

STOCK MARKET	ASIAN MARKETS	WORLD MARKETS	PESO-DOLLAR RATES	ASIAN MONIES-US\$ RATE	WORLD CURRENCIES	DUBAI CRUDE OIL																																																																																																			
<b>PSEi</b> 6725 6640 6555 6470 6385 6300 46.21 pts, 0.7% 30 DAYS TO MAY 17, 2023 <b>OPEN:</b> 6,595.46 <b>HIGH:</b> 6,644.38 <b>LOW:</b> 6,593.66 <b>CLOSE:</b> 6,635.11 <b>VOL.:</b> 1.073 B <b>VAL(P):</b> 4.341 B	<b>MAY 17, 2023</b> <table border="1"> <thead> <tr> <th></th> <th>CLOSE</th> <th>NET</th> <th>%</th> </tr> </thead> <tbody> <tr><td>JAPAN (NIKKEI 225)</td><td>30,093.59</td><td>▲250.60</td><td>0.84</td></tr> <tr><td>HONG KONG (HANG SENG)</td><td>19,560.57</td><td>▲417.68</td><td>-2.09</td></tr> <tr><td>TAIWAN (WEIGHTED)</td><td>15,925.29</td><td>▲251.39</td><td>1.60</td></tr> <tr><td>THAILAND (SET INDEX)</td><td>1,519.99</td><td>▲19.85</td><td>-1.29</td></tr> <tr><td>S.KOREA (KSE COMPOSITE)</td><td>2,494.66</td><td>▲14.42</td><td>0.58</td></tr> <tr><td>SINGAPORE (STRAITS TIMES)</td><td>3,175.84</td><td>▲38.20</td><td>-1.19</td></tr> <tr><td>SYDNEY (ALL ORDINARIES)</td><td>7,199.20</td><td>▲35.50</td><td>-0.49</td></tr> <tr><td>MALAYSIA (KLSE COMPOSITE)</td><td>1,424.34</td><td>▲0.84</td><td>0.06</td></tr> </tbody> </table>		CLOSE	NET	%	JAPAN (NIKKEI 225)	30,093.59	▲250.60	0.84	HONG KONG (HANG SENG)	19,560.57	▲417.68	-2.09	TAIWAN (WEIGHTED)	15,925.29	▲251.39	1.60	THAILAND (SET INDEX)	1,519.99	▲19.85	-1.29	S.KOREA (KSE COMPOSITE)	2,494.66	▲14.42	0.58	SINGAPORE (STRAITS TIMES)	3,175.84	▲38.20	-1.19	SYDNEY (ALL ORDINARIES)	7,199.20	▲35.50	-0.49	MALAYSIA (KLSE COMPOSITE)	1,424.34	▲0.84	0.06	<b>MAY 16, 2023</b> <table border="1"> <thead> <tr> <th></th> <th>CLOSE</th> <th>NET</th> </tr> </thead> <tbody> <tr><td>Dow Jones</td><td>33,012,140</td><td>▼-336,460</td></tr> <tr><td>NASDAQ</td><td>12,343,053</td><td>▼-22,156</td></tr> <tr><td>S&amp;P 500</td><td>4,109,900</td><td>▼-26,380</td></tr> <tr><td>FTSE 100</td><td>7,751,080</td><td>▼-26,620</td></tr> <tr><td>Euro Stoxx50</td><td>4,036,030</td><td>▼-9,350</td></tr> </tbody> </table>		CLOSE	NET	Dow Jones	33,012,140	▼-336,460	NASDAQ	12,343,053	▼-22,156	S&P 500	4,109,900	▼-26,380	FTSE 100	7,751,080	▼-26,620	Euro Stoxx50	4,036,030	▼-9,350	<b>FX</b> 54.00 54.00 53.32 53.58 53.84 54.00 54.00 17.00 ctyvs 30 DAYS TO MAY 17, 2023 <b>OPEN:</b> P56.150 <b>HIGH:</b> P56.050 <b>LOW:</b> P56.290 <b>CLOSE:</b> P56.200 <b>W.AVE:</b> P56.166 <b>VOL:</b> \$1,641.45 M <b>SOURCE:</b> BAP	<b>MAY 17, 2023</b> <table border="1"> <thead> <tr> <th></th> <th>LATEST BID (0900GMT)</th> <th>PREVIOUS</th> </tr> </thead> <tbody> <tr><td>JAPAN (YEN)</td><td>137.030</td><td>135.730</td></tr> <tr><td>HONG KONG (HK DOLLAR)</td><td>7.832</td><td>7.837</td></tr> <tr><td>TAIWAN (NT DOLLAR)</td><td>30.822</td><td>30.809</td></tr> <tr><td>THAILAND (BAHT)</td><td>34.240</td><td>33.960</td></tr> <tr><td>S. KOREA (WON)</td><td>1,339.320</td><td>1,338.590</td></tr> <tr><td>SINGAPORE (DOLLAR)</td><td>1.344</td><td>1.336</td></tr> <tr><td>INDONESIA (RUPIAH)</td><td>14,860</td><td>14,815</td></tr> <tr><td>MALAYSIA (RINGGIT)</td><td>4.522</td><td>4.496</td></tr> </tbody> </table>		LATEST BID (0900GMT)	PREVIOUS	JAPAN (YEN)	137.030	135.730	HONG KONG (HK DOLLAR)	7.832	7.837	TAIWAN (NT DOLLAR)	30.822	30.809	THAILAND (BAHT)	34.240	33.960	S. KOREA (WON)	1,339.320	1,338.590	SINGAPORE (DOLLAR)	1.344	1.336	INDONESIA (RUPIAH)	14,860	14,815	MALAYSIA (RINGGIT)	4.522	4.496	<b>MAY 17, 2023</b> <table border="1"> <thead> <tr> <th></th> <th>CLOSE</th> <th>PREVIOUS</th> </tr> </thead> <tbody> <tr><td>US\$/UK POUND</td><td>1.2431</td><td>1.2538</td></tr> <tr><td>US\$/EURO</td><td>1.0823</td><td>1.0895</td></tr> <tr><td>\$/AUSTRALIAN DOLLAR</td><td>0.6641</td><td>0.6690</td></tr> <tr><td>CANADA DOLLAR/US\$</td><td>1.3504</td><td>1.3458</td></tr> <tr><td>SWISS FRANC/US\$</td><td>0.8997</td><td>0.8921</td></tr> </tbody> </table>		CLOSE	PREVIOUS	US\$/UK POUND	1.2431	1.2538	US\$/EURO	1.0823	1.0895	\$/AUSTRALIAN DOLLAR	0.6641	0.6690	CANADA DOLLAR/US\$	1.3504	1.3458	SWISS FRANC/US\$	0.8997	0.8921	<b>FUTURES PRICE ON NEAREST MONTH OF DELIVERY</b> <b>\$74.55/BBL</b> 90.00 84.00 79.20 73.80 68.40 63.00 30 DAYS TO MAY 16, 2023 <b>1.21</b>
