

STOCK MARKET	ASIAN MARKETS	WORLD MARKETS	PESO-DOLLAR RATES	ASIAN MONIES-US\$ RATE	WORLD CURRENCIES	DUBAI CRUDE OIL
PSEi OPEN: 6,707.55 HIGH: 6,739.50 LOW: 6,705.12 CLOSE: 6,705.12 VOL.: 1.821 B VAL(P): 5.504 B 34.00 PTS. 0.51% 30 DAYS TO MARCH 7, 2023	MARCH 7, 2023 JAPAN (NIKKEI 225) 28,309.16 ▲ 71.38 0.25 HONG KONG (HANG SENG) 20,534.48 ▼ -68.71 -0.33 TAIWAN (WEIGHTED) 15,857.89 ▲ 94.38 0.60 THAILAND (SET INDEX) 1,619.94 ▲ 13.06 0.81 S.KOREA (KSE COMPOSITE) 2,463.35 ▲ 0.73 0.03 SINGAPORE (STRAITS TIMES) 3,248.84 ▲ 9.53 0.29 SYDNEY (ALL ORDINARIES) 7,364.70 ▲ 36.10 0.49 MALAYSIA (KLSE COMPOSITE) 1,458.67 ▲ 5.99 0.41	MARCH 6, 2023 Dow Jones 33,431.440 ▲ 40.470 NASDAQ 11,675.737 ▼ -13.269 S&P 500 4,048.420 ▲ 2.780 FTSE 100 7,929.790 ▼ -17.320 Euro Stoxx50 3,918.13 ▼ -6.460	FX OPEN P55.030 HIGH P54.990 LOW P55.150 CLOSE P55.000 W.AVE. P55.081 VOL. \$896.80 M SOURCE : BAP 12.00 CTS 30 DAYS TO MARCH 7, 2023	MARCH 7, 2023 LATEST BID (0900GMT) JAPAN (YEN) 135.650 ▲ 135.970 HONG KONG (HK DOLLAR) 7.850 — 7.850 TAIWAN (NT DOLLAR) 30.613 ▲ 30.624 THAILAND (BAHT) 34.550 ▼ 34.500 S. KOREA (WON) 1,302.740 ▲ 1,298.200 SINGAPORE (DOLLAR) 1.345 ▲ 1.346 INDONESIA (RUPIAH) 15,345 ▼ 15,290 MALAYSIA (RINGGIT) 4.470 ▲ 4.474	MARCH 7, 2023 US\$/UK POUND 1.2024 ▲ 1.2022 US\$/EURO 1.0660 ▲ 1.0637 \$/AUSTRALIAN DOLLAR 0.6685 ▼ 0.6731 CANADA DOLLAR/US\$ 1.3626 ▼ 1.3598 SWISS FRANC/US\$ 0.9310 ▼ 0.9342	FUTURES PRICE ON NEAREST MONTH OF DELIVERY \$84.05/BBL 80.00 83.80 81.60 79.40 77.20 75.00 30 DAYS TO MARCH 6, 2023

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PHILIPPINE STOCK EXCHANGE'S 10 MOST ACTIVE STOCKS BY VALUE TURNOVER • MARCH 7, 2023 (PSEi snapshot on S1/2; article on S2/2)

BDO P127.500	URC P145.000	GLO P1,850.000	ACEN P6.700	ALI P28.300	SM P880.000	BPI P108.500	ICT P208.000	AC P645.000	MEG P2.110
Value P435,564,890	Value P364,418,158	Value P348,314,995	Value P295,175,147	Value P277,233,570	Value P248,775,870	Value P229,941,137	Value P229,182,154	Value P191,615,030	Value P172,007,710
P0.500 ▲ 0.394%	P9.900 ▲ 7.328%	-P24.000 ▼ -1.281%	P0.000 — 0.000%	-P0.350 ▼ -1.222%	-P6.000 ▼ -0.677%	P2.700 ▲ 2.552%	P1.000 ▲ 0.483%	-P5.000 ▼ -0.769%	P0.060 ▲ 2.927%

Inflation eases for 1st time in 6 months

By Keisha B. Ta-anan
Reporter

PHILIPPINE INFLATION eased for the first time in six months in February as transport and food prices rose at a slower pace, the statistics agency said.

Core inflation, however, accelerated to the fastest pace in over 22 years, which will likely ensure the Bangko Sentral ng Pilipinas (BSP) continues its tightening path.

Preliminary data from the Philippine Statistics Authority (PSA) showed the consumer price index (CPI) slowed to 8.6% in February, from the 14-year high 8.7% in January. Still, this was faster than the 3% in February 2022.

