

STOCK MARKET	ASIAN MARKETS	WORLD MARKETS	PESO-DOLLAR RATES	ASIAN MONIES-US\$ RATE	WORLD CURRENCIES	DUBAI CRUDE OIL
PSEi OPEN: 6,466.68 HIGH: 6,520.44 LOW: 6,453.27 CLOSE: 6,520.44 VOL.: 0.584 B VAL(P): 3.820 B 74.09 pts, 1.14% 30 DAYS TO APRIL 20, 2023	APRIL 21, 2023 JAPAN (NIKKEI 225) 28,564.37 ▼ -93.20 -0.33 HONG KONG (HANG SENG) 20,075.73 ▼ -321.24 -1.57 TAIWAN (WEIGHTED) 15,602.99 ▼ -104.53 -0.67 THAILAND (SET INDEX) 1,558.36 ▼ -6.74 -0.43 S.KOREA (KSE COMPOSITE) 2,544.40 ▼ -18.71 -0.73 SINGAPORE (STRAITS TIMES) 3,321.82 ▲ 8.41 0.25 SYDNEY (ALL ORDINARIES) 7,330.40 ▼ -31.80 -0.43 MALAYSIA (KLSE COMPOSITE)* 1,422.11 ▼ -2.96 -0.21 <small>* CLOSING PRICE AS OF APRIL 20, 2023</small>	APRIL 21, 2023 Dow Jones 33,808.960 ▲ 22.340 NASDAQ 12,072.456 ▲ 12.898 S&P 500 4,133.520 ▲ 3.730 FTSE 100 7,914.130 ▲ 11.520 Euro Stoxx50 4,079.600 ▲ 26.130	FX OPEN P56.310 HIGH P56.000 LOW P56.400 CLOSE P56.020 W.AVE. P56.278 VOL. \$1,079.99 M SOURCE: BAP 19.00 CTVS 30 DAYS TO APRIL 20, 2023	APRIL 21, 2023 LATEST BID (0900GMT) PREVIOUS JAPAN (YEN) 134.150 134.820 HONG KONG (HK DOLLAR) 7.848 7.850 TAIWAN (NT DOLLAR) 30.625 30.584 THAILAND (BAHT) 34.350 34.390 S. KOREA (WON) 1,329.360 1,325.910 SINGAPORE (DOLLAR) 1.334 1.334 INDONESIA (RUPIAH) 14,840 14,840 MALAYSIA (RINGGIT) 4.435 4.435	APRIL 21, 2023 CLOSE PREVIOUS US\$/UK POUND 1.2430 ▲ 1.2422 US\$/EURO 1.0987 ▲ 1.0958 \$/AUSTRALIAN DOLLAR 0.6690 ▼ 0.6706 CANADA DOLLAR/US\$ 1.3539 ▲ 1.3475 SWISS FRANC/US\$ 0.8926 ▼ 0.8961	FUTURES PRICE ON NEAREST MONTH OF DELIVERY \$80.75/BBL \$0.95 30 DAYS TO APRIL 21, 2023

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PHILIPPINE STOCK EXCHANGE'S 10 MOST ACTIVE STOCKS BY VALUE TURNOVER • APRIL 20, 2023 (PSEi snapshot on SI/2; article on S2/2)

BDO P135.000	ICT P213.600	UBP P84.500	SM P900.000	ALI P26.200	MONDE P9.430	ABA P2.460	SMPH P33.500	GLO P1,783.000	MBT P58.500
Value P572,522,647	Value P406,349,350	Value P246,341,451	Value P164,154,545	Value P154,108,125	Value P149,052,008	Value P135,072,750	Value P131,786,565	Value P111,824,210	Value P90,412,731
P5.500 ▲ 4.247%	P3.600 ▲ 1.714%	-P0.100 ▼ -0.118%	P0.000 — 0.000%	P0.050 ▲ 0.191%	P0.180 ▲ 1.946%	P0.000 — 0.000%	P0.500 ▲ 1.515%	-P2.000 ▼ -0.112%	P0.100 ▲ 0.171%

Banks seen resilient vs emerging risks

By Keisha B. Taasan
Reporter

CREDIT GROWTH is expected to remain "healthy" this year, as the Philippine financial system is expected to manage any secondary effects stemming from the recent banking tur-

moil in the United States and Europe, analysts said.

International Monetary Fund (IMF) Deputy Director of the Asia and Pacific Department Sanjaya Panth told *BusinessWorld* that the Philippine banking system will continue to prove its resilience against emerging risks this year.

"The Philippine banking system has proved quite re-

silient through the pandemic and has remained strong. I think it has sufficient liquidity and capital buffers, and we expect credit growth to remain healthy, with growth broadly in line with the economy," Mr. Panth said.

