P25 IN METRO MANILA, PHILIPPINES

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STOCK MARKET

PSEi	
OPEN:	6,423.06
HIGH:	6,423.06
LOW:	6,374.07
CLOSE:	6,404.91
VOL.:	0.926 B
VAL(P):	5.450 B

▼ 19.30 PTS. 0.3%

30 DAYS TO JUNE 22, 2023

ASIAN MARKETS

JUNE 22, 2023

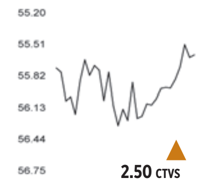
	CLOSE		NET	%
Japan (Nikkei 225)	33,264.88	▼	-310.26	-0.92
Hong Kong (Hang Seng) *	19,218.35	▼	-388.73	-1.98
Taiwan (Weighted) *	17,202.40	▲	17.49	0.10
Thailand (SET Index)	1,508.48	▼	-13.64	-0.90
S.Korea (Kse Composite)	2,593.70	▲	11.07	0.43
Singapore (Straits Times)	3,222.43	▼	-1.23	-0.04
Sydney (All Ordinaries)	7,195.50	▼	-119.40	-1.63
Malaysia (Klse Composite)	1,394.67	▲	1.22	0.09

WORLD MARKETS

JUNE 21, 2023

	CLOSE		NET
Dow Jones	33,951.520	▼	-102.350
NASDAQ	13,502.199	▼	-165.095
S&P 500	4,365.690	▼	-23.020
FTSE 100	7,559.180	▼	-10.130
Euro Stoxx50	3,967.680	▼	-15.400

PESO-DOLLAR RATES



FX	
OPEN	P55.570
HIGH	P55.530
LOW	P55.660
CLOSE	P55.620
W.AVE.	P55.595
VOL.	$767.40 M

▲ 2.50 CTVS

30 DAYS TO JUNE 22, 2023

SOURCE : BAP

ASIAN MONIES-US$ RATE

JUNE 22, 2023

	LATEST BID (0900GMT)		PREVIOUS
Japan (yen)	141.870	▲	141.920
Hong Kong (HK dollar)	7.830	▼	7.828
Taiwan (NT dollar)	30.952	▼	30.948
Thailand (baht)	35.010	▼	34.840
S. Korea (won)	1,294.690	▼	1,293.230
Singapore (dollar)	1.341	▲	1.344
Indonesia (rupiah)	14,935	▲	14,940
Malaysia (ringgit)	4.648	▼	4.643

WORLD CURRENCIES

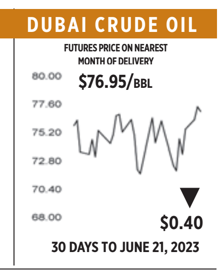
JUNE 22, 2023

	CLOSE		PREVIOUS
US$/UK pound	1.2782	▲	1.2717
US$/Euro	1.0998	▲	1.0927
$/Aust dollar	0.6789	▲	0.6768
Canada dollar/US$	1.3146	▼	1.3224
Swiss Franc/US$	0.8941	▼	0.8970

DUBAI CRUDE OIL

FUTURES PRICE ON NEAREST MONTH OF DELIVERY

$76.95/BBL



▼ $0.40

30 DAYS TO JUNE 21, 2023

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S1/1-12 • 2 SECTIONS, 18 PAGES

PHILIPPINE STOCK EXCHANGE'S 10 MOST ACTIVE STOCKS BY VALUE TURNOVER • JUNE 22, 2023 (PSEi snapshot on *S1/4*; article on *S2/2*)

		Value			
ALI	P23.700	P354,013,355	P0.400	▲	1.717%
SM	P910.000	P348,564,540	-P14.000	▼	-1.515%
BKR	P1.540	P284,140,200	P0.170	▲	12.409%
BDO	P140.800	P280,232,872	-P0.200	▼	-0.142%
TEL	P1,359.000	P229,154,780	P29.000	▲	2.180%
PRIM	P2.360	P227,873,520	P0.290	▲	14.010%
AC	P624.000	P199,352,255	P9.000	▲	1.463%
MPI	P4.550	P183,501,190	P0.090	▲	2.018%
BPI	P106.500	P182,524,668	-P0.500	▼	-0.467%
URC	P129.800	P169,220,228	-P7.000	▼	-5.117%

BSP extends policy rate hike pause

By Keisha B. Ta-asan
Reporter

THE BANGKO SENTRAL ng Pilipinas (BSP) kept benchmark interest rates unchanged for a second straight meeting on Thursday, and signaled policy easing is unlikely in the near term.

