

STOCK MARKET	ASIAN MARKETS	WORLD MARKETS	PESO-DOLLAR RATES	ASIAN MONIES-US\$ RATE	WORLD CURRENCIES	DUBAI CRUDE OIL
PSEi OPEN: 6,491.53 HIGH: 6,496.15 LOW: 6,436.54 CLOSE: 6,474.26 VOL: 0.746 B VAL(P): 3,998 B 38.13 Pts. 0.58% 30 DAYS TO JULY 6, 2023	JULY 6, 2023 JAPAN (NIKKEI 225) 32,773.02 ▼ -565.68 -1.70 HONG KONG (HANG SENG) 18,533.05 ▼ -577.33 -3.02 TAIWAN (WEIGHTED) 16,762.17 ▼ -294.26 -1.73 THAILAND (SET INDEX) 1,488.07 ▼ -20.80 -1.38 S. KOREA (KSE COMPOSITE) 2,556.29 ▼ -22.71 -0.88 SINGAPORE (STRAITS TIMES) 3,154.43 ▼ -30.95 -0.97 SYDNEY (ALL ORDINARIES) 7,163.40 ▼ -89.80 -1.24 MALAYSIA (KLSE COMPOSITE) 1,385.95 ▼ -3.95 -0.28	JULY 5, 2023 DOW JONES 34,288.640 ▼ -129.830 NASDAQ 13,791.654 ▼ -25.119 S&P 500 4,446.820 ▼ -8.770 FTSE 100 7,442.100 ▼ -77.620 EURO STOXX50 3,963.820 ▼ -24.180	FX OPEN P55.510 HIGH P55.430 LOW P55.640 CLOSE P55.500 W.AVE. P55.546 VOL. \$1,057.40 M SOURCE: BAP 11.50 CTVS 30 DAYS TO JULY 6, 2023	JULY 6, 2023 LATEST BID (0900GMT) PREVIOUS JAPAN (YEN) 144.020 144.310 HONG KONG (HK DOLLAR) 7.818 7.825 TAIWAN (NT DOLLAR) 31.218 31.148 THAILAND (BAHT) 35.060 34.880 S. KOREA (WON) 1,303.720 1,299.440 SINGAPORE (DOLLAR) 1.352 1.352 INDONESIA (RUPIAH) 15,040 15,010 MALAYSIA (RINGGIT) 4.660 4.650	JULY 6, 2023 CLOSURE PREVIOUS US\$/UK POUND 1.2712 ▲ 1.2707 US\$/EURO 1.0863 ▼ 1.0884 US\$/AUSTRALIAN DOLLAR 0.6671 ▼ 0.6675 CANADA DOLLAR/US\$ 1.3295 ▲ 1.3264 SWISS FRANC/US\$ 0.8971 ▼ 0.8981	FUTURES PRICE ON NEAREST MONTH OF DELIVERY \$75.43/BBL ▲ \$0.24 30 DAYS TO JULY 5, 2023

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S1/1-14 • 2 SECTIONS, 18 PAGES

PHILIPPINE STOCK EXCHANGE'S 10 MOST ACTIVE STOCKS BY VALUE TURNOVER • JULY 6, 2023 (PSEi snapshot on S1/4; article on S2/2)

URC	P139.000	AC	P614.500	MPI	P4.950	SMPH	P32.750	ALI	P24.450	BDO	P136.900	BPI	P108.800	JFC	P241.000	ICT	P198.400	GLO	P1,804.000
Value	P358,084,816	Value	P339,761,020	Value	P322,615,690	Value	P242,996,490	Value	P217,721,460	Value	P196,641,438	Value	P189,516,570	Value	P150,867,490	Value	P148,829,113	Value	P117,738,840
P1.000	▲ 0.725%	-P15.500	▼ -2.460%	-P0.030	▼ -0.602%	-P0.900	▼ -2.675%	-P0.250	▼ -1.012%	-P0.700	▼ -0.509%	P0.800	▲ 0.741%	-P1.800	▼ -0.741%	-P4.600	▼ -2.266%	P42.000	▲ 2.384%

Rate cuts eyed if inflation falls below 4%

EO streamlines permits for digital infrastructure

PRESIDENT Ferdinand R. Marcos, Jr. has ordered government agencies to simplify the permitting process for telecommunications and internet infrastructure projects.

However, an analyst warned that Executive Order (EO) No. 32 may be challenged at the local level because it may impede the autonomy of local government units (LGU) to implement policies they deem important.

"To ensure the continuous development of digital infrastructure in the Philippines, there is a need to institutionalize a set of streamlined guidelines for the issuance of permits, licenses and certificates for the construction of telecommunications and internet infrastructure," according to the order.