The Philippines, he said, had very limited exposure to troubled banks in the US and Europe such

as the Silicon Valley Bank and Credit Suisse.

"The banks are exposed to risk from the corporate sector, there is no question about that because it is a large share of bank lending in the Philippines. However, corporate leverage is less concentrated in the more vulnerable parts of the corporate sector. This is more of an issue for the rest of

Asia and the Philippines is in a relatively better position in this respect," Mr. Panth said.

Outstanding loans by big banks grew by 10% to P10.69 trillion in February from P9.72 trillion a year earlier, latest data from the Bangko Sentral ng Pilipinas (BSP) showed. However, loan growth in February was slightly slower than the 10.4% growth in January.

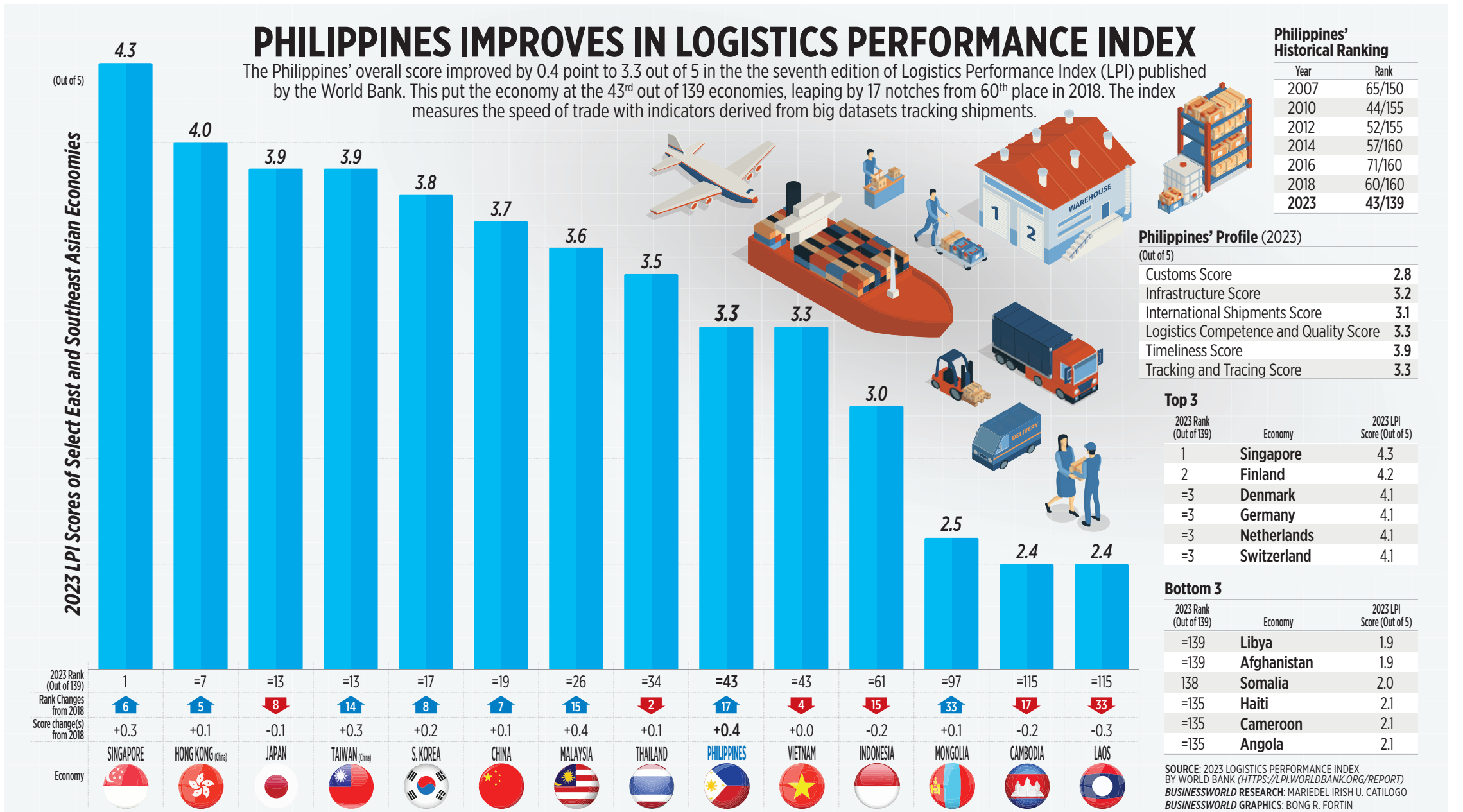
Lending to residents jumped by 9.9% in February, while lending for production activities rose by 8.7%.

Nikita Anand, associate director at S&P Global Ratings, said in an e-mail that Philippine banks will be able to manage any contagion effects from the global banking turmoil.

