P25
IN METRO MANILA, PHILIPPINES

BusinessWorld

STOCK MARKET

PSEi

OPEN:	6,499.67
HIGH:	6,499.67
LOW:	6,454.27
CLOSE:	6,464.72
VOL.:	0.770 B
VAL(P):	3.000 B

▼ 40.90 PTS. 0.62%
30 DAYS TO APRIL 18, 2023

ASIAN MARKETS

APRIL 18, 2023

	CLOSE		NET	%
Japan (Nikkei 225)	28,658.83	▲	144.05	0.51
Hong Kong (Hang Seng)	20,650.51	▼	-131.94	-0.63
Taiwan (Weighted)	15,869.44	▼	-94.11	-0.59
Thailand (SET Index)	1,593.85	▼	-6.56	-0.41
S.Korea (Kse Composite)	2,571.09	▼	-4.82	-0.19
Singapore (Straits Times)	3,309.56	▼	-9.70	-0.29
Sydney (All Ordinaries)	7,360.20	▼	-21.30	-0.29
Malaysia (Klse Composite)	1,432.36	▼	-2.54	-0.18

WORLD MARKETS

APRIL 17, 2023

	CLOSE		NET
Dow Jones	33,987.180	▲	100.710
NASDAQ	12,157.724	▲	34.259
S&P 500	4,151.320	▲	13.680
FTSE 100	7,879.510	▲	7.600
Euro Stoxx50	4,040.790	▼	-3.720

PESO-DOLLAR RATES

FX

OPEN	P56.000
HIGH	P55.980
LOW	P56.230
CLOSE	P56.140
W.AVE.	P56.094
VOL.	$1,417.50 M

▼ 29.00 CTVS
30 DAYS TO APRIL 18, 2023
SOURCE : BAP

ASIAN MONIES-US$ RATE

APRIL 18, 2023

	LATEST BID (0900GMT)		PREVIOUS
Japan (yen)	134.140	▼	133.990
Hong Kong (HK dollar)	7.850	—	7.850
Taiwan (NT dollar)	30.494	▲	30.509
Thailand (baht)	34.270	▲	34.370
S. Korea (won)	1,316.080	▼	1,313.320
Singapore (dollar)	1.332	—	1.332
Indonesia (rupiah)	14,840	▼	14,785
Malaysia (ringgit)	4.431	▼	4.419

WORLD CURRENCIES

APRIL 18, 2023

	CLOSE		PREVIOUS
US$/UK pound	1.2433	▲	1.2380
US$/Euro	1.0972	▼	1.0974
$/Aust dollar	0.6740	▲	0.6701
Canada dollar/US$	1.3362	▼	1.3364
Swiss Franc/US$	0.8962	▲	0.8940

DUBAI CRUDE OIL

FUTURES PRICE ON NEAREST MONTH OF DELIVERY
$85.90/BBL
▼ $0.10
30 DAYS TO APRIL 17, 2023

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S1/1-10 • 2 SECTIONS, 16 PAGES

PHILIPPINE STOCK EXCHANGE'S 10 MOST ACTIVE STOCKS BY VALUE TURNOVER • APRIL 18, 2023 (PSEi snapshot on *S1/2*; article on *S2/2*)

		Value			
SM	P900.000	P237,057,845	P0.000	—	0.000%
ALI	P26.400	P219,598,315	-P0.300	▼	-1.124%
SMPH	P33.400	P165,607,415	-P0.600	▼	-1.765%
MER	P320.000	P148,461,198	P1.000	▲	0.313%
SPNEC	P1.640	P120,487,360	-P0.040	▼	-2.381%
ICT	P210.000	P116,995,206	-P0.200	▼	-0.095%
BDO	P127.900	P116,449,056	-P0.400	▼	-0.312%
TEL	P1,280.000	P94,867,450	-P4.000	▼	-0.312%
BPI	P100.000	P91,753,954	-P1.000	▼	-0.990%
MBT	P58.400	P80,759,519	P1.100	▲	1.920%

US not keen on PHL free trade deal

THE UNITED STATES is not keen on a free trade agreement (FTA) with the Philippines or any of its trading partners, its trade chief said on Tuesday.

"In terms of a more traditional FTA, we are not currently negotiating any such agreements with our trading partners because we do not see that traditional program being appropriate for the types of challenges and opportunities that we are facing right now," United States Trade Representative (USTR) Katherine Tai said during a media roundtable in Makati City on Tuesday.

Ms. Tai said that the US is not currently looking at any bilateral FTAs with its trading partners. She noted the "traditional FTA" has been the cause of vulnerabilities currently experienced by the supply chains.