The Private Sector Advisory Council (PSAC) and Anti-Red Tape Authority (ARTA) earlier urged Mr. Marcos to issue an EO reducing the red tape in securing permits for digital infrastructure projects.

The EO compels all LGUs and government agencies to follow the guidelines in streamlining the permitting process for the construction and operation of shared telecommunication towers, as well as the installation of poles, cables and facilities for telecommunications and internet.

Under the order, the only national or local permits or clearances required for telco and internet infrastructure projects are the following:

- Building permit issued by the Office of the Building Official;

- Height clearance permit from the Civil Aviation Authority of the Philippines (CAAP); and
- Community clearances including those issued by homeowners' associations.

However, certain clearances from government agencies may be required, such as an environmental compliance certificate (ECC) if the proposed project is within an environmentally critical area; a special use agreement in protected areas; and free and prior informed consent for projects within an ancestral domain.

A land use conversion clearance from the Department of Agrarian Reform, as well as clearances from the Laguna Lake Development Authority, Philippine Economic Zone Authority and Palawan Council for Sustainable Development may also be required for applicable projects.

Companies applying for building permits, barangay or locational clearance do not need to secure resolutions from the city council (Sangguniang Panlungsod) and village council (Sangguniang Barangay), as well as the ECC if the proposed site is outside an environmentally critical area.

There is also no need to get a certificate of safety evaluation from the Health department and Food and Drug Administration, or a copy of the provisional authority issued by the National Telecommunications Commission.

Digital, S1/8

Gov't agencies ordered to strengthen efforts vs money laundering

MALACAÑANG ordered all relevant government agencies to implement plans and programs in the fight against money laundering, terrorism financing and proliferation financing, as the Philippines seeks to exit the Financial Action Task Force's (FATF) "gray list" by January 2024.

President Ferdinand R. Marcos, Jr. signed Executive Order No. 33, which updated the National Anti-Money Laundering, Counter-Terrorism Financing, and Counter-Proliferation Financing Strategy (NACFS) for 2023-2027.

The order also expanded the national committee's coverage to include activities related to combating proliferation financing.

Proliferation financing involves raising or moving funds and other economic assets for the proliferation of weapons of mass destruction.

"The adoption of an updated NACFS will strengthen existing measures to improve the effectiveness of the country's anti-money laundering, counter-terrorism financing and counter-proliferation financing (AML/

CTF/CPF) regime and allow the Philippines to exit the FATF gray list," according to the order.

The Anti-Money Laundering Council (AMLC) welcomed the executive order, saying this shows the government's "strong high-level political commitment" to strengthen efforts against "dirty money."

"The NACFS 2023-2027 provides strategic direction and coordinated efforts in addressing the remaining International Co-operation Review Group (ICRG) action plan items to exit the FATF gray list," the AMLC said.

