P25 IN METRO MANILA, PHILIPPINES

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STOCK MARKET

PSEi — 30 DAYS TO JUNE 13, 2023

OPEN:	6,492.06
HIGH:	6,525.42
LOW:	6,471.53
CLOSE:	6,507.26
VOL.:	0.517 B
VAL(P):	5.509 B

▲ 0.11 PTS. 0.002%

ASIAN MARKETS — JUNE 13, 2023

	CLOSE		NET	%
Japan (Nikkei 225)	33,018.65	▲	584.65	1.80
Hong Kong (Hang Seng)	19,521.42	▲	117.11	0.60
Taiwan (Weighted)	17,216.60	▲	261.23	1.54
Thailand (SET Index)	1,563.65	▲	12.24	0.79
S.Korea (Kse Composite)	2,637.95	▲	8.60	0.33
Singapore (Straits Times)	3,190.82	▼	-5.25	-0.16
Sydney (All Ordinaries)	7,138.90	▲	16.40	0.23
Malaysia (Klse Composite)	1,380.61	▼	-6.16	-0.44

WORLD MARKETS — JUNE 12, 2023

	CLOSE		NET
Dow Jones	34,066.330	▲	189.550
NASDAQ	13,461.921	▲	202.778
S&P 500	4,338.930	▲	40.070
FTSE 100	7,570.690	▲	8.330
Euro Stoxx50	3,974.160	▲	1.400

PESO-DOLLAR RATES

FX — 30 DAYS TO JUNE 13, 2023

OPEN	P56.090
HIGH	P55.930
LOW	P56.130
CLOSE	P55.950
W.AVE.	P56.047
VOL.	$834.75 M

▲ 10.00 CTVS

SOURCE : BAP

ASIAN MONIES-US$ RATE — JUNE 13, 2023

	LATEST BID (0900GMT)		PREVIOUS
Japan (yen)	139.530	▼	139.260
Hong Kong (HK dollar)	7.834	▲	7.836
Taiwan (NT dollar)	30.647	▲	30.738
Thailand (baht)	34.560	▲	34.570
S. Korea (won)	1,274.720	▲	1,283.850
Singapore (dollar)	1.340	▲	1.342
Indonesia (rupiah)	14,855	▲	14,860
Malaysia (ringgit)	4.614	▲	4.616

WORLD CURRENCIES — JUNE 13, 2023

	CLOSE		PREVIOUS
US$/UK pound	1.2561	▼	1.2584
US$/Euro	1.0803	▲	1.0775
$/Aust dollar	0.6775	▲	0.6768
Canada dollar/US$	1.3351	▲	1.3323
Swiss Franc/US$	0.9055	▲	0.9025

DUBAI CRUDE OIL

FUTURES PRICE ON NEAREST MONTH OF DELIVERY

$72.39/BBL

▼ $2.81

30 DAYS TO JUNE 12, 2023

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PHILIPPINE STOCK EXCHANGE'S 10 MOST ACTIVE STOCKS BY VALUE TURNOVER • JUNE 13, 2023 (PSEi snapshot on *S1/2*; article on *S2/2*)

		Value			
ALI	P25.000	P600,710,765	P0.150	▲	0.604%
SMPH	P32.800	P418,518,040	P0.000	—	0.000%
BDO	P139.600	P372,138,631	-P0.400	▼	-0.286%
GLO	P1,834.000	P352,344,995	P49.000	▲	2.745%
JGS	P47.000	P342,745,345	-P1.200	▼	-2.490%
AC	P676.000	P320,652,165	-P3.500	▼	-0.515%
BPI	P104.900	P316,757,270	P0.600	▲	0.575%
URC	P141.000	P197,943,241	-P1.000	▼	-0.704%
MBT	P55.350	P151,979,885	-P0.700	▼	-1.249%
TEL	P1,270.000	P150,679,650	-P10.000	▼	-0.781%

FDI plunges on global recession fears

By Keisha B. Ta-asan
Reporter

FOREIGN DIRECT investments (FDI) in the Philippines fell in March as recession fears and slower global trade dampened investor sentiment, the Bangko Sentral ng Pilipinas (BSP) said on Tuesday.

FDI net inflows declined by 30.7% to $548 million in March from $792 million a year earlier, data from the central bank showed. These were 47.6% lower than $1.05 billion in February.

It was the lowest monthly FDI net inflow since $448 million in January.