"(FTAs) always are working to create incentives for economic participants to maximize efficiency. So, this is part of the incentive structure that has created the kind of vulnerabilities that we see in supply chains today. That is an important reason why we are not doing the traditional FTA," she said.

"We feel like if you keep doing things the same way, then why would you expect to have different outcomes."

The Philippine Department of Trade and Industry (DTI) has been pushing for a bilateral FTA between the Philippines and the US, citing its economic benefits.

Instead of a bilateral FTA, Ms. Tai said the US is more focused on the Indo-Pacific Economic Framework for Prosperity (IPEF).

Trade deal, S1/3

Yellow alert in Luzon grid likely next week

THE LUZON GRID is expected to have a shortfall in power reserves starting next week to mid-June, with a yellow alert likely to be raised on Monday.

"Our outlook provides that for that week, the fourth week of April or the 17th week of the year, we have a potential yellow alert," Energy Undersecretary Rowena Cristina L. Guevara said in a Zoom interview on Tuesday.

Yellow alerts are issued when reserves fall below a designated safety margin, while red alerts are raised when the supply-demand balance deteriorates further, signaling the possibility of rotational brownouts.

The Institute for Climate and Sustainable Cities (ICSC) said the power outlook for the summer is "very tight."

"Multiple yellow alert issuances are indeed possible within the year," the ICSC said in its latest report.

Jephraim C. Manansala, chief data scientist at ICSC, said generating capacity is expected to be lower starting the week of April 24-30 to June 12-18.

"The supply can further deplete as forced outages of large baseload power plants can unexpectedly occur in these times, likely pushing the system into yellow alert and near red alert levels," Mr. Manansala said in a statement.

Power demand typically surges during summer months. The Department of Energy (DoE) projected a peak demand of 13,125 megawatts (MW) in May.

While the projection of ICSC is in line with the DoE's power outlook, Ms. Guevara said it is worth noting that there are two yellow alerts in their projection that did not occur.

"Yes [a yellow alert is] most likely but what is happening now is that there are yellow alerts that did not occur," she said.

Ms. Guevara said that based on the DoE's initial assumption, there are 10 yellow alerts remaining for this year.

In March, the DoE raised its 2023 power outlook to 15 yellow alerts in the Luzon power grid from its earlier projection of only 12 yellow alerts.

Mr. Manansala said that the government and industry players should ensure that generators are compliant with the grid operating and maintenance program (GOMP) of the National Grid Corp. of the Philippines (NGCP) to prevent supply from deteriorating further.

Yellow alert, S1/3

DA urged to review tax-free importation of palm oil

THE FEDERATION of Philippine Industries (FPI) urged the government to review its policy of allowing the tax-free importation of palm oil, citing the adverse impact on the domestic coconut industry.

"The Department of Agriculture (DA) should also revisit this policy of allowing zero value-added tax (VAT) and duty-free importations of palm olein as this is clearly hurting the local coconut and palm oil farmers and producers," FPI Chairman Jesus L. Arranza said during a press conference in Makati City on Tuesday.

Mr. Arranza, also the president of the Coconut Oil Refiners Association, said the government should strictly validate the reasons given for palm oil imports and monitor how these are actually used.

He said he sent a Feb. 8 letter to President Ferdinand R. Marcos, Jr., who is also the Agriculture secretary, asking him to order DA to conduct a dialogue with local coconut industry stakeholders regarding the issue.

Mr. Arranza said he also asked Mr. Marcos to secure documents that could help the government in tracking traders who had duty- and tax-free privilege from the Bureau of Animal Industry (BAI), but used the imports outside of its purpose of compounding of animal feeds.

He noted some of the imported palm olein have ended up in the market as cooking oil or were given to biodiesel producers as replacement to coconut oil.

Under Department of Energy rules, only coconut oil is allowed as the blending agent in biofuel.

"The problem is the apparent laxity on the part of the BAI in issuing requests to import palm olein on VAT and duty-free basis," Mr. Arranza said.