	CLOSE	NET	%																																																																																																						
JAPAN (NIKKEI 225)	30,093.59	▲250.60	0.84																																																																																																						
HONG KONG (HANG SENG)	19,560.57	▲417.68	-2.09																																																																																																						
TAIWAN (WEIGHTED)	15,925.29	▲251.39	1.60																																																																																																						
THAILAND (SET INDEX)	1,519.99	▲19.85	-1.29																																																																																																						
S.KOREA (KSE COMPOSITE)	2,494.66	▲14.42	0.58																																																																																																						
SINGAPORE (STRAITS TIMES)	3,175.84	▲38.20	-1.19																																																																																																						
SYDNEY (ALL ORDINARIES)	7,199.20	▲35.50	-0.49																																																																																																						
MALAYSIA (KLSE COMPOSITE)	1,424.34	▲0.84	0.06																																																																																																						
	CLOSE	NET																																																																																																							
Dow Jones	33,012,140	▼-336,460																																																																																																							
NASDAQ	12,343,053	▼-22,156																																																																																																							
S&P 500	4,109,900	▼-26,380																																																																																																							
FTSE 100	7,751,080	▼-26,620																																																																																																							
Euro Stoxx50	4,036,030	▼-9,350																																																																																																							
	LATEST BID (0900GMT)	PREVIOUS																																																																																																							
JAPAN (YEN)	137.030	135.730																																																																																																							
HONG KONG (HK DOLLAR)	7.832	7.837																																																																																																							
TAIWAN (NT DOLLAR)	30.822	30.809																																																																																																							
THAILAND (BAHT)	34.240	33.960																																																																																																							
S. KOREA (WON)	1,339.320	1,338.590																																																																																																							
SINGAPORE (DOLLAR)	1.344	1.336																																																																																																							
INDONESIA (RUPIAH)	14,860	14,815																																																																																																							
MALAYSIA (RINGGIT)	4.522	4.496																																																																																																							
	CLOSE	PREVIOUS																																																																																																							
US\$/UK POUND	1.2431	1.2538																																																																																																							
US\$/EURO	1.0823	1.0895																																																																																																							
\$/AUSTRALIAN DOLLAR	0.6641	0.6690																																																																																																							
CANADA DOLLAR/US\$	1.3504	1.3458																																																																																																							
SWISS FRANC/US\$	0.8997	0.8921																																																																																																							