February inflation was below the 8.9% median in a *BusinessWorld* poll conducted last week, but within the Bangko Sentral ng Pilipinas' (BSP) 8.5-9.3% projection.

Stripping out seasonality factors, consumer prices dipped by 0.3% in February from 1% a month earlier.

Core inflation, which discounted volatile prices of food and fuel, quickened to 7.8% in February from 7.4% in January and 1.9% in the same month in 2022.

This is the quickest rise in core inflation in over 22 years or since 8.2% in December 2000.

Core inflation has been rising since March 2022.

For the first two months of the year, inflation averaged 8.6%. The

BSP expects inflation to average 6.1% this year.

At a press briefing, PSA Undersecretary and National Statistician Claire Dennis S. Mapa said transport was the main source of the deceleration in February inflation as prices of gasoline and diesel declined.

Transport inflation slowed to 9% in February, from 11.1% in January, as price increases in gasoline and diesel eased.

Pump price adjustments stood at a net decrease of P0.50 a liter for gasoline, P5.45 a liter for diesel and P6.85 a liter for kerosene in February.

On the other hand, nine out of 13 commodity groups posted faster inflation rates, led by food and non-alcoholic beverages (10.8% in February from 10.7% in January).

Other commodities that posted higher annual increases were alcoholic beverages and tobacco (11% from 10.9% in January), furnishings and household equipment (6.2% from 5.2%), clothing and footwear (4.8% from 4.4%), and health (4% from 3.3%).

Meanwhile, food inflation slightly eased to 11.1% in February from 11.2% in January and 1.1% in the same month in 2022.

Mr. Mapa said the downtrend in food inflation was due to slower annual growth of vegetables, tubers, plantains and cooking bananas (33.1% in February from 37.8% in January), and rice (2.2% from 2.7%). Price increases in corn; meat; oils and fats; and sugar, confectionary and desserts, also slowed during the month.

However, higher annual increases were seen in flour, bread and other bakery products; fish and other seafood; milk and other dairy products; fruits and nuts; and ready-made food products.

National Economic and Development Authority (NEDA) Secretary Arsenio M. Balisacan said the government should rethink its strategies to combat elevated food prices.

"The country's current high inflation is largely driven by domestic, supply-side constraints. Agricultural imports were ill-timed and food supplies have been inadequate. The solution is to get to the root of the problem, including fixing the bottlenecks along all segments of the agricultural value chain," he said in a statement.

Hongkong and Shanghai Banking Corp. (HSBC) economist for the Association of Southeast Asian Nations (ASEAN) Aris Dacanay said the slower February inflation was due to favorable base effects.

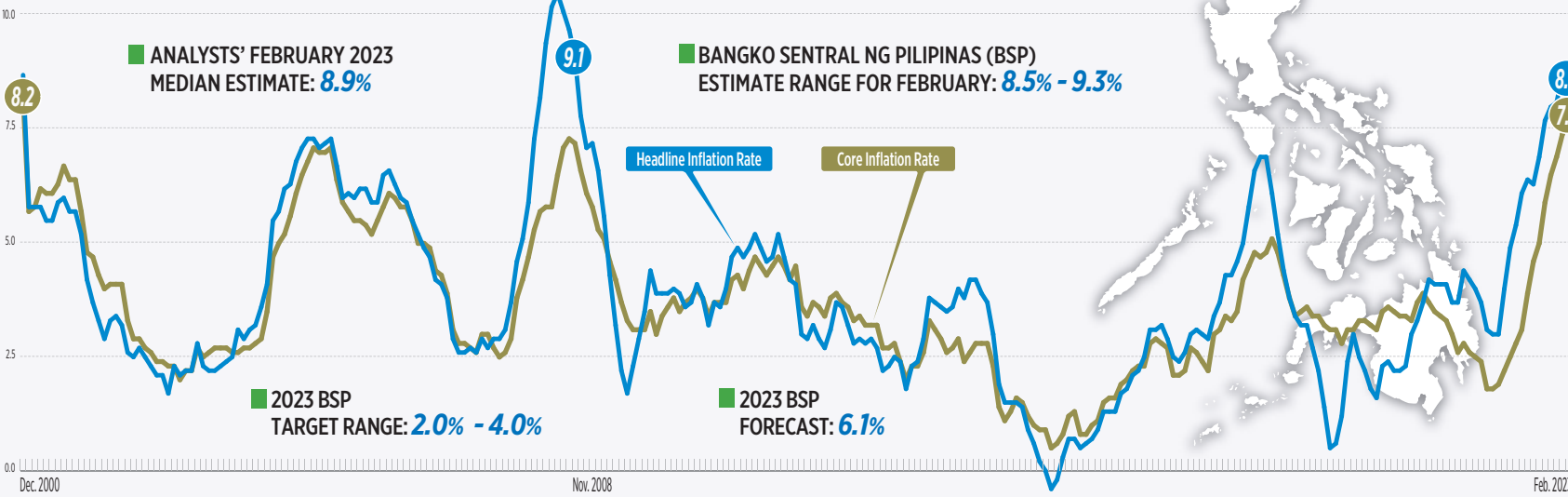
"Across all sub-commodity baskets, only transport CPI eased on a year on year basis given some favorable base effects in fuel prices. It has been a year since global oil prices first spiked. As a result, gasoline and diesel CPI eased substantially to 3.8% (from 9.6%) and 14.2% year on year (30.5%), respectively," Mr. Dacanay said.