At its fourth policy meeting for the year, the Monetary Board maintained its overnight reverse repurchase rate at 6.25%, as expected by 15 economists in a *BusinessWorld* poll last week.

Interest rates on the overnight deposit and lending facilities were also left unchanged at 5.75% and 6.75%, respectively.

"The Monetary Board deems it appropriate to maintain current monetary policy settings to allow the BSP to further assess how inflation and domestic demand have responded to tighter monetary conditions," BSP Governor Felipe M. Medalla said in a press briefing.

The central bank raised borrowing costs by 425 basis points (bps) from May 2022 to March 2023 to tame inflation.

Asked if the BSP would cut rates this year, Mr. Medalla said he would like to wait to verify forecasts that inflation would continue easing.

"I would like to see two months of below 4% inflation before considering cutting," he said.

The BSP also trimmed its average inflation forecast for 2023 to 5.4% from the 5.5% it gave in May. This is still above the 2-4% target range.

"The main reasons for the adjustments are the lower-than-expected inflation outturn in May and the, although this is still preliminary, we are looking at a lower month-ahead forecast for June," BSP Deputy Governor Francisco G. Dakila, Jr. said in the same briefing.

BSP, S1/11

Proposed 'junk food' tax draws mixed reaction

By Revin Mikhael D. Ochave
Reporter

THE GOVERNMENT'S proposal to tax "junk food," as well as raise taxes on sweetened beverages, has drawn mixed reactions from business groups and economists.

At the same time, the House Ways and Means committee is "still studying the best form of a junk food tax, or whether to do it at all," according to its chairman and Albay Rep. Jose Ma. Clemente S. Salceda.

"We will also look at inflationary impact — because there will definitely be price implications on taxes on food," he said in a statement.

Finance Secretary Benjamin E. Diokno on Wednesday estimated that the proposed new taxes could generate an additional P76-billion revenues in the first year of implementation.

Under the program, there will be a P10 tax per 100 grams or P10 tax per 100 milliliters on pre-packaged foods that lack nutritional value and go beyond the Department of Health's specified thresholds for fat, salt, and sugar content. These products include confectioneries, snacks, desserts, and frozen confectioneries.

It is also aiming to raise the sweetened beverage tax to P12 per liter for any kind of sweetener used from P6 per liter currently.

The country's high obesity rates show there is a reason for the government-led efforts to cut consumption of salt and sweetened beverages, Mr. Salceda said.

Around 27 million Filipinos are overweight and obese, according to a survey conducted by the Department of Science and Technology's Food and Nutrition Research Institute. Obesity among Filipino adults nearly doubled from 20.2% in 1998 to 36.6% in 2019.

"But we are also looking at research, and as for salt, it appears that the highest proportion of excess salt in diets come from added salt in food and sauces — so not necessarily ready-to-eat junk food. In that sense, taxation might not be the best measure," Mr. Salceda said.

He said the House panel will give priority to tax measures "that are clearly progressive and hit the rich first," such as taxes on motor vehicles and luxury goods.

Ebb Hinchliffe, American Chamber of Commerce of the Philippines, Inc. executive director, told *BusinessWorld* in a Viber message that it may not be a good time to increase taxes as the economy is still recovering from the pandemic.

"I would like to see solid data that show a P10 tax would result in 21% decrease (in junk food consumption). To my knowledge, it didn't help in other countries and was only one more source of revenue for the government. Consumers slowed down for a month but went back shortly no matter what the price. Same for the sweetened beverage tax," Mr. Hinchliffe added.

Chris Nelson, British Chamber of Commerce Philippines executive director, said the proposal should be studied further especially its impact on inflation.

"We need to look at the details. We also would need to see what the basis is behind the calculation of the P76 billion in additional government revenue. This requires a very careful study," Mr. Nelson said in a mobile phone message.

Foundation for Economic Freedom (FEF) President Calixto V. Chikiamco said the proposal could be a "double-edged sword" for the country.

"First, it's regressive, hitting poor consumers more who spend more of their budget on food and drinks. Second, it could slow down consumption spending and lower gross domestic product (GDP) growth," Mr. Chikiamco said via mobile phone.

"Sometimes, junk food is the only food that the poor can afford to consume. For example, instant noodles are affordable for students. Will they tax that? Healthy fresh food costs more. I'm not saying it's a bad idea but the officials have to look at the problem in an all-around way," he added.

However, Mr. Chikiamco said that it could still be a good proposal if the revenue will be used to address malnutrition in the country.

"If the revenue they raise is spent toward solving the malnutrition problem of children, then it's okay. But if it's lost through graft and corruption and spent on the wrong projects, yes, it may be considered anti-poor," Mr. Chikiamco said.

