

STOCK MARKET	ASIAN MARKETS	WORLD MARKETS	PESO-DOLLAR RATES	ASIAN MONIES-US\$ RATE	WORLD CURRENCIES	DUBAI CRUDE OIL
<b>PSEi</b> OPEN: 6,681.21 HIGH: 6,711.49 LOW: 6,617.86 CLOSE: 6,711.49 VOL.: 0.870 B VAL(P): 5,457 B 6.37 PTS. 0.09% 30 DAYS TO MARCH 8, 2023	<b>MARCH 8, 2023</b> JAPAN (NIKKEI 225) 28,444.19 ▲ 135.03 0.48 HONG KONG (HANG SENG) 20,051.25 ▼ -483.23 -2.35 TAIWAN (WEIGHTED) 15,818.20 ▼ -39.69 -0.25 THAILAND (SET INDEX) 1,612.98 ▼ -5.53 -0.34 S.KOREA (KSE COMPOSITE) 2,431.91 ▼ -31.44 -1.28 SINGAPORE (STRAITS TIMES) 3,227.17 ▼ -18.10 -0.56 SYDNEY (ALL ORDINARIES) 7,307.80 ▼ -56.90 -0.77 MALAYSIA (KLSE COMPOSITE) 1,454.66 ▼ -4.01 -0.27	<b>MARCH 7, 2023</b> Dow Jones 32,856.460 ▼ -574.980 NASDAQ 11,530.333 ▼ -145.404 S&P 500 3,986.370 ▼ -62.050 FTSE 100 7,919.480 ▼ -10.310 Euro Stoxx50 3,896.88 ▼ -21.250	<b>FX</b> OPEN P55.300 HIGH P55.240 LOW P55.480 CLOSE P55.320 W.AVE. P55.397 VOL. \$1,021.55 M SOURCE: BAP 32.00 CTVS 30 DAYS TO MARCH 8, 2023	<b>MARCH 8, 2023</b> LATEST BID (0900GMT) PREVIOUS JAPAN (YEN) 137.610 135.650 HONG KONG (HK DOLLAR) 7.850 7.850 TAIWAN (NT DOLLAR) 30.735 30.613 THAILAND (BAHT) 35.070 34.550 S. KOREA (WON) 1,318.260 1,302.740 SINGAPORE (DOLLAR) 1.354 1.345 INDONESIA (RUPIAH) 15,430 15,345 MALAYSIA (RINGGIT) 4.523 4.470	<b>MARCH 8, 2023</b> US\$/UK POUND 1.1831 ▼ 1.2024 US\$/EURO 1.0540 ▼ 1.0660 \$/AUSTRALIAN DOLLAR 0.6597 ▼ 0.6685 CANADA DOLLAR/US\$ 1.3758 ▲ 1.3626 SWISS FRANC/US\$ 0.9426 ▲ 0.9310	<b>FUTURES PRICE ON NEAREST MONTH OF DELIVERY</b> <b>\$84.60/BBL</b> 30 DAYS TO MARCH 7, 2023

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PHILIPPINE STOCK EXCHANGE'S 10 MOST ACTIVE STOCKS BY VALUE TURNOVER • MARCH 8, 2023 (PSEi snapshot on S1/5; article on S2/2)

GLO	P1,839,000	BDO	P128,000	ICT	P211,000	BPI	P109,000	ALI	P28,150	MPI	P4,190	ACEN	P6,520	URC	P145,000	RLC	P14,640	AC	P641,000
Value	P475,573,785	Value	P357,519,129	Value	P301,625,714	Value	P276,690,158	Value	P253,256,590	Value	P233,482,580	Value	P230,048,676	Value	P192,947,437	Value	P189,770,072	Value	P184,478,300
	-P11,000 ▼ -0.595%		P0.500 ▲ 0.392%		P3,000 ▲ 1.442%		P0.500 ▲ 0.461%		-P0.150 ▼ -0.530%		-P0.200 ▼ -4.556%		-P0.180 ▼ -2.687%		P0.000 — 0.000%		-P0.280 ▼ -1.877%		-P4,000 ▼ -0.620%