Fuel prices surged amid Russia's invasion of Ukraine that started in late February last year.

Inflation, SI/9

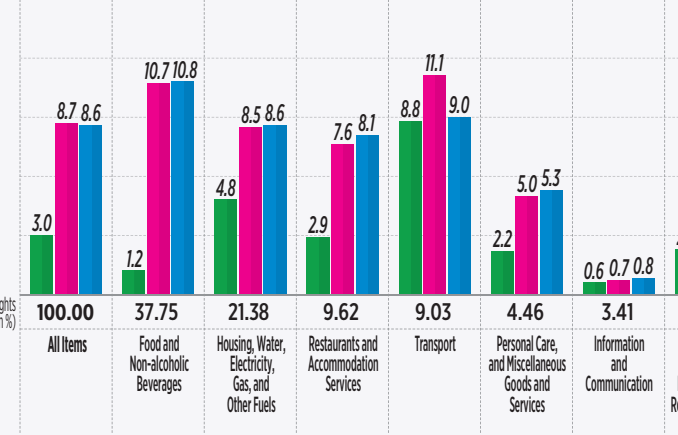
HEADLINE INFLATION RATES IN THE PHILIPPINES

(2018=100, Year-on-Year % Change)



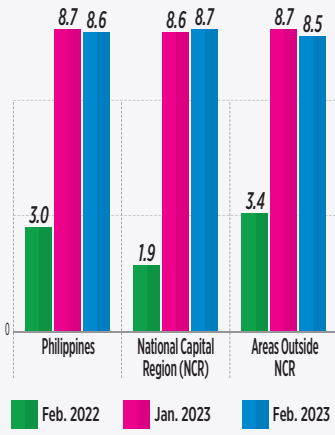
BY COMMODITY GROUP

(2018=100, Year-on-Year % Change)



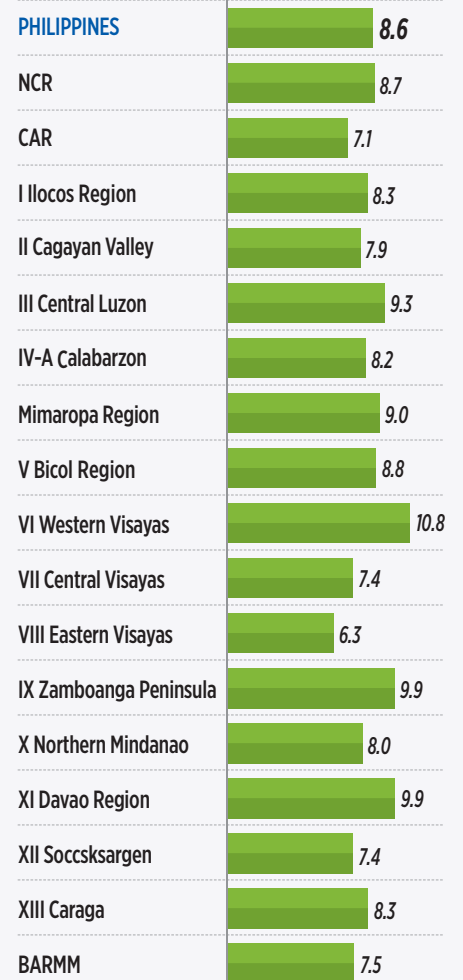
BY AREA

(2018=100, Year-on-Year % Change)



BY REGION (February 2023)

(2018=100, Year-on-Year % Change)



SOURCE: PHILIPPINE STATISTICS AUTHORITY (PRELIMINARY DATA AS OF MARCH 7, 2023)
BUSINESSWORLD RESEARCH: ANA OLIVIA A. TIRONA
BUSINESSWORLD GRAPHICS: BONG R. FORTIN

Finance chief backs additional imports of rice, corn, sugar

THE DEPARTMENT of Finance (DoF) is recommending additional imports of rice, corn, sugar, pork, and other key commodities this year to address an expected supply deficit and to tame prices.