"The decline resulted from lower net inflows across all major FDI components amid investor concerns over subdued global growth prospects," the BSP said in a statement.

Analysts attributed the decline in FDI net inflows to recession fears.

"The European Union has entered a technical recession already, which could affect companies' interest in expanding," China Banking Corp. Chief Economist Domini S. Velasquez said in a Viber message. "Likewise, conditions remain tight in export-driven economies such as Singapore."

The gross domestic product (GDP) in the European Union fell by 0.1% in the first quarter after contracting by 0.1% a quarter earlier.

A country enters technical recession when it posts two straight quarters of economic contraction.

ING Bank N.V. Manila Senior Economist Nicholas Antonio T. Mapa said investment pledges made in the past months likely haven't materialized yet, causing the decline in FDI inflows.

BSP data showed nonresidents' net investments in debt instruments of local affiliates plunged by 37.2% from a year earlier to $389 million in March.

Investments in equity and investment fund shares also dropped by 7.3% to $159 million.

Nonresidents' net investments in equity capital, excluding reinvestment of earnings, fell by 11.7% to $94 million.

Equity capital placements inched down by 2.5% to $115 million, while withdrawals surged by 80.3% to $21 million.

The equity placements were mainly from Singapore, Japan and the United States. These were invested mostly in the manufacturing, information and communication, and real estate industries.

Reinvestment of earnings slipped by 0.1% to $65 million year on year in March.

For the first quarter, total FDI net inflows fell by 19.6% to $2.04 billion from $2.54 billion a year earlier.

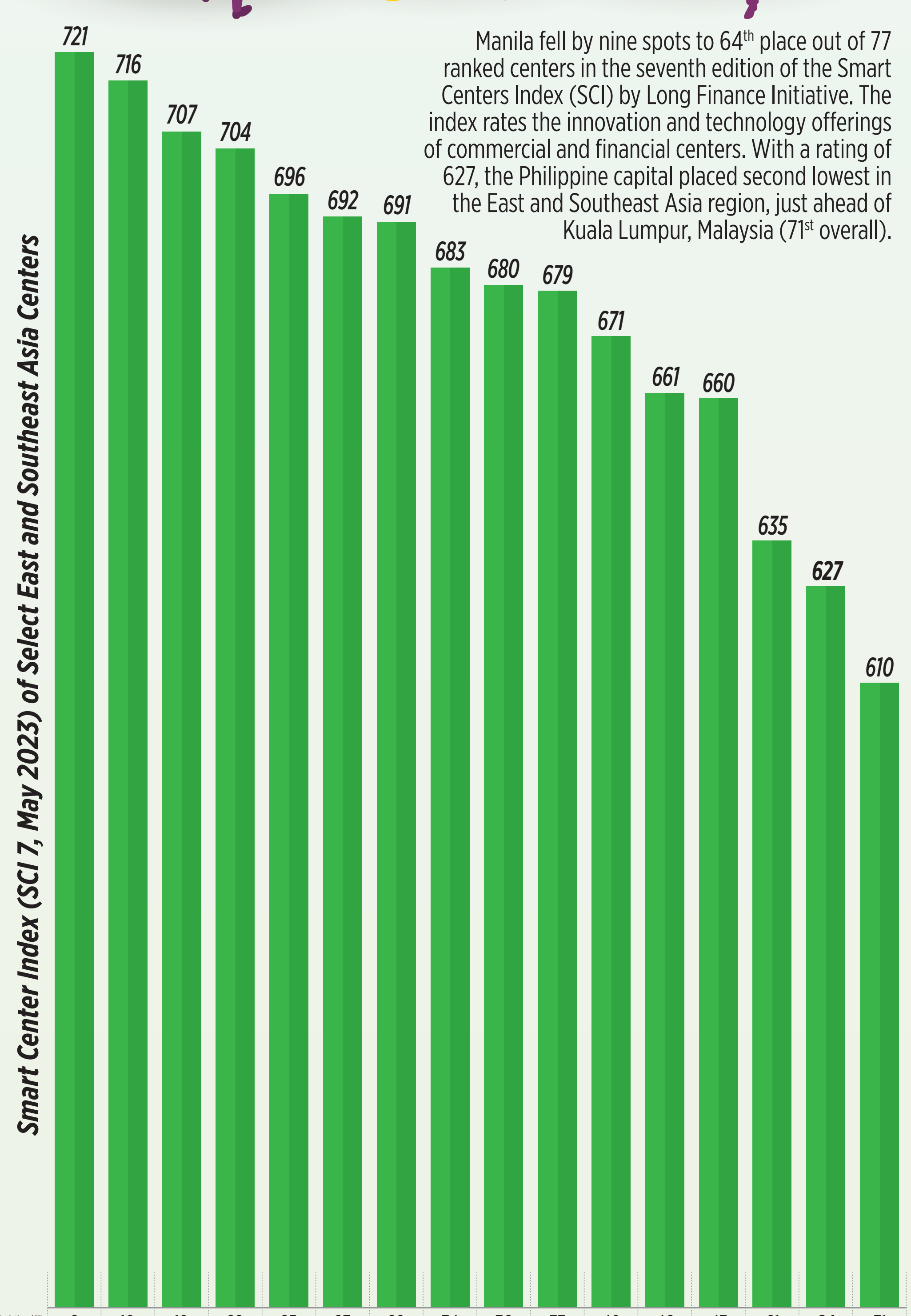
Foreign investments in debt instruments dropped by 22.1% year on year to $1.58 billion.