VOL. XXXVI • ISSUE 209 THURSDAY • MAY 18, 2023 • www.bworldonline.com S1/1-12 • 2 SECTIONS, 20 PAGES

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

<b>BDO</b> P136.000	<b>AC</b> P684.000	<b>ALI</b> P27.000	<b>GTAP</b> P507.000	<b>SM</b> P940.000	<b>SMPH</b> P34.000	<b>JFC</b> P227.000	<b>MPI</b> P4.430	<b>BPI</b> P105.000	<b>MONDE</b> P8.880
Value P385,133,258	Value P353,539,190	Value P246,715,105	Value P224,354,981	Value P219,638,830	Value P208,797,665	Value P198,143,318	Value P196,562,190	Value P147,811,608	Value P124,586,224
-P0.400 ▼ -0.293%	P14.000 ▲ 2.090%	P0.500 ▲ 1.887%	P12.000 ▲ 2.424%	P9.500 ▲ 1.021%	P0.600 ▲ 1.796%	P1.000 ▲ 0.442%	P0.000 — 0.000%	P0.900 ▲ 0.865%	P0.090 ▲ 1.024%

# Gov't may retake control of NGCP

THE PHILIPPINE government may retake control of the National Grid Corp. of the Philippines (NGCP), which is partially owned by a Chinese state-owned company, if needed, the Palace said on Wednesday.

Senator Rafael "Raffy" T. Tulfo, who chairs the Senate energy panel, told President Ferdinand R. Marcos, Jr. at a Monday meeting that he wants to "assess the performance of the NGCP," the Presidential Communications Office (PCO) said in a statement.

In particular, Mr. Tulfo wants to look into NGCP's ownership and assess how this may pose a threat to national security, the PCO said.

"The President agreed with the Senator's proposal to conduct a comprehensive study or hold hearings to determine the actual situation. If necessary, the government will take back control of the entity," the PCO said.

