P25 IN METRO MANILA, PHILIPPINES

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STOCK MARKET

PSEi

OPEN:	6,612.14
HIGH:	6,684.44
LOW:	6,612.14
CLOSE:	6,684.35
VOL.:	0.684 B
VAL(P):	4.539 B

▲ 77.66 PTS. 1.17%
30 DAYS TO MAY 4, 2023

ASIAN MARKETS

MAY 4, 2023

	CLOSE		NET	%
Japan (Nikkei 225)	HOLIDAY			
Hong Kong (Hang Seng)	19,948.73	▲	249.57	1.27
Taiwan (Weighted)	15,609.03	▲	55.62	0.36
Thailand (SET Index) *	1,533.30	▲	4.87	0.32
S.Korea (Kse Composite)	2,500.94	▼	-0.46	-0.02
Singapore (Straits Times)	3,266.76	▲	4.75	0.15
Sydney (All Ordinaries)	7,193.10	▼	-4.30	-0.06
Malaysia (Klse Composite) *	1,425.99	▼	-0.12	-0.01

* CLOSING PRICES AS OF MAY 3, 2023

WORLD MARKETS

MAY 3, 2023

	CLOSE		NET
Dow Jones	33,414.240	▼	-270.290
NASDAQ	12,025.328	▼	-55.178
S&P 500	4,090.750	▼	-28.830
FTSE 100	7,788.370	▲	15.340
Euro Stoxx50	4,016.070	▲	15.420

PESO-DOLLAR RATES

FX

OPEN	P55.200
HIGH	P55.130
LOW	P55.380
CLOSE	P55.350
W.AVE.	P55.201
VOL.	$1,368.35 M

▼ 1.50 CTVS
30 DAYS TO MAY 4, 2023
SOURCE : BAP

ASIAN MONIES-US$ RATE

MAY 4, 2023

	LATEST BID (0900GMT)		PREVIOUS
Japan (yen)	134.610	▲	135.650
Hong Kong (HK dollar)	7.847	▲	7.850
Taiwan (NT dollar)	30.674	—	30.674
Thailand (baht)	33.830	▲	34.010
S. Korea (won)	1,322.910	▲	1,332.370
Singapore (dollar)	1.328	▲	1.332
Indonesia (rupiah)	14,675	▲	14,680
Malaysia (ringgit)	4.450	—	4.450

WORLD CURRENCIES

MAY 4, 2023

	CLOSE		PREVIOUS
US$/UK pound	1.2571	▲	1.2516
US$/Euro	1.1045	▲	1.1044
$/Aust dollar	0.6664	▲	0.6658
Canada dollar/US$	1.3614	▼	1.3619
Swiss Franc/US$	0.8878	▲	0.8874

DUBAI CRUDE OIL

FUTURES PRICE ON NEAREST MONTH OF DELIVERY
$73.63/BBL
▼ $4.97
30 DAYS TO MAY 3, 2023

VOL. XXXVI • ISSUE 200 FRIDAY • MAY 5, 2023 • www.bworldonline.com S1/1-12 • 2 SECTIONS, 16 PAGES

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

		Value			
ALI	P28.650	P438,539,140	P1.250	▲	4.562%
BDO	P141.000	P423,815,585	P3.300	▲	2.397%
SM	P913.500	P294,337,620	P6.500	▲	0.717%
SMPH	P34.000	P233,695,485	P0.550	▲	1.644%
CNVRG	P11.140	P231,330,314	-P0.300	▼	-2.622%
AC	P654.000	P219,463,320	P22.500	▲	3.563%
TEL	P1,254.000	P187,911,950	P55.000	▲	4.587%
BPI	P109.500	P154,547,847	P1.500	▲	1.389%
ICT	P214.000	P146,152,632	-P2.000	▼	-0.926%
MONDE	P9.950	P122,966,531	P0.420	▲	4.407%

Agricultural output likely flat in Q1

AGRICULTURAL PRODUCTION was likely flat in the first quarter, even as the livestock and poultry subsectors are expected to have performed well, analysts said.

"I have no great expectations. I think we will still be flat. The luckiest thing that can happen is that there will be some growth but minimal," Elias Jose "Bong" M. Inciong, president of the United Broiler Raisers Association, said in a phone interview.

"It would be more or less the same as the first quarter of last year. Based on the breeders in place, the greater production should be during the second quarter," he added.