Investments in equity and investment fund shares likewise declined by 9.9% to $463 million.

FDI, S1/9

MANILA DROPS IN SMART CENTERS LIST

Manila fell by nine spots to 64th place out of 77 ranked centers in the seventh edition of the Smart Centers Index (SCI) by Long Finance Initiative. The index rates the innovation and technology offerings of commercial and financial centers. With a rating of 627, the Philippine capital placed second lowest in the East and Southeast Asia region, just ahead of Kuala Lumpur, Malaysia (71st overall).



Rank (Out of 77)	6	10	19	22	25	27	28	34	36	37	40	46	47	61	**64**	71
Center	Singapore	Hong Kong	Busan	Tokyo	Shenzhen	Shanghai	Seoul	Beijing	Bangkok	Guangzhou	Taipei	Chengdu	Osaka	Tianjin	**Manila**	Kuala Lumpur
Country	Singapore	China	South Korea	Japan	China	China	South Korea	China	Thailand	China	Taiwan	China	Japan	China	**Philippines**	Malaysia
Rank Change(s) from SCI 6 (Nov. 2022)	▲2	▼5	▲3	▼5	▲7	▼7	▼4	▼7	▼7	▲6	▲21	▼7	▼12	▼10	▼9	▼9
Rating Change(s) from SCI 6 (Nov. 2022)	+18	+10	+35	+27	+44	+18	+22	+26	+25	+63	+97	+25	+11	+37	**+42**	+38

NOTES:
- The SCI is updated every six months. The latest edition of the index was compiled using 136 instrumental factors and combined with 1,806 assessments from 257 respondents.
- Out of 131 commercial and financial centers researched for the SCI 6, only 77 were included.
- Three dimensions used in the index:
• Innovation Support - the approach taken to regulation and support for the innovation and technology industry provided by the commercial ecosystem.
• Creative Intensity - the extent to which technology and innovative industries are embedded in the economy of the center.
• Delivery Capability - the quality of the work being undertaken in the field in the center.

Top 10

Rank (Out of 77)	Center	Rank Change(s) from SCI 6 (Nov. 2022)	SCI 7 Rating (May 2023)	Rating Change(s) from SCI 6 (Nov. 2022)
1	***London,*** *United Kingdom*	▲1	757	+26
2	***New York,*** *United States*	▼1	750	+17
3	***San Francisco,*** *United States*	▲1	732	+24
4	***Zurich,*** *Switzerland*	▲2	725	+20
5	***Lugano,*** *Switzerland*	▲2	724	+20
6	***Singapore,*** *Singapore*	▲2	721	+18
7	***Oxford,*** *United Kingdom*	▲3	719	+18
8	***Los Angeles,*** *United States*	▼5	718	+4
9	***Tel Aviv,*** *Israel*	▲5	717	+25
10	***Hong Kong,*** *China*	▼5	716	+10

Bottom 10

Rank (Out of 77)	Center	Rank Change(s) from SCI 6 (Nov. 2022)	SCI 7 Rating (May 2023)	Rating Change(s) from SCI 6 (Nov. 2022)
77	***New Delhi,*** *India*	▼2	539	+85
76	***Mumbai,*** *India*	▼2	571	+73
75	***Trinidad and Tobago,*** *Trinidad and Tobago*	▼4	574	+24
74	***Rome,*** *Italy*	▼9	582	+16
73	***Isle of Man,*** *Isle of Man*	0	590	+57
72	***Cayman Islands,*** *Cayman Islands*	▼6	609	+45
71	***Kuala Lumpur,*** *Malaysia*	▼9	610	+38
70	***Athens,*** *Greece*	▲2	612	+75
69	***Warsaw,*** *Poland*	▼2	614	+51
68	***Mexico City,*** *Mexico*	▼9	617	+40