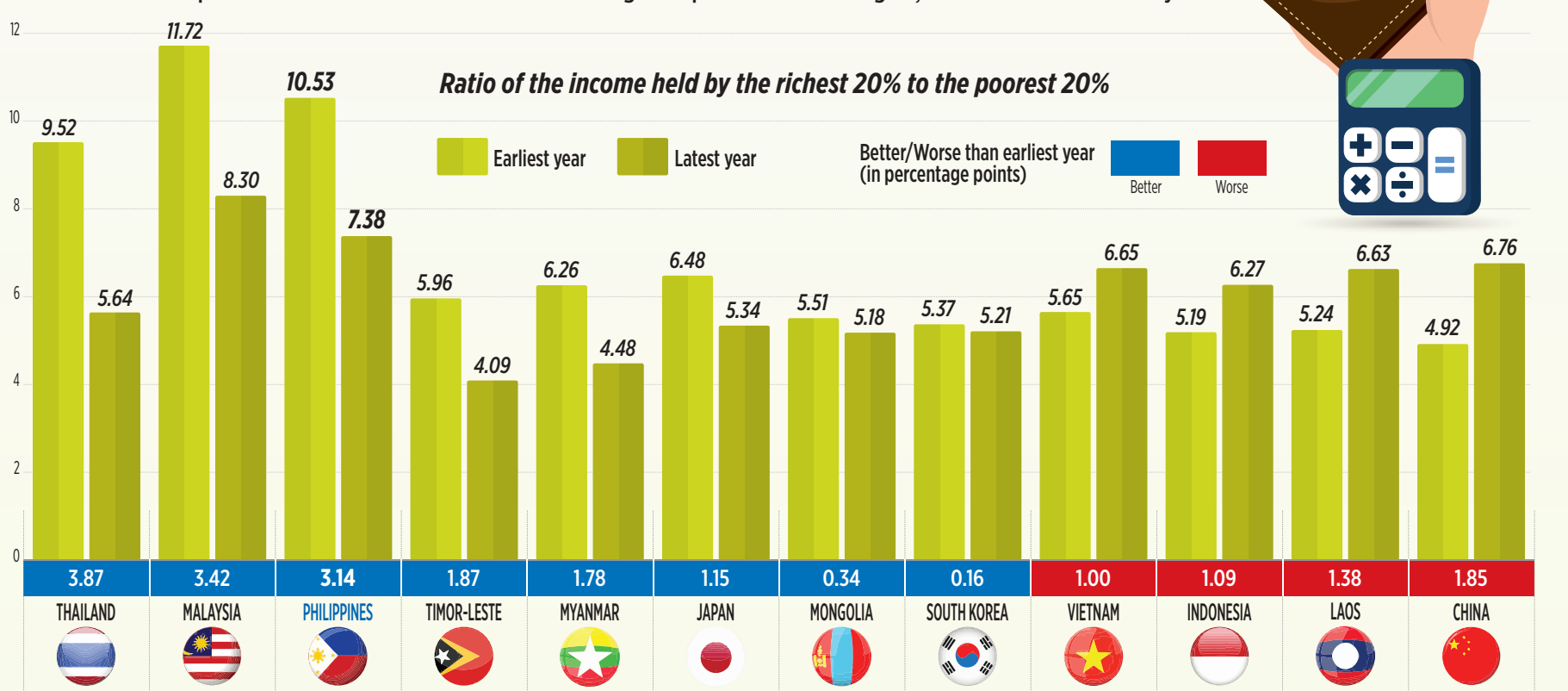
NGCP holds the sole and exclusive concession and franchise for the operation of the country's power transmission network, which links power generators and distribution utilities to deliver electricity nationwide.

A consortium led by tycoons Henry Sy, Jr. and Robert Coyiuto, Jr. won the 25-year concession to run the country's power transmission network in December 2007. State Grid Corp. of China (SGCC) owns a 40% stake in NGCP.

NGCP, S1/5

## NARROWING INCOME INEQUALITY: HOW DOES THE PHILIPPINES COMPARE IN THE REGION?

The infographic shows select East and Southeast Asian countries' "20:20" ratios, which measure the extent of income inequality in an economy by comparing income held by the richest 20% of households to that of the poorest 20%. The income of the richest 20% Filipinos was more than seven times greater than that of the poorest 20% in 2021, latest data from the World Bank showed. It was the second highest in the region after Malaysia's 8.30 in 2018. Despite this, the Philippines' ratio was better than 10.53 in 2000 — the earliest period with available data. It was the third-largest improvement in the region, behind Thailand and Malaysia.