# Forex reserves slip to \$99.3 billion

## Banks' NPL ratio inches up to 3.28% in January

By Keisha B. Ta-asan  
Reporter

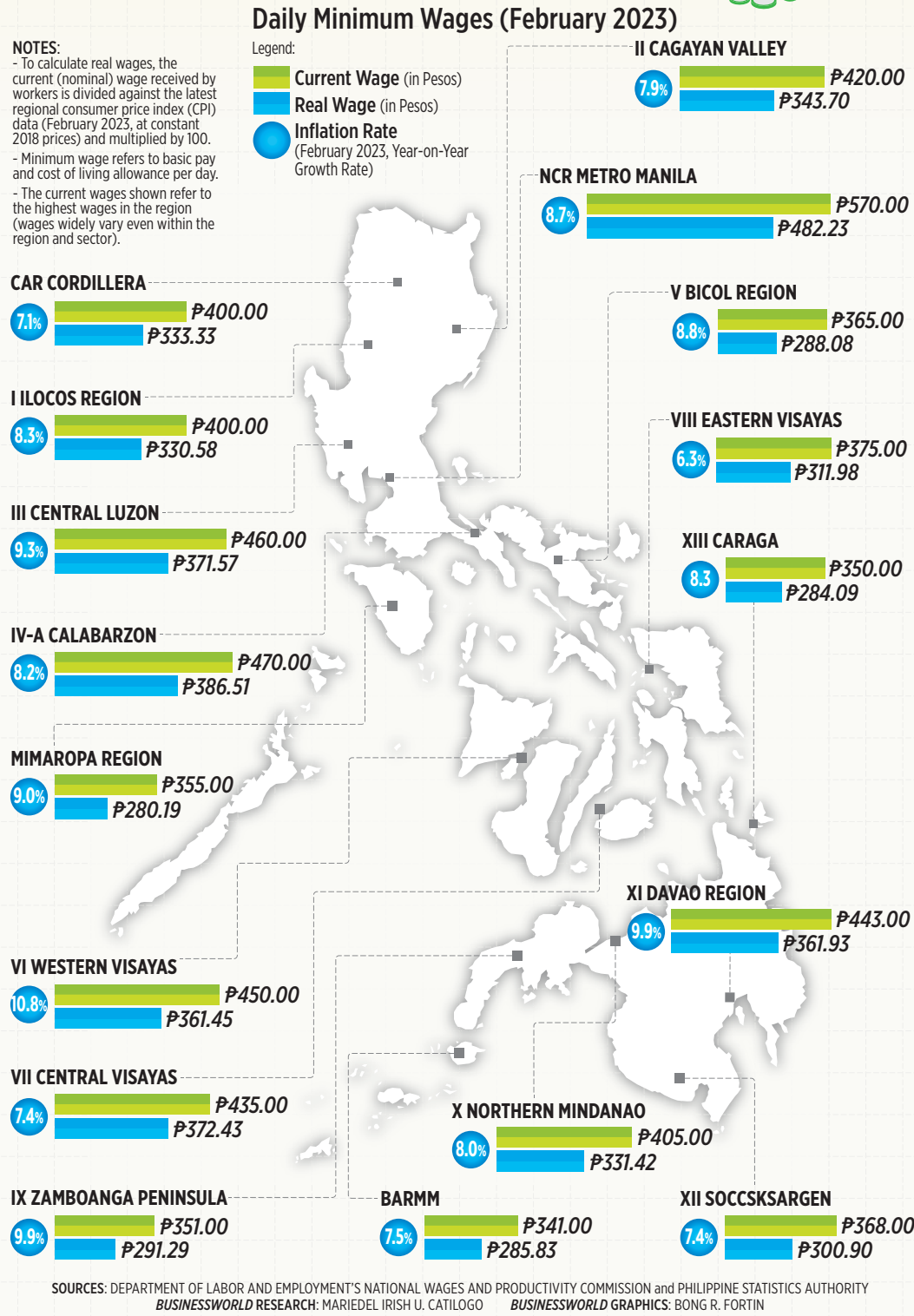
SOURCED LOANS held by banks increased for the first time in 10 months in January amid elevated inflation and rising interest rates, which brought the industry's gross nonperforming loan (NPL) ratio to a two-month high. Based on preliminary data from the Bangko Sentral ng Pilipinas (BSP), bad loans reached P405.138 billion in January, up by 1.6% from P398.79 billion in December 2022. Still, this is 12.2% lower than P461.66 billion a year earlier. This brought the industry's NPL ratio to 3.28%, inching up from the 3.16% in December but