SOURCE: Z/YEN GROUP'S LONG FINANCE INITIATIVE'S *THE SMART CENTERS INDEX 7* (MAY 2023)
BUSINESSWORLD RESEARCH: MARIEDEL IRISH U. CATILOGO *BUSINESSWORLD* GRAPHICS: BONG R. FORTIN

May vehicle sales climb amid strong demand

VEHICLE SALES increased by 44.8% year on year in May amid strong market demand across all segments, industry data released on Tuesday showed.

A joint report by the Chamber of Automotive Manufacturers of the Philippines, Inc. (CAMPI) and Truck Manufacturers Association (TMA) showed that vehicle sales rose to 38,177 units from 26,370 units sold a year earlier.

"The growth of new motor vehicle sales in May with a nearly 45% increase is definitively driven by high market demand, recording double-digit growths across all segments from the figures last year," CAMPI President Rommel R. Gutierrez said in a separate statement.

Commercial vehicle sales rose by 46.3% to 28,385 units, contributing 74.35% to the May total. The segment's sales were led by light commercial vehicles, which rose by 45.7% to 22,418 units, followed by multipurpose vehicles or Asian utility vehicles (AUVs), which jumped by 55.9% to 5,099 units sold.

Passenger car sales made up the remaining 25.65% market share, with units sold rising by 40.6% to 9,792.

Vehicle, S1/9

Maharlika fund has ample safeguards against risks, economic managers say

THE MAHARLIKA Investment Fund (MIF) has "enough safeguards" in place to manage potential risks, the country's economic managers said in a joint statement on Tuesday.

"Senate Bill No. 2020 imposes enough safeguards to minimize risks for shareholders and fund contributors, including the public sector," according to the joint statement of the Bangko Sentral ng Pilipinas (BSP), Department of Finance, Department of Budget and Management (DBM), and National Economic and Development Authority (NEDA). "These are more than what an average investor would need to comply with."

"The MIF is not only beneficial but necessary at this point in time. While the Philippines can offer investment opportunities, given that we are still a growing economy, we see that the cost of debt has risen, making the need to explore vehicles to attract equity financing such as MIF urgent," they added.

Congress last month approved the bill creating the sovereign wealth fund, which is now awaiting President Ferdinand R. Marcos, Jr.'s signature.

The economic managers cited the fund's adherence to the Santiago Principles, a set of 24 best practices for sovereign wealth funds.

The board members of the Maharlika Investment Corp. (MIC), which controls the fund, will also face stringent qualifications.

Maharlika, S1/9

SBL hike may expose banks to more risks

INCREASING the single borrower's limit (SBL) as part of efforts to boost sustainable finance could expose lenders to more risks, the Bangko Sentral ng Pilipinas (BSP) chief said on Tuesday.

BSP Governor Felipe M. Medalla said the central bank might raise the SBL to encourage banks to support sustainable initiatives.

"The main concern there is by lifting the single borrower's limit, we also expose the banks to bigger risks," he said in his keynote speech during the BSP's international research fair.

"We believe that by fostering trust and providing clear guidance, we can mitigate uncertainties and anchor expectations, thereby enhancing the effectiveness of policies," he added.

The BSP wants to hike banks' SBL by 15%, which will only be for loans meant to finance green projects, based on a draft circular released last week.

The SBL is a ceiling on the amount of loans, credit accommodations and guarantees a financial institution can extend to one borrower, which is meant to prevent over-concentration of risk.

Mr. Medalla said they are not keen on mandating banks to lend a certain amount for sustainable projects because the policy "does not work."

"We mandated credit for agriculture [and] for lending to medium- and small-scale industries, but the banks just decided to pay the penalties. So clearly, there must be other ways of supporting sustainable finance," he said.

Lenders are mandated by Republic Act 6977 or the magna carta for micro-, small-, and medium-sized enterprises to allocate 10% of their credit portfolio to small businesses. — **K.B. Ta-asan**

FULL STORY

Read the full story by scanning the QR code with your smartphone or by typing the link **<bit.ly/SBL061423>**

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