"The total rice deficit of the country is estimated at 1.8 million metric tons (MT) or 10.4% of demand this year. This rice deficit, which is equivalent to 42 days, must be met with additional buffers in anticipation of typhoons that could destroy potential harvest," Finance Secretary Benjamin E. Diokno said at a sectoral meeting with President Ferdinand R. Marcos, Jr. on Tuesday.

A copy of his presentation was provided to journalists.

The Finance chief said the government should import 3 million MT of rice to secure a 30-day buffer, but noted this should not coincide with the harvest season. The Philippines imported around 3.8 million MT of rice last year.

Citing estimates from the DA, Mr. Diokno said yellow corn is also seen to have a deficit of 2.8 million MT this year. This is equivalent to 34.7% of total yellow corn demand and almost 125 days of feed requirements.

"This must be addressed through temporary and timely importations to avoid affecting the production of other industries such as hog and poultry," the Finance chief said.

For refined sugar, Mr. Diokno said that there will be a deficit of 75,546 MT by the end of August 2023. This represents 6.4% of total demand.

He said the supply of refined sugar will be insufficient if there are no new imports, driving up retail prices.

Mr. Diokno said there is an estimated pork supply deficit of 309.1 thousand MT (TMT), equivalent to 17.1% of demand or 62.5 days of pork supply.

"To fulfill the 2023 supply deficit and maintain at least a 30-day buffer stock of pork in 2023, the DA estimates that the country needs to import around 457.5 TMT of pork," he said.

The DA also anticipates a fish supply deficit of 648.3 thousand MT or 18.1% of demand by the end of the year.

"There is a need to continue calibrated importation of fish to ensure local availability of the commodity at more affordable prices while the municipal and coastal/marine fish resources are enriched and revitalized," Mr. Diokno said.

He noted inflation has continued to quicken due to food supply shortages and higher utility rates.

Headline inflation eased to 8.6% in February from the 14-year high of 8.7% in January, while core inflation accelerated to a more than 22 year-high of 7.8% during the month.

Food inflation slightly eased to 11.1% in February from 11.2% in January, due to a slower rise in prices of vegetables, rice, corn, meat and sugar.

Imports, SI/10

NG debt hits record high P13.7T in January

By Luisa Maria Jacinta C. Jocson
Reporter

THE NATIONAL Government's (NG) outstanding debt hit a record high of P13.698 trillion at the end of January as the government ramped up domestic and external borrowings, the Bureau of the Treasury (BTr) said on Tuesday.

Data from the BTr showed that the outstanding debt jumped by P279.63 billion or 2.1% from the P13.419 trillion at the end of December "due to the net availing of domestic and external debt."

Year on year, the debt stock rose by 13.9% from P12.03 trillion.

As of end-January, more than two-thirds or 68.5% of total outstanding debt were from domestic sources, while the rest was from foreign creditors.

Domestic debt climbed by 12.2% to P9.385 trillion as of January, from P8.368 trillion a year ago. It also

inched up by 1.9% from the P9.208 trillion as of end-December 2022.

The BTr attributed the higher domestic debt mainly to "net availing of domestic financing amounting to P179.16 billion offsetting the P2.61-billion effect of local currency appreciation against the US dollar on foreign denominated onshore securities."

Based on figures from the BTr, the peso appreciated by 2.3% to P54.571 against the dollar from the P55.815 at end-December.

The government mainly borrows from domestic sources to mitigate foreign currency risk.

Meanwhile, external debt increased by 17.8% to P4.314 trillion at end-January from P3.662 trillion in the previous year. Month on month, it went up by 2.4% from P4.21 trillion.

Broken down, external debt consisted of P1.868 trillion in loans and P2.445 trillion in global bonds.

"The increase in NG's external obligation for January was brought

on by the P186.56 billion net availing of foreign loans and P10.36-billion impact of third currency adjustments against the US dollar. However, peso appreciation reduced the peso value of foreign currency denominated debt by P93.84 billion," the BTr said.

As of end-January, the NG's overall guaranteed obligations dropped by 1.3% to P393.84 billion from P399.05 billion in the previous month. Year on year, it declined by 6.8% from P422.52 billion.

Analysts said that the increase in debt was due to the government's recent bond offerings.

"This may have to do with the \$3-billion global bond offering of the National Government in January," Rizal Commercial Banking Corp. Chief Economist Michael L. Ricafort said in a Viber message.

The government raised \$3 billion from a US dollar bond issuance in January, its first for the year.

NG debt, SI/10