

STOCK MARKET	ASIAN MARKETS	WORLD MARKETS	PESO-DOLLAR RATES	ASIAN MONIES-US\$ RATE	WORLD CURRENCIES	DUBAI CRUDE OIL
PSEi OPEN: 6,411.18 HIGH: 6,485.61 LOW: 6,409.29 CLOSE: 6,469.72 VOL.: 1.019 B VAL(P): 8.503 B 64.81 pts, 1.01% 30 DAYS TO MARCH 17, 2023	MARCH 17, 2023 JAPAN (NIKKEI 225) 27,333.79 ▲ 323.18 1.20 HONG KONG (HANG SENG) 19,518.59 ▲ 314.68 1.64 TAIWAN (WEIGHTED) 15,452.96 ▲ 231.84 1.52 THAILAND (SET INDEX) 1,563.67 ▲ 9.02 0.58 S.KOREA (KSE COMPOSITE) 2,395.69 ▲ 17.78 0.75 SINGAPORE (STRAITS TIMES) 3,183.28 ▲ 27.74 0.88 SYDNEY (ALL ORDINARIES) 6,994.80 ▲ 29.30 0.42 MALAYSIA (KLSE COMPOSITE) 1,411.73 ▲ 20.13 1.45	MARCH 17, 2023 Dow Jones 31,861.980 ▼ -384.570 NASDAQ 11,630.513 ▼ -86.764 S&P 500 3,916.640 ▼ -43.640 FTSE 100 7,335.400 ▼ -74.630 Euro Stoxx50 3,740.640 ▼ -32.550	FX OPEN P54.750 HIGH P54.610 LOW P54.750 CLOSE P54.710 W.AVE. P54.678 VOL. \$880.00 M SOURCE : BAP 15.00 ctyx 30 DAYS TO MARCH 17, 2023	MARCH 17, 2023 LATEST BID (0900GMT) PREVIOUS JAPAN (YEN) 131.790 ▲ 132.910 HONG KONG (HK DOLLAR) 7.849 ▼ 7.849 TAIWAN (NT DOLLAR) 30.618 ▲ 30.634 THAILAND (BAHT) 34.110 ▲ 34.410 S. KOREA (WON) 1,308.370 ▲ 1,313.240 SINGAPORE (DOLLAR) 1.340 ▲ 1.347 INDONESIA (RUPIAH) 15,340 ▲ 15,375 MALAYSIA (RINGGIT) 4.483 ▲ 4.501	MARCH 17, 2023 US\$/UK POUND 1.2175 ▲ 1.2063 US\$/EURO 1.0666 ▲ 1.0609 \$/AUSTRALIAN DOLLAR 0.6695 ▲ 0.6645 CANADA DOLLAR/US\$ 1.3727 ▼ 1.3748 SWISS FRANC/US\$ 0.9258 ▼ 0.9268	FUTURES PRICE ON NEAREST MONTH OF DELIVERY \$74.85/bbl 30 DAYS TO MARCH 17, 2023

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PHILIPPINE STOCK EXCHANGE'S 10 MOST ACTIVE STOCKS BY VALUE TURNOVER • MARCH 17, 2023 (PSEi snapshot on S1/4; article on S2/2)

ICT	P198.000	BDO	P127.600	ALI	P26.200	SMPH	P34.000	TEL	P1,310.000	BPI	P101.200	NIKL	P6.510	SM	P897.000	JFC	P223.000	AC	P610.000
Value	P811,834,271	Value	P497,345,792	Value	P484,052,925	Value	P453,452,045	Value	P413,858,765	Value	P405,287,878	Value	P340,564,295	Value	P302,584,865	Value	P285,142,074	Value	P269,599,665
PO.000	0.000%	P6.100	▲ 5.021%	-P0.100	▼ -0.380%	P0.000	0.000%	P10.000	▲ 0.769%	-P1.700	▼ -1.652%	-P0.180	▼ -2.691%	P23.000	▲ 2.632%	P8.000	▲ 3.721%	-P14.000	▼ -2.244%

BSP to raise rates by 25 bps — poll

By Keisha B. Ta-asan Reporter

THE BANGKO SENTRAL ng Pilipinas (BSP) is expected to slow the pace of its rate increases to a quarter of a point on Thursday amid concerns over elevated inflation and fallout from recent bank failures in the United States.

A *BusinessWorld* poll last week showed 12 out of 14 analysts expect the Monetary Board to hike rates by 25 basis points (bps) on March 23.

On the other hand, one analyst sees the Monetary Board increasing the policy rate by 50 bps, while another economist expects the BSP to pause.

While it will remain focused on its inflation fight, analysts said the Monetary Board will unlikely be as aggressive as before in line with recent turmoil in financial markets.