Banks, SI/5

PHILIPPINES IMPROVES IN LOGISTICS PERFORMANCE INDEX

The Philippines' overall score improved by 0.4 point to 3.3 out of 5 in the seventh edition of Logistics Performance Index (LPI) published by the World Bank. This put the economy at the 43rd out of 139 economies, leaping by 17 notches from 60th place in 2018. The index measures the speed of trade with indicators derived from big datasets tracking shipments.



US investors keen on Maharlika fund — DBM chief

By Beatriz Marie D. Cruz

SOME US BUSINESS groups and investors have shown interest in the proposed Maharlika Investment Fund (MIF), Budget Secretary Amehaf F. Pangandaman said.

"We had a sideline meeting with the United States Business Council and their questions were about our sovereign wealth fund, (and they're asking) when

it will be operationalized," she said in a roundtable interview with *BusinessWorld* reporters and editors in Quezon City on April 19.

Ms. Pangandaman was part of the economic team who met with business groups and investors in Washington, D.C. earlier this month.

"They're willing to help us with how to organize the," she said, adding that the sovereign wealth fund's structure has not been finalized.

The House of Representatives approved on third reading the bill creating the country's sovereign wealth fund in December 2022. The Senate plenary is now deliberating the counterpart measure.

In the Senate's committee report, initial capital will come from the Land Bank of Philippines and the Development Bank of the Philippines; dividends of the Bangko Sentral ng Pilipinas (BSP); the Philippine Amusement and Gaming Corp.; and proceeds from

the privatization and transfer of government assets. Other sources such as royalties and special assessments may also be tapped.

The MIF will also adhere to the Santiago principles, which contain generally accepted values and practices on sovereign wealth funds.

Asked why the government is pushing for the MIF amid a global economic slowdown, Ms. Pangandaman said: "If we don't do it now, then when?"

Maharlika fund, SI/8

High oil prices likely to keep inflation elevated

INFLATION may remain elevated amid an anticipated increase in global crude oil prices due to the planned output cut by the Organization of the Petroleum Exporting Countries and its allies (OPEC+), First Metro Investment Corp. (FMIC) and the University of Asia and the Pacific (UA&P) said.

"If consumer prices continue their downward trend, full-year inflation may go slightly below 6%. However, with the recent huge barrel production cut announced by OPEC+, we keep our original 6.3% projection, unless the announced cut fizzles and turns into mere optics," FMIC and UA&P said in their Market Call on Sunday.

Earlier this month, OPEC and its allies, including Russia, announced oil output reductions of around 1.16 million barrels per day.

Inflation eased to a six-month low of 7.6% in March from 8.6% in February. This brought the average inflation rate in the first

quarter to 8.3%, above the BSP's full-year forecast of 6% and 2-4% target band.

"Inflation should ease further to an average 6.6% year on year in Q2 despite higher crude oil prices and fall to low 5% level by September. The peso-dollar rate will weaken due to the jump in petroleum product prices," FMIC and UA&P said.

Despite slower inflation seen in March, FMIC and UA&P said the BSP will likely continue tightening policy.

"The BSP will likely proceed with raising its policy rates by 25 bps in its May meeting. However, we expect a pause thereafter," FMIC and UA&P said.

BSP Governor Felipe M. Medalla earlier said the BSP may pause its tightening cycle if inflation further slows in April. He also said a potential cut may happen this year if inflation continues to ease in the next six months.

Oil prices, SI/8

VAT zero-rating resolution out before end of April

THE RESOLUTION of the issue on value-added tax (VAT) zero-rating for local purchases made by exporters will be out before the end of April, Finance Secretary Benjamin E. Diokno said.

"With the recommendation of the Fiscal Incentives and Review Board (FIRB) technical working group, the

Bureau of Internal Revenue (BIR) has drafted the necessary revenue regulations to clarify the coverage of the direct and exclusive use for purposes of VAT zero-rating. I have approved and signed the same. This is expected to be issued shortly within the month of April," Mr. Diokno said in a Viber message.

Key export sectoral groups urged FIRB to resolve the conflicting provisions in the VAT zero-rating guidelines before the end of March.

The IT and Business Process Association of the Philippines, Inc., Semiconductor and Electronics Industries in the Philippines Foundation, Inc. and Confederation of Wearables Exporters

of the Philippines (CONWEP) have said that failure to address the issue would have "detrimental effects to these three sectors particularly in sustaining their growth potential."

The issue on VAT zero-rating stems from the Corporate Recovery and Tax Incentives for Enterprises (CREATE) Act.

VAT, SI/5



THE ECONOMY
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OPINION
The Sabah dispute: A never-ending saga? SI/6

THE NATION
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