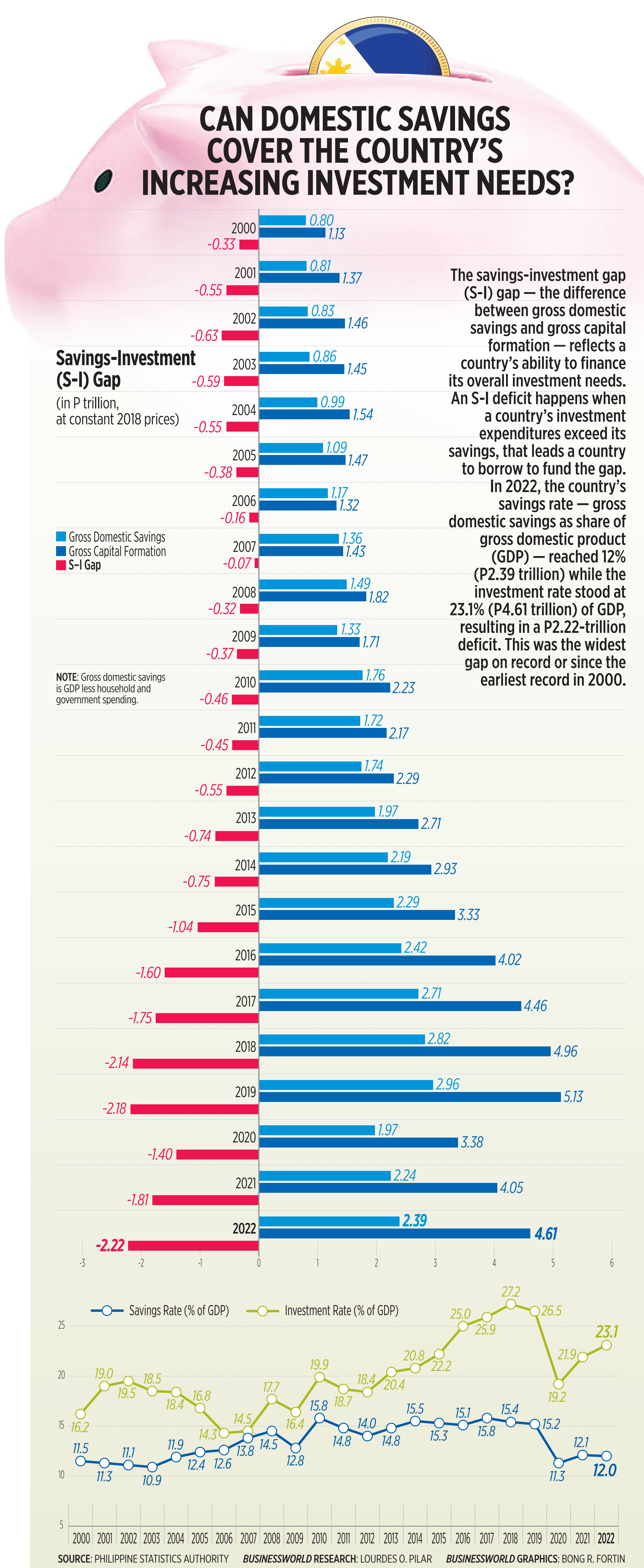
He added that the FPI and other industry groups are ready to assist the DA in launching an investigation into this issue.

Mr. Arranza said the DA and the BAI should ramp up efforts to monitor the palm oil imports entering the country.

He said the investigation should take a close look at the BAI to prove that the palm oil imports were actually used for feeds compounding.

"If not, they should be put behind bars because they are killing the coconut industry and stealing money from the government," Mr. Arranza said.

"There is no closure yet on this issue; we opened it and we have to close it fairly, expeditiously, and ferret out all illicit acts attendant to this issue, otherwise there'll be room for other interpretation," he added. — **Revin Mikhael D. Ochave**



PHL can take on additional debt servicing, say experts

By Luisa Maria Jacinta C. Jocson *Reporter*

THE GOVERNMENT can still take on additional debt servicing without negatively impacting fiscal space, analysts said.

"Compared to some of its Southeast Asian neighbors, the Philippines has a lower debt-to-gross domestic product (GDP) ratio, which suggests that it may have more capacity to take on additional debt servicing," Ateneo de Manila University economics professor Leonardo A. Lanzona said in an e-mail.

The country's debt-to-GDP ratio stood at 60.9% as of end-December, still slightly above the 60% threshold considered manageable by multilateral lenders for developing economies.

"Furthermore, the terms and conditions of the debt are also principal factors to consider. If the government can secure favorable terms, such as lower interest rates or longer repayment periods, it may be able to take on more debt servicing without significantly affecting its financial stability," Mr. Lanzona added.

This year, the government's debt service program is set at P1.6 trillion, 23.3% higher than last year's P1.298-trillion program.

In January, the government paid P47.831 billion for debt servicing, down by 77.8% year on year.

At the end of February, outstanding debt hit a record high of P13.75 trillion, as the government borrowed more to finance its pandemic response.

Aside from the Philippines, other countries in the region have also seen their debt-to-GDP ratios rise during the pandemic.

Debt servicing, S1/3

WHAT'S INSIDE