For Philippine Amalgamated Supermarkets Association President Steven T. Cua, the "junk food tax" could be seen as "anti-consumer."

"Snack foods and sweetened beverages are not a nutrition necessity, but it provides some momentary relief from hunger and stress from one's daily grind. It satiates the palates of those who cannot afford more substantive food like shawarmas, doughnuts, and burgers, which are not any more nutritious," Mr. Cua said in a Viber message.

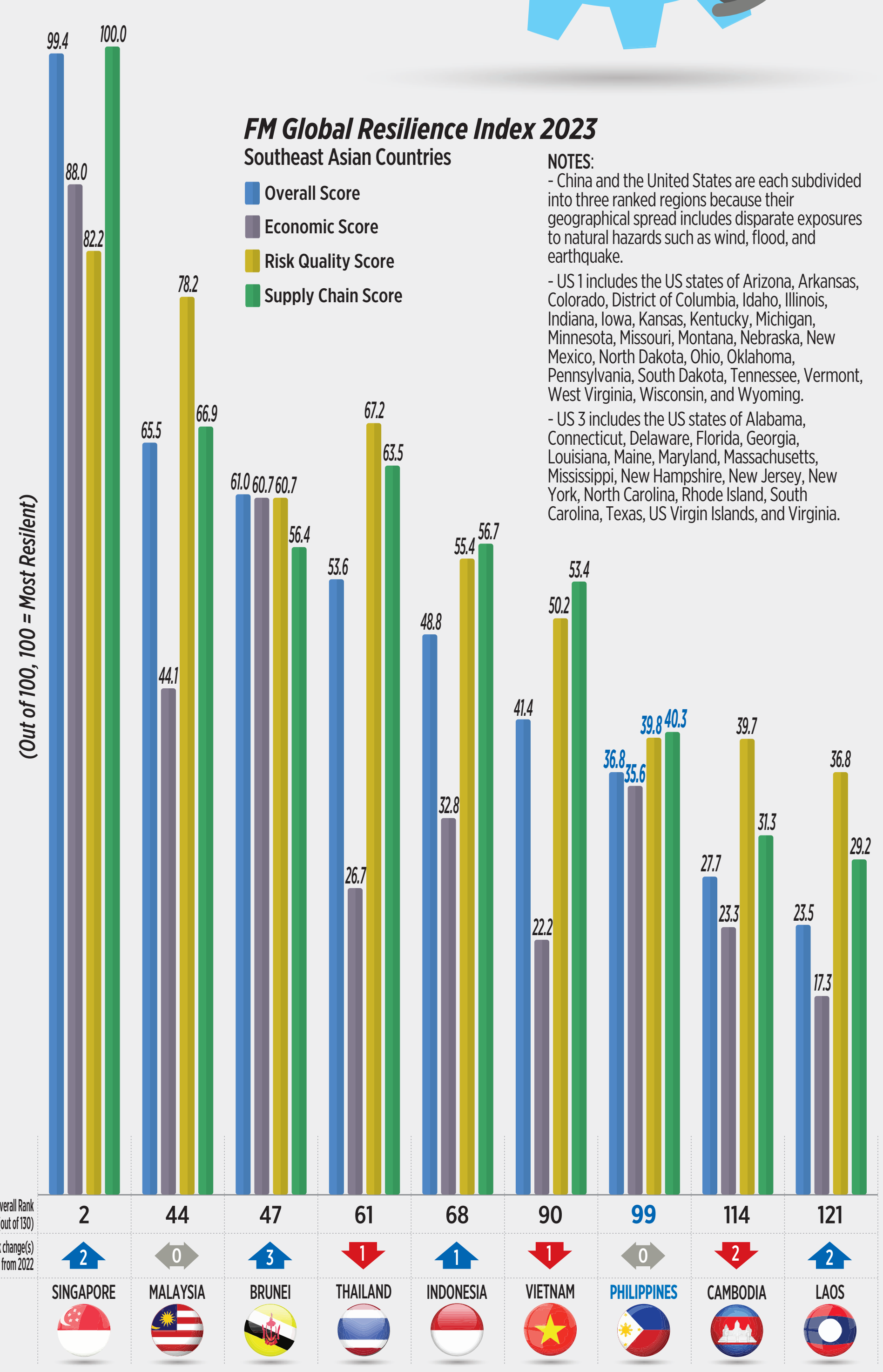
"If the DoF (Department of Finance) will check out consumer trends worldwide, it is moving towards growth in snacking. This volume should bring about an increase in collection of taxes. But of course, the DoF wants immediate tax collection upon production and not sales," he added. — *with inputs from* **Beatriz Marie D. Cruz**