Farm output contracted by 0.3% in the first quarter of 2022.

"I think it will be somewhat flat. It will be difficult to get towards a percent growth, but this will be about 0-1%, perhaps within that range," Danilo V. Fausto, president of the Philippine Chamber of Agriculture and Food, Inc., said by phone.

"We will be able to achieve growth for the entire agricultural sector because the livestock sector will pull up the growth," he added.

The Philippine Statistics Authority (PSA) is scheduled to release first-quarter farm data on May 10.

Agricultural production shrank by 0.1% in 2022, marking the third straight year of contraction, as crop and fishery output declined.

Data from the PSA showed the full-year value of production in agriculture and fisheries declined slower than the 1.7% contraction in 2021.

It also missed the Department of Agriculture's (DA) 1.2%-1.5% full-year growth target.

Agricultural output, S1/3

NEDA sets investment target of P20 trillion for priority programs

THE NATIONAL Economic and Development Authority (NEDA) is targeting to get about P20 trillion in investments for its Public Investment Program (PIP).

"The PIP has 5,329 priority programs and projects with a total investment target of P20.218 trillion for the plan period from 2023 to 2028," the NEDA said in a document uploaded on its website.

The PIP is aligned with the Philippine Development Plan (PDP) and contains the medium-term priority projects to be implemented by National Government agencies, government-owned and -controlled corporations, other National Government offices, and state universities and colleges (SUCs).

Under the Public Investment Program, the bulk or 85.75% of the investment target will go to infrastructure projects, for a total of 3,770 priority projects worth P17.34 trillion.

"As the Philippine Development Plan 2023-2028 has identified infrastructure as critical to the economic transformation of the country, and consistent with the current administration's recognition of infrastructure as the 'backbone of an economy,' infrastructure has the largest share of investments over the medium term for projects related to transportation, water resources, energy, information and communications technology, and social and other public infrastructure," the NEDA said.

This year, the government plans to spend 5.3% of the gross domestic product on infrastructure, equivalent to P1.29 trillion.

After infrastructure, agriculture and agribusiness were allotted 391 priority projects worth P806 billion and education with 62 priority PAPs worth P701.05 billion.

By agency, the Department of Public Works and Highways (DPWH) took more than half or 58.56% of the investment share target, equivalent to P11.48 trillion.

It was followed by the Department of Transportation (15.79% or P3.1 trillion), Department of Education (10.46% or P2.05 trillion) and Department of Agriculture (8.15% or P1.6 trillion).

"Infrastructure facilities and services remain inadequate in terms of accessibility, quality, safety and affordability. In line with the government's thrust in prioritizing infrastructure, the Public Works and Highways and Transportation departments are the top two agencies in terms of total 2023-2028 investment targets," the NEDA added.

Broken down, the DPWH has 161 priority projects that consist of construction and rehabilitation of roads, expressways and flood control projects.

Meanwhile, the Transportation department's 197 priority projects include the development and construction of ports, airports and railways.

NEDA, S1/5

PHL banking penetration rate among lowest in region

THE PHILIPPINES' banking penetration rate was among the lowest in Southeast Asia in 2021, according to McKinsey & Company.

The country had a banking penetration rate of just 56%, based on central bank data, McKinsey said in a May 3 article on its website written by Guillaume de Gantès, senior partner at its Southeast Asia office, Associate Partner Hernan Gerson and Kristine Romano, a partner at its Manila office.

The Bangko Sentral ng Pilipinas (BSP) wants 50% of payments done online and 70% of Filipino adults to have a formal financial account by the end this year.

Latest BSP data showed banked Filipino adults almost doubled to 56% of the population in 2021 from 29% in 2019. The share of digital payments in total retail transactions also increased to 30.3% from 20.1% in 2020.

"The Philippines is one of the fastest-growing economies in Southeast Asia, yet the banking penetration rate ranks among the lowest in the region at 56% versus 96% in Thailand and 88% in Malaysia," McKinsey said in a separate statement.

"The banking penetration rate remains among the lowest in the region, and traditional financial institutions focus heavily on commercial lending, leaving a rapidly growing, increasingly affluent, and digitally savvy population with little access to financial services that meet their needs," it said in the article.

Philippine banks are "underinvested" in digital technologies, McKinsey added.