NOTES: The earliest and latest years in which data are available: Thailand (1981 and 2021), Malaysia (1984 and 2018), Philippines (2000 and 2021), Timor-Leste (2001 and 2014), Myanmar (2015 and 2017), Japan (2008 and 2013), Mongolia (1995 and 2018), South Korea (2006 and 2016), Vietnam (1992 and 2020), Indonesia (1984 and 2022), Laos (1992 and 2018), and China (1990 and 2019).

SOURCE: WORLD BANK'S WORLD DEVELOPMENT INDICATORS (LAST UPDATE MAY 10, 2023) BUSINESSWORLD RESEARCH: LOURDES O. PILAR BUSINESSWORLD GRAPHICS: BONG R. FORTIN

## Philippine restaurants try to cut corners as inflation takes a bite

By Joseph L. Garcia  
Senior Reporter

THIRTY-ONE-YEAR-OLD Filipino entrepreneur Pirkko Alcantara had gripes about the *sisig* he had for lunch recently. "The serving size used to be one cup, but now it feels like one spoonful spread thinly," he said in Filipino.

Running a successful restaurant isn't even about a few pesos; it's all about the centavos — margins are slim, costs are high, and you don't have to be an expert to know that many eateries don't survive past their first or second year.

Successful restaurants are always looking for creative ways to protect the bottom line without giving the impression that quality is going down with it.

"Without dropping names, restaurants with multiple franchises in premium locations whether malls or high-traffic areas seem to be cutting costs in creative ways," Mr. Alcantara said in a Facebook Messenger chat.

Some keep their prices but use smaller utensils to serve food, while others use a wide array of chemicals such as food coloring or enhancers to save on raw ingredients but present the same food customers have known, he added.

Philippine inflation slowed for a third straight month in April, as prices of food, transport, and utilities continued to ease.

Consumer prices rose by 6.6% from 7.6% in March but faster than 4.9% a year ago, according to the local statistics agency.

April marked the 13<sup>th</sup> straight month that inflation breached the central bank's 2-4% target.

Prices of food and nonalcoholic beverages rose by 7.9%, easing from 9.3% in March though still above 3.8% in April 2022.



A WOMAN prepares to cook at a restaurant in Quezon City, Metro Manila, Jan. 26.

As price volatility continues, food and beverage establishments continue to adjust to changing prices to make money while serving their customers well.

Gabriel Tolentino took over his family's catering company Tarlaqueña Catering last year amid a coronavirus pandemic. One of their business units is a small eatery in Quezon City near the Philippine capital.

"It's difficult to make price adjustments," he said by telephone in mixed English and Filipino.

Some of the dishes they offer at their *carinderia* cost P60. "If we raise prices on those, people will complain and many will look for cheaper food, even if it isn't as good."

"Small and independently run restaurants who put no regard in brand equity, much less know what the word equity means, do their best to give their clients and their patrons their money's worth," Mr. Alcantara said.

Joey Garcia, chief executive officer at Eight-8-Ate Holdings, Inc., a unit of Udenna Corp. that operates branches of Conti's and the franchise of Wendy's in the Philippines, was also reluctant to raise prices.

"We have to," he said in an interview with *BusinessWorld*, while noting that they have only raised prices twice in the past year, compared with rivals who have increased prices four times.

"If your supplier increases prices by 10% or 20%, you can't immediately pass that cost over because customers will shun you."

### 'DANGEROUS'

Mr. Tolentino said they could raise prices for their more luxurious catering operations as long as he and his clients could agree on a budget. "For a small business owner, quality and customer retention is more important. I have customers now that order almost every week because I can give the price and quality that they want."