lower than the 4.14% in January 2022. This is the highest NPL ratio since the 3.35% seen in November last year. Loans are classified as nonperforming when they are left unpaid at least 90 days beyond the due date. They are considered as a risk to banks' asset quality as borrowers are likely to default on these debts. "The prevailing environment of rising inflation and interest rates in the previous months of 2022 may have started to impact the capacity to pay of some consumers and firms, thus, resulting to the slight uptick in nonperforming loans of banks," Union Bank of the Philippines, Inc. Chief Economist Ruben Carlo O. Asuncion said.

NPL, S1/11

## HOW MINIMUM WAGES COMPARED ACROSS REGIONS IN FEBRUARY (AFTER ACCOUNTING FOR INFLATION THAT MONTH)

Inflation-adjusted wages in February were 14.4% to 21.1% lower than the current daily minimum wages across the regions in the country. In peso terms, real wages were lower by around P55.17 to P87.77 from the current daily minimum wages set by the Regional Tripartite Wages and Productivity Board.



THE PHILIPPINES' dollar reserves fell to \$99.3 billion at end-February, as the government settled foreign currency debt obligations, the central bank said late on Tuesday. Citing preliminary data, the Bangko Sentral ng Pilipinas (BSP) said gross international reserves (GIR) slipped by 1.4% as of end-February from the \$100.67 billion at end-January. Year on year, dollar reserves declined by 7.9% from \$107.8 billion as of end-February 2022. "The month-on-month decrease in the GIR level reflected mainly the National Government's (NG) net foreign currency withdrawals from its deposits with the BSP to settle its foreign currency debt obligations and pay for its various expenditures," the BSP said in a statement. Foreign currency deposits dropped by 74.8% to \$532.8 million from \$2.12 billion a month earlier and by 11.8% from the \$604.2-million level a year ago. The central bank also attributed the lower GIR to the "downward adjustments in the value of the BSP's gold holdings due to the decrease in the price of gold in the international market." BSP data showed the value of gold reserves dropped by 4.8% to \$9.33 billion as of end-February from \$9.8 billion as of end-January. It was also 2.7% lower from the \$9.59-billion level a year earlier. The end-February GIR level was enough to cover 7.5 months' worth of the country's imports of goods and payments of services and primary income. It was also equivalent to about 6.1 times the country's short-term external debt based on original maturity and 4.1 times based on residual maturity. Ample foreign exchange buffers protect the country from market volatility and ensure the country is capable of paying its debts in the event of an economic downturn. Security Bank Corp. Chief Economist Robert Dan J. Rocas said dollar reserves slightly fell due to higher foreign debt payments for the month.

Forex, S1/3

## Global investors contemplate fallout from US rates reaching 6%

ALL OF A SUDDEN, the prospect of US rates hitting 6% is becoming real enough for investors to rethink their strategies. BlackRock, Inc. and Schroders Plc are among those who are weighing in on the debate of what will happen if US rates peak at 6%. As late as end-February, investors across bonds, stocks and currency markets were still calling for an end to higher rates with expectations for a broad rally in the second half.

Instead, US Federal Reserve Chair Jerome H. Powell's testimony on Tuesday is fueling expectations of a bigger hike this month, with traders pricing in peak rates of 5.6% from less than 5% at the end of last year. Treasury traders are doubling down on recession expectations, the dollar has rebounded while equity markets from the S&P 500 Index to the MSCI Asia Pacific gauge are giving up gains.