"Traditional banks remain focused on wholesale banking and have been slow to reach new customers outside their existing client base," it said. "Rural areas are home to nearly half the population, yet rural households are especially underserved, and many have little or no access to brick-and-mortar banking infrastructure."

Data from McKinsey showed that Philippine banks use less than 10% of their revenues on information technology, lower than the 15% average in the Asia-Pacific region.

Meanwhile, digital channels account for only 5-15% of banks' revenues, below the average of 25% for other banks in emerging Asian markets, it said.

Most Philippine financial technology firms also "concentrate almost exclusively on payments, and infrastructure constraints limit their reach."

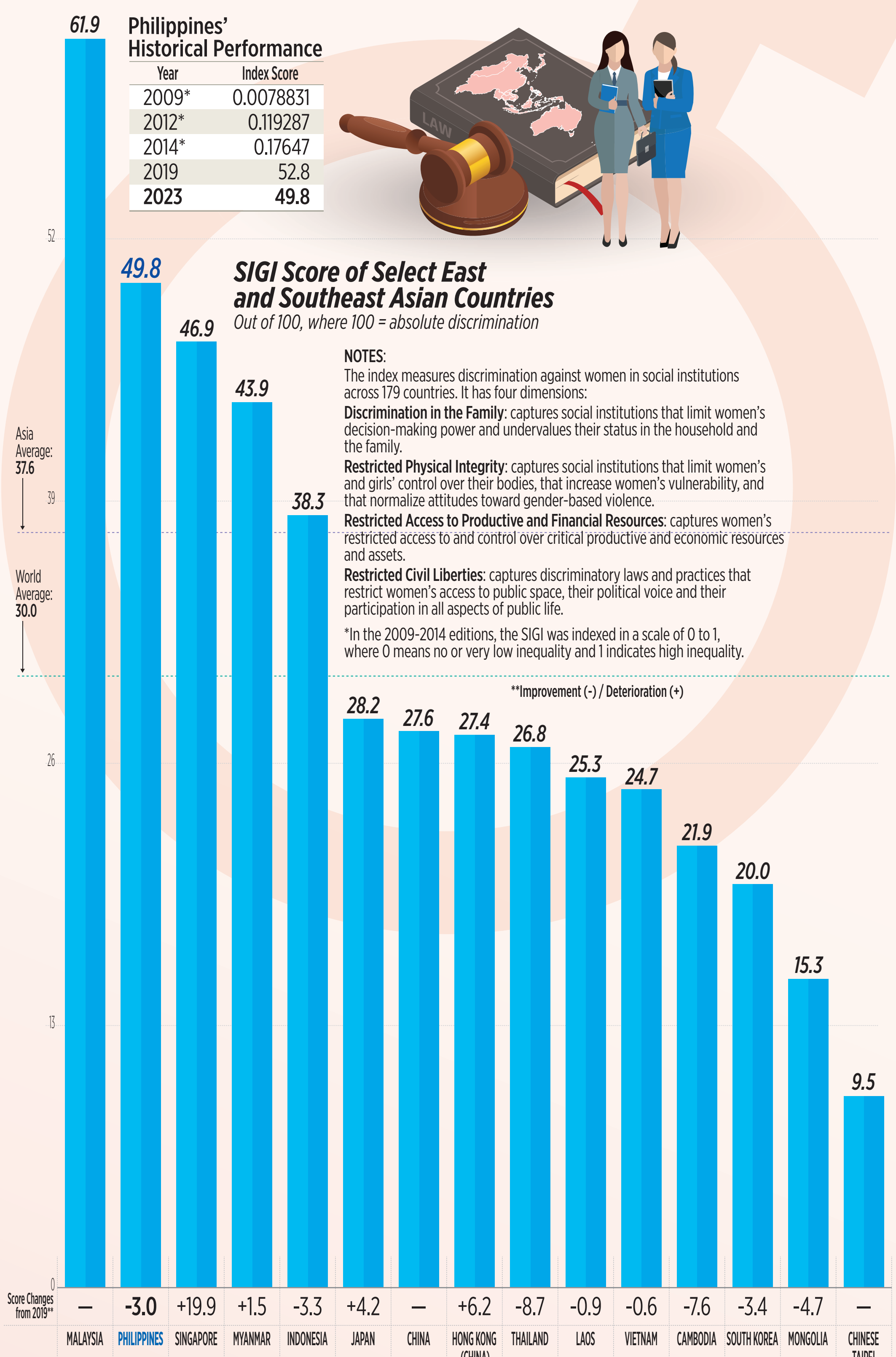
Banking, S1/5

OECD

DISCRIMINATORY SOCIAL INSTITUTIONS IN THE PHILIPPINES AMONG THE WORST IN ASIA

Philippines' Historical Performance

Year	Index Score
2009*	0.0078831
2012*	0.119287
2014*	0.17647
2019	52.8
2023	**49.8**