"We expect the central bank to dial down the pace of hikes from 50 bps in February as monetary authorities would likely take into consideration: a) lagged effect of previous hikes; b) unexpected inching down of inflation in February; and c) risk of a global financial crisis due to the recent bank failures in the US," Philippine National Bank economist Alvin Joseph A. Arogo said.

Despite the slight deceleration in February inflation, Bank of the Philippine Islands (BPI) Lead Economist Emilio S. Neri, Jr. said the Monetary Board will likely hike at a slower pace "to abate the risk of a further buildup of inflationary expectations."

In February, the Monetary Board raised its benchmark interest rate by 50 bps for a second straight meeting, bringing its cumulative rate hike to 400 bps since May 2022. This brought the key rate to a near 16-year high of 6%.

ANALYSTS' EXPECTATIONS ON POLICY RATES (MARCH 2023)

Analyst	Forecast
Emmanuel J. Lopez (Colegio de San Juan de Letran Graduate School)	+50 bps
Alvin Joseph A. Arogo (Philippine National Bank)	+25 bps
Ruben Carlo O. Asuncion (Union Bank of the Philippines, Inc.)	+25 bps
Debalika Sarkar (ANZ Research)	+25 bps
Domini S. Velasquez (China Banking Corp.)	+25 bps
Emilio S. Neri, Jr. (Bank of the Philippine Islands)	+25 bps
Jeff Ng (MUFGBank, Ltd.)	+25 bps
Jonathan L. Ravelas (eManagement for Business and Marketing Services)	+25 bps
Makoto Tsuchiya (Oxford Economics)	+25 bps
Michael L. Ricafort (Rizal Commercial Banking Corp.)	+25 bps
Miguel Chanco (Pantheon Macroeconomics)	+25 bps
Nicholas Antonio T. Mapa (ING Bank N.V. Manila Branch)	+25 bps
Robert Dan J. Roces (Security Bank Corp.)	+25 bps
Patrick M. Ella (Sun Life Investment Management and Trust Corp.)	KEEP

Inflation eased for the first time in six months in February, slowing to 8.6% from 8.7% in January. However, core inflation quickened to a 22-year high of 7.8% in February from 7.4% in January.

The February inflation data gave mixed signals, ANZ Research economist Debalika Sarkar said, adding that the headline print was only a tad lower than January, but food and core inflation further accelerated.

"However, these annual rates have masked the weak month-on-month momentum which the central bank will likely take into consideration at its upcoming policy rate decision," she said.

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

"February data could also be a signal that headline inflation may have peaked in Rates, S1/5

CURRENT POLICY SETTINGS	
Overnight Deposit Rate	5.50%
Overnight Reverse Repurchase Rate	6.00%
Overnight Lending Rate	6.50%

BUSINESSWORLD GRAPHICS: FORT V. DANAOS

REITs may need more than one year to reinvest proceeds

By Beatriz Marie D. Cruz

REAL ESTATE Investment Trusts (REITs) will need more than a year to reinvest its proceeds in the Philippines following the market's ongoing pandemic recovery, property consultants said at the weekend.

This after the House of Representatives last week approved on second reading a bill that seeks to require a sponsor or promoter to reinvest proceeds of their REIT shares in the Philippines within a year from receipt of the proceeds.

P. Ryan Isip, head of capital markets at real estate consultant JLL Philippines, said that REITs should be given more than one year to reinvest their proceeds to ensure they generate more profits.

"It is the REIT's mandate to provide increasing yield. To do so, every investment by the REIT must provide an accretive yield to the portfolio," Mr. Isip said in an e-mail.

"Finding such types of investment are few and far between; therefore, REITs should have more time than one year."

Joey Roi Bondoc, associate director for research at Colliers Philippines, said that instead of giving a fixed one-year period for reinvesting in the country, REITs should be given more leeway.

"I would say that there should be greater flexibility in terms of the period for reinvestment. I wouldn't say a specific time period, but there should be greater flexibility for the developers, because the expansion will also hinge on the expansion of the economy," he said in a video interview.

House Bill No. 7525 seeks to amend the Real Estate Investment Trust Act of 2009. Under the

bill, REITs will be mandated to submit a reinvestment plan to the Philippine Stock Exchange and Securities and Exchange Commission upon registration and secure a certification annually to prove that it is compliant with its reinvestment plan.

Mr. Bondoc said the proposed measure would encourage REITs to reinvest in the Philippines as the economy is recovering from the coronavirus pandemic.

"There is really a need for the developers to immediately launch new projects, especially as they really want to capture the gains in the market, as the office, retail and leisure sectors are rebounding," he said.

Some real estate companies are looking at infrastructure projects or injecting some of their projects into their REIT companies.

"They really want to take advantage of opportunities in the market because we believe that now is an opportune time to aggressively launch more projects and acquire more assets that eventually will be divested to REITs... So I think it will definitely be a plus for the retail market," Mr. Bondoc said.

