statement, the Bureau of the Treasury (BTr) said the RTBs were met with strong demand.

Tenders at the rate-setting auction hit P196.109 billion, or more than six times the P30 billion on offer at the BTr's first retail bond offer this year.

The five-and-a-half-year RTBs fetched a coupon rate of 6.125%, 37.5 basis points (bps) higher than the 5.75% set for the previous RTB offering in August.

The papers were awarded at rates ranging from 5.375% to 6.24%, bringing the average to 6.022%.

The RTBs' coupon rate is also 28.56 bps higher than the five-year debt papers quoted at 5.8394% in the secondary market, based on the PHP Bloomberg Valuation (BVAL)

Reference Rates published on the Philippine Dealing System's website.

National Treasurer Rosalia V. de Leon said in a Viber message to reporters that the auction had a "good outcome with rates lower than [the rates posted on] BVAL."

"This (coupon rate) is well-within the expected range and overall good for those looking for an alternative investment outlet," a trader said in a Viber message.

"It is higher than the going BVAL rate because of the expected higher volume of issuance or supply compared to the usual bond offerings," the trader added.

The rate issued was higher than that of the secondary market due to the faster-than-expected inflation print for January, Rizal Commercial Banking Corp. Chief Economist Michael L. Ricafort said in a Viber message.

Treasury, S1/11

## BIR confident of surpassing revenue target this year

THE BUREAU of Internal Revenue (BIR) is confident it will not just meet its revenue collection target, but exceed it this year.

"With all our efforts and support we are getting, definitely we're here to work doubly hard to attain the target," BIR Commissioner Romeo D. Lumagui, Jr. said at the "BIR National Tax Campaign Kick-off" in Pasay City on Tuesday.

Finance Secretary Benjamin E. Diokno said the agency will "definitely" meet its P2.6-trillion collection target for this year.

The BIR collects about 70% of government revenues. According to Mr. Lumagui, the agency collected a total of P2.34 trillion in 2022.

"We exceeded our revenue targets for 2022. Meanwhile, the emerging tax effort or the taxes as

a percentage of GDP for full-year 2022 now stands at 14.6% and we are on track to achieving our goal of raising it to 17.1% by 2028," Mr. Diokno added.

He said revenue collections this year will be driven by economic growth. "The stronger the economy, the higher the revenues."

Mr. Lumagui said the BIR will focus on making tax payments more convenient as it accelerates its digital transformation programs.

"We are all focusing on providing good taxpayer service so the processes won't be too difficult. Our expectation is once we are able to provide convenience, then taxpayers will voluntarily comply," he said.

Mr. Lumagui said the BIR also has initiatives in place to mitigate the impact of a widely anticipated global recession.

BIR, S1/11