Investors, S1/11

## Meralco to implement staggered hike in generation charges

THE ENERGY Regulatory Commission (ERC) has approved the proposal of Manila Electric Co. (Meralco) to stagger the collection of an estimated P1.1 billion in generation charges over the next two months to cushion its impact on consumers. In a Viber message, ERC Chairperson and Chief Executive Officer Monalisa C. Dimalanta said the regulator had no objections to Meralco's request to defer the collection of the higher generation charges incurred for February. "In its letter, Meralco advised that the deferral of P1.1 billion will result in an increase of P0.62/kilowatt-hour (kWh) in its total rate for March and April 2023. This total rate is less than the expected increase of about P0.92/kWh plus other adjustments for VAT (value-added tax) and systems loss for the February supply month," the ERC said in a separate statement. The regulator said a typical Meralco residential customer consuming 200 kWh will see a total rate increase of P1.11/kWh, when other billing components, such as systems loss and taxes, are included.

A Meralco representative said in a Viber message that it proposed the staggered collection of the generation charges after seeing a "significant increase based on initial computations." "We asked our suppliers to defer collection of portions of their generation costs. Our proposal is to collect these deferred costs over the next two months to help bring down this month's generation charge increase," Meralco said. Meralco said the higher generation charge was mainly due to the maintenance shutdown of the Malampaya gas production facility from Feb. 4 to 18. During the two-week shutdown, power plants supplied by Malampaya ran on more expensive alternative fuels to ensure continuous power supply. "We coordinated with our suppliers and the ERC for the deferral of a portion of the generation costs for the February supply month. This will help us bring down the generation charge increase in the March billing period to the benefit of our customers," it added.

Meralco, S1/3

## House approves rightsizing bill on 2nd reading

THE HOUSE of Representatives on Wednesday approved on second reading a bill seeking to rightsize the bureaucracy to improve the delivery of government services. Lawmakers voted by voice to pass House Bill No. 7240 or the National Government Rightsizing Act, one of the House's priority bills. "The government shall... minimize, if not eliminate redundancies, overlaps and duplications in its operations and simplify its rules and regulations, and systems and processes, while protecting the welfare of civil servants and other government workers," the bill stated. The bill grants the President of the Philippines the authority to rightsize the different agencies of the Executive branch.

Under the bill, the President can scale down or eliminate functions, programs and projects "that could be better carried out or undertaken by the private sector or have already been devolved to LGUs (local government units)." The President can also transfer or integrate functions from one agency to another. A Committee on Rightsizing the Executive Branch (CREB) will be created to review and study the roles, functions and manpower of different agencies under the Executive branch. The Executive Secretary will be the chairman of the committee, with the Budget Secretary as vice-chairperson. The bill also detailed the retirement benefits and separation incentives for government employees affected by the rightsizing program.

For instance, a government employee who has worked in government for five to 11 years will get one-half of the actual monthly basic salary for every year of service. Those who have 31 years of service and above can get one and one-fourth of their actual monthly basic salary for every year of service. A minimum of five years of government service is required before an affected worker can avail of the separation benefits. If enacted into law, the rightsizing program should be implemented over a three-year period. The program will cover all agencies under the Executive branch, namely departments, bureaus, offices, commissions, boards, councils, government-owned and -controlled corpora-

tions, and their attached agencies. LGUs may also rightsize their offices based on their financial capacity. Budget Secretary Ameh F. Pangandaman previously said that trimming the government workforce by 5% would save P14.8 billion in funds. Although President Ferdinand R. Marcos, Jr. has not certified the bill as urgent, he has expressed support for the program. During his State of the Nation Address last year, he described rightsizing as "a reform mechanism that seeks to enhance the government's institutional capacity to perform its mandate and provide better services, while ensuring optimal and efficient use of resources." — **Beatriz Marie D. Cruz**