If enacted into law, the amendment is expected to help boost growth in the real estate industry, House Economic Affairs Committee Chairman and Negros Occidental Rep. Gerardo P. Valmayor, Jr. told lawmakers last week.

Republic Act No. 9856 or the REIT Act previously drew zero REIT issuances, until the government relaxed requirements under the implementing rules and regulations.

There are currently eight REITs in the country, namely AREIT, Inc., Citicore Energy REIT Corp., DDMP REIT, Inc., Filinvest REIT Corp., MREIT, Inc., Premier Island Power REIT Corp., RL Commercial REIT, Inc., and VistaREIT, Inc.

Debt service bill hits P1.3 trillion in 2022

THE NATIONAL Government's (NG) debt service bill rose to P1.293 trillion in 2022, as amortization payments increased, data from the Bureau of the Treasury (BTr) showed.

BTr data showed the government's debt payments jumped by 7.4% from the P1.204 trillion posted in 2021.

However, this was slightly below the P1.298-trillion debt service program for the year.

Treasury data showed amortization payments inched up by 2.02% to P790.319 billion in 2022, from P774.637 billion a year ago. It is a tad higher than the P785-billion program for the year.

Amortization payments accounted for 63.8% of the total debt service bill for the year, while the rest went to interest payments.

Broken down, principal payments to domestic lenders rose by 22.8% to P659.834 billion in 2022 from P537.45 billion in 2021.

The government's payments to external creditors fell by 45% to P130.485 billion from P237.187 billion in 2021.

Meanwhile, interest payments jumped by 17% to P502.858 billion last

year from the P429.432 billion in 2021. This was nearly 2% below the P512.59-billion program for the year.

Interest payments on domestic debt went up by 15% to P383.452 billion. This consisted of P12.647 billion in Treasury bills, P231.138 billion in fixed-rate Treasury bonds, and P135.498 billion in retail Treasury bonds.

The Treasury sells government securities weekly to generate funds for the NG's projects and programs.

Interest paid on external debt rose by 24.3% to P119.406 billion.

DECEMBER

In December alone, the debt service bill surged by 332% to P302.125 billion from P69.989 billion in the same month a year ago.

Data from the Treasury showed amortization payments surged by 506% to P258.52 billion from P42.662 billion in the previous year. Amortization payments accounted for 86% of the total debt service bill during the month.

Principal payments to local lenders soared by 590% to P250.793 billion, while the BTr settled P7.727 billion with

foreign creditors, up by 22.6% year on year.

Meanwhile, interest payments in December hit P43.605 billion, up by 59.6% from the P27.327 billion in the same month in 2021.

Interest paid on domestic debt went up by 49.9% to P36.251 billion year on year.

Broken down, the government paid interest for P763 million in Treasury bills, P6.613 billion in fixed-rate Treasury bonds, and P27.923 billion in retail Treasury bonds.

On the other hand, interest paid on foreign debt jumped by 133.9% to P7.354 billion in December.

In 2022, NG gross borrowings stood at P2.16 trillion, 16% lower year on year.

The government plans to borrow P2.207 trillion this year to fund a budget deficit capped at 6.1% of gross domestic product (GDP).

The country's outstanding debt hit a record high of P13.698 trillion at the end of January. As of end-December, the country's debt-to-GDP ratio stood at 60.9%. — **Luisa Maria Jacinta C. Jocsion**

Customs says Petron was top importer in 2022

PETRON CORP. was named the top importer based on the payment of duties and taxes to the Bureau of Customs (BoC) in 2022, the Finance department said.

The Department of Finance (DoF) in a statement said the list of the top 10 importers also included Philipinas Shell Petroleum Corp., Toyota Motor Philippines Corp., Unioil Petroleum Philippines, Inc., and Seoail Philippines, Inc.

Insular Oil Corp., Filoil Logistics Corp., Chevron Philippines, Inc., Jeti Petroleum, Inc. and Nestlé Philippines, Inc. were also named as top importers last year.

The spike in oil prices last year helped Customs collect P862 billion, exceeding its full-year P721.5-billion collection target by 19%. It was also 34% higher than the P643 billion collected in 2021.

Crude oil prices surged as Russia's invasion of Ukraine in late February 2022 affected global supply.

At the Port of Manila, the top three importers were Masinloc Power Partners Co. Ltd., SteelAsia Manufacturing Corp., and Regan Industrial Sales, Inc.

Mondelez Philippines, Inc., Atkins Import and Export Resources, and Universal Robina Corp. were the biggest importers at the Manila International Container Port.

Samsung Electronics Philippines Corp., Globe Telecom, Inc., and Louis Vuitton Philippines, Inc. were the top importers at the Ninoy Aquino International Airport.

At the Port of Cebu, the biggest importers were Filoil Logistics Corp., Seoail Philippines, Inc. and the National Grid Corp. — **Luisa Maria Jacinta C. Jocsion**