The Philippines scored 49.8 out of 100, where 100 means absolute discrimination, in the fifth edition of the Social Institutions & Gender Index (SIGI) by the Organization for Economic Cooperation and Development (OECD). Its score improved by three points from 52.8 in 2019. However, this was worse than the global and Asia average of 30.0 and 37.6, respectively. Among its peers in the region, the Philippines has the second-highest level of discriminatory social institutions — formal and informal laws, attitudes, and practices — that restrict women's and girls' access to rights, justice, and empowerment opportunities.

Philippines' Profile

	Score (/100)
SIGI 2023 Index Score	**49.8**
Score changes from 2019	**-3.0**
Dimensions	
Discrimination in the Family	56.9
Restricted Physical Integrity	49.1
Restricted Access to Productive and Financial Assets	50.8
Restricted Civil Liberties	41.8

Least Discriminatory

Country	SIGI 2023 Index Score (Out of 100)
Belgium	7.7
Spain	9.2
Sweden	9.2
Italy	9.4
Chinese Taipei	9.5
Netherlands	10.1
Switzerland	10.1
France	10.2
Norway	10.3
Costa Rica	11.1

Most Discriminatory

Country	SIGI 2023 Index Score (Out of 100)
Mauritania	67.7
Cameroon	66.2
Iran	64.1
Qatar	64.1
Sudan	63.3
Iraq	62.3
Malaysia	61.9
Niger	60.3
Pakistan	60.1
Saudi Arabia	59.5

SOURCE: ORGANIZATION FOR ECONOMIC COOPERATION AND DEVELOPMENT'S SOCIAL INSTITUTIONS & GENDER INDEX (SIGI) 2023
***BUSINESSWORLD* RESEARCH**: THOMAS CHRISTIAN S. MIGRIÑO and BERNADETTE THERESE M. GADON ***BUSINESSWORLD* GRAPHICS**: BONG R. FORTIN

BSP must be 'more patient' as inflation risks persist

By Keisha B. Ta-asan
Reporter

THE BANGKO Sentral ng Pilipinas (BSP) should be cautious and "more patient" before pausing its tightening cycle as it needs to anchor inflation expectations amid lingering risks, analysts said.

This, as the US Federal Reserve delivered a 25-basis-point (bp) rate hike at its policy meeting this week, as expected by financial markets.

The US central bank has now raised borrowing costs by 500 bps since March last year, bringing the Fed fund rate to 5-5.25%.

"The BSP has always been careful in keeping a positive differential between its policy rate and the US Fed's, given that dollar assets are considered safe haven," former BSP Deputy Governor Diwa C. Guinigundo said in a Viber message.

The Philippine central bank has raised borrowing costs by 425 bps since May last year, bringing its key rate to 6.25%, the highest in nearly 16 years.

The Monetary Board will hold its next policy meeting on May 18.

Inflation in the Philippines is beginning to stabilize, but wage increases and supply constraints due to El Niño may result in more price pressures, Mr. Guinigundo said.

The state weather bureau this week said El Niño would likely develop in the next three months and might last until the first quarter of next year.

"The BSP might continue to be cautious, but not as cautious as before, because of the better prospects of inflation," he said. "But it will not be good for inflation expectations to quickly abandon a cautious monetary stance precisely because of the remaining price risks."

"BSP should be expected to be more patient in monitoring additional data before it begins to keep its policy rate and ultimately shifts to an accommodative mode," he added.

BSP Governor Felipe M. Medalla earlier said the BSP might consider keeping benchmark interest rates on hold at it's policy meeting this month if inflation eased further in April.

A *BusinessWorld* poll of 14 analysts yielded a median estimate of 7% for April inflation, near the upper end of the BSP's 6.3-7.1% forecast for the month.

BSP, S1/5