Both Mr. Tolentino and Mr. Garcia have recalibrated their supply chain and commissary to keep prices low.

Mr. Tolentino has started ordering frozen meats in bulk instead of shopping fresh from the market to save money. The quality of the frozen meats he uses is sometimes better than those at his local market. He insists on using the same brands for his other ingredients because the prices of the cheaper ingredients he could buy were not that

much lower, he said. "Everything's a little bit expensive."

Meanwhile, Mr. Garcia improved productivity and efficiency over at his commissary, while cutting costs including on utilities. They cut energy costs by as much as 20% after shifting to a different power supplier.

Their commissary has cut down workdays from seven to five days a week. "We're using the same number of people but producing the same quantity in fewer days," he said.

They also now buy supplies early. "Others buy when the price is high. We do forward-buying."

"Once you get those efficiencies and cost management, you don't have to push hard on your pricing," Mr. Garcia said. "It's very important for business leaders, especially in our industry, not to pass costs immediately to the customer."

Neither entrepreneur thinks about cutting corners in their food.

"We're more known for our food, instead of our event setups," Mr. Tolentino said. "Food is what our clients return to."

Instead, Mr. Tolentino cuts costs in some floral arrangements — with the client's consent — at some of their catering events to stay on budget and keep the product quality.

They also save on electricity when they can, but don't want to cut down on employee bonuses: "It's hard to lower their pay as a form of cost cutting."

"Your regular customers know exactly that you've done something, cut some recipes, or reduce something in your products," Mr. Garcia said. "This is very dangerous for a food brand. I've always believed that your brand stands with the product that you serve... your priority is to keep the quality of the product."

"When you cut corners, you will see a long-term impact. You might have small savings, but eventually, you'll lose your customers."

## BSP to be on guard against cryptocurrency issues

THE PHILIPPINES should be on guard for issues involving cryptocurrencies as it could affect financial stability, the Bangko Sentral ng Pilipinas (BSP) said.

BSP Governor Felipe M. Medalla said there should be regulations for cryptocurrency in order to combat money laundering and to protect the investing public.

"The point where crypto gets changed into pesos or bank accounts, that's the time where all regulations come in. Whether its crypto or regular banking, the entire world is afraid that cross-border movements of money could be financing things that are quite destructive," Mr. Medalla said at a press briefing following the Financial Stability Board (FSB) Regional Consultative Group for Asia (RCGA) meeting in Mactan, Cebu.

Cryptocurrencies in the Philippines are classified as digital or virtual assets.

Since the Philippines is under the Financial Action Task Force's (FATF) "gray list," Mr. Medalla said regulators cannot afford to have more cases of money laundering.

"Indeed, our big problem is the Philippines is on the gray list, which has possible consequences," he said.

Global financial crime watchdog FATF put the country on its list of jurisdictions under increased monitoring for "dirty money" risks in June 2021. The BSP hopes to exit the gray list by January 2024.

"Crypto for the Philippines is not a financial stability issue because it doesn't involve too many people in that aspect, but it is an issue that may call the attention of the government one way or another," he said.

Cryptocurrency, S1/5

## PHL eyes contingency plans for farmers ahead of El Niño

THE GOVERNMENT is working on contingency plans ahead of the El Niño weather pattern that is likely to develop later this year.

In a statement on Wednesday, the National Economic and Development Authority (NEDA) said that the recently created Economic Development Group (EDG) met to discuss issues that "could potentially affect the trajectory of the Philippine economy," such as the El Niño.

The state weather bureau forecasted that El Niño may occur in the next three months at 80% probability and may last until the first quarter of next year.

"The Department of Agriculture, along with NEDA, proposed preparatory activities to adequately equip, prepare, and assist farmers in coping with the looming El Niño phenomenon," the NEDA said. — Luisa Maria Jacinta C. Jocsoson

FULL STORY



Read the full story by scanning the QR code with your smartphone or by typing the link <bit.ly/ElNiño051823>