FULL STORY

Read the full story by scanning the QR code with your smartphone or by typing the link <bit.ly/JunkFood062323>

PHILIPPINES KEEPS 99TH PLACE IN FM GLOBAL RESILIENCE INDEX 2023

The Philippines remained at the 99th place out of 130 countries with an overall score of 36.8 (out of a possible 100) in the 2023 edition of the FM Global Resilience Index by commercial property insurance company FM Global. The index ranks 130 countries' business environments based on economic, risk quality, and supply chain data from a variety of sources. The Philippines was the third-least resilient compared with its Southeast Asian peers after Cambodia and Laos.



10 Most Resilient Economies

2023 Rank (Out of 130)	Country	Rank Change(s) from 2022	2023 Overall Score (Out of 100)
1	Denmark	0	100.0
2	Singapore	▲ 2	99.4
3	Luxembourg	0	97.3
4	Germany	▲ 1	96.8
5	Switzerland	▼ 3	96.3
6	United States 3	0	95.6
7	United States 1	▲ 4	93.8
8	Sweden	▼ 1	93.8
9	Finland	▲ 3	93.6
10	Austria	▼ 1	93.3

10 Least Resilient Economies

2023 Rank (Out of 130)	Country	Rank Change(s) from 2022	2023 Overall Score (Out of 100)
130	Haiti	0	0.0
129	Venezuela	0	6.4
128	Ethiopia	▼ 1	16.7
127	Chad	▲ 1	16.8
126	Madagascar	0	19.5
125	Mali	▼ 1	19.9
124	Mozambique	▲ 1	20.2
123	Honduras	▼ 1	23.0
122	Guinea	▼ 2	23.4
121	Laos	▲ 2	23.5

SOURCE: 2023 FM GLOBAL RESILIENCE INDEX *(HTTPS://WWW.FMGLOBAL.COM/RESEARCH-AND-RESOURCES/TOOLS-AND-RESOURCES/RESILIENCEINDEX)*
BUSINESSWORLD RESEARCH: THOMAS CHRISTIAN S. MIGRIÑO ***BUSINESSWORLD*** GRAPHICS: BONG R. FORTIN

Marcos to sign Maharlika bill into law immediately

By Kyle Aristopher T. Atienza
Reporter

PRESIDENT Ferdinand R. Marcos, Jr. on Thursday said he would immediately sign into law the Congress-approved bill creating the Philippines' first sovereign wealth fund as soon as he receives it, noting that good management is key to its success.

This, despite concerns raised by several lawmakers on irregularities surrounding the Maharlika Investment Fund (MIF) bill, which was revised through a discussion by the Senate majority bloc on a popular messaging app.

"I will sign it as soon as I get it," he told reporters on the sidelines of an event celebrating the 85th anniversary of the Securities and Exchange Commission.

Mr. Marcos said most of the amendments to the final version were related to the security of pension funds, which lawmakers had wanted to tap for the Maharlika fund.

Public opposition to the bill mainly stemmed from the lawmakers' initial proposal to require the Government Service Insurance System (GSIS) and Social Security System (SSS) to contribute to the wealth fund's P125-billion seed money.

The bill's Senate version, which the House of Representatives later adopted, prohibits agencies managing the social security and public health insurance of government employees, private sector workers and employees, and other sectors and subsectors from contributing to the capitalization of the Maharlika fund — whether mandatory or voluntary.

"Am I happy? Well, that is the version that the House and the Senate has passed, and we will certainly look into all of the changes that have been made," Mr. Marcos said. "And I think most of the changes that were proposed and that were eventually adopted really had to do with the safety and the security of people's pension funds."

Earlier this month, Finance Secretary Benjamin E. Diokno and National Treasurer Rosalia V. de Leon clarified that while SSS and GSIS are prohibited from investing in the Maharlika Investment Corp. (MIC), which would have the control over the wealth fund, they can still invest in its projects.

That statement has angered current and former lawmakers, including former Senate President Franklin M. Drilon, who said that "what the Congress directly prohibits cannot be done indirectly."

Mr. Drilon said the government should respect the boundaries and legislative intent established by Congress regarding the prohibition, warning that the board of directors of these government-owned and -controlled corporations (GOCCs) can be held liable if they invest in the Maharlika fund or in any of its activities.

The former Justice secretary also said that the funds held in trust by the government through the GOCCs that handle pension funds are different in nature from the dividends generated by state-owned banks that serve as major sources of capitalization for the wealth fund.

Maharlika, S1/11