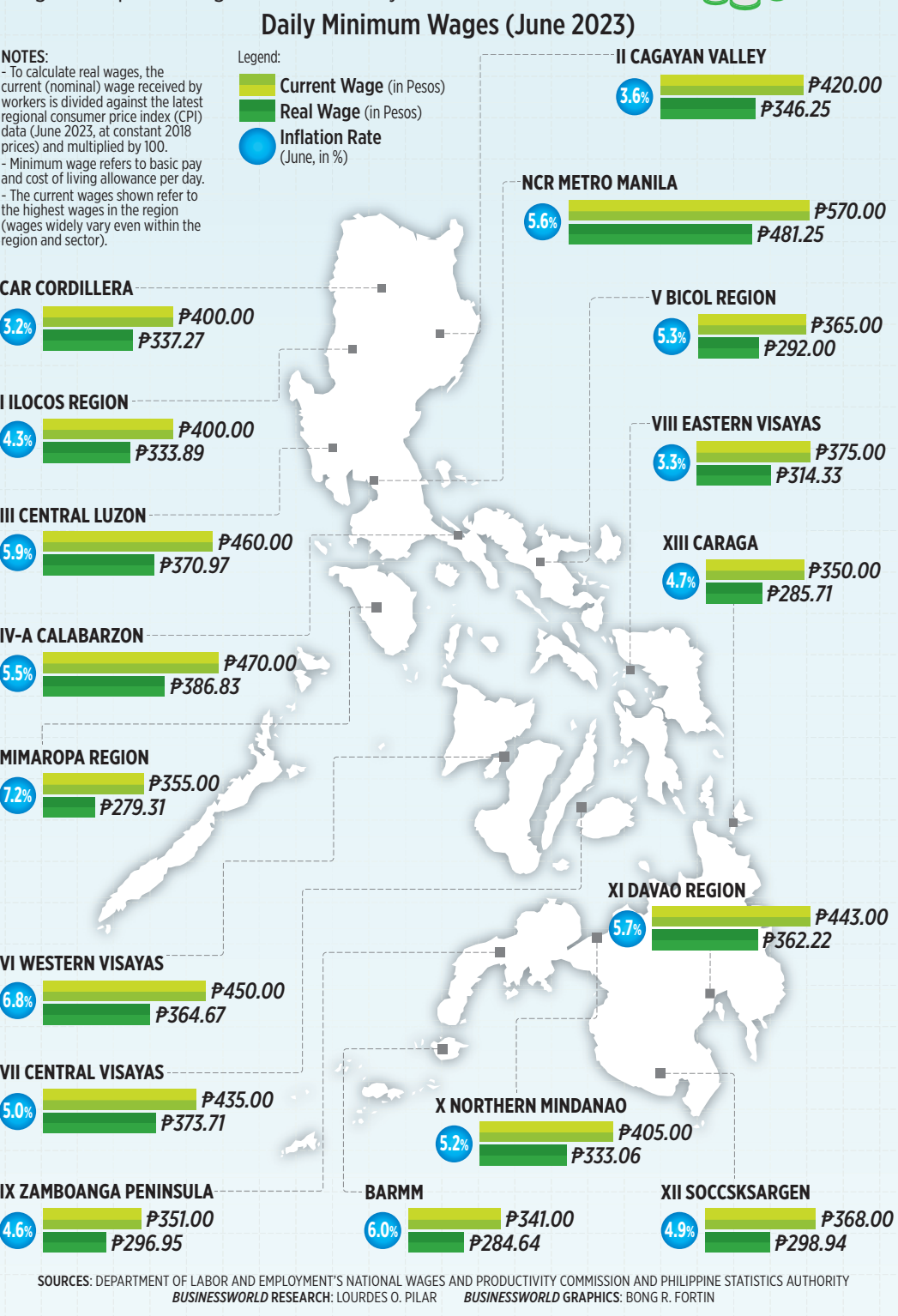
Last month, the FATF kept the Philippines under its gray list of countries under increased monitoring for money laundering and terrorism financing risk.

"All relevant government agencies, including supervisors, regulators, law enforcement/intelligence agencies and prosecutors are directed to formulate and implement relevant strategy plans and programs to execute the NACFS 2023-2027, and to swiftly implement the ICRG action plans," the AMLC said.

Money laundering, S1/9

HOW MINIMUM WAGES COMPARED ACROSS REGIONS IN JUNE (AFTER ACCOUNTING FOR INFLATION)

Inflation-adjusted wages in June were 14.1% to 21.3% lower than the current daily minimum wages across the regions in the country. Meanwhile, in peso terms, real wages were lower by around P54.05 to P89.03 from the current daily minimum wages set by Regional Tripartite Wages and Productivity Board.



By Keisha B. Ta-asan
Reporter

INTEREST RATE CUTS may be on the table this year if inflation falls below 4% by October, the new Bangko Sentral ng Pilipinas (BSP) governor said.

BSP Governor Eli M. Remolona told reporters on Wednesday evening the slower-than-expected inflation in June "somewhat" supports an extended pause in interest rate hikes.

Inflation eased for a fifth straight month in June to 5.4% from 6.1% a year ago. It was below the 5.5% median estimate in a *BusinessWorld* poll last week, and at the low end of the BSP's 5.3-6.1% forecast.

June also marked the 15th straight month that inflation exceeded the BSP's 2-4% target.

"The 5.4% (inflation) is one number. It's not a trend necessarily. We'll see, we'll look at the data," Mr. Remolona said.

BSP Deputy Governor Francisco G. Dakila, Jr. said inflation would likely fall within the 2-4% target by October.

Asked if the June figure gives the BSP confidence to extend its pause, Mr. Remolona replied: "Yes. The data suggest that, but you know the BSP is an inflation-targeting central bank. That means it's structurally hawkish when it comes to inflation."

He noted that the extended pause in tightening gives the central bank more time to assess the impact of aggressive rate hikes.

In June, the Monetary Board kept the key policy rate at a near 16-year high of 6.25% for a second straight meeting. Since March 2022, the BSP has raised borrowing costs by 425 basis points (bps) to tame inflation.

For the first six months of the year, inflation averaged 7.2%, still above the BSP's 5.4% full-year forecast.

As to other factors that may prompt a rate cut this year, Mr. Remolona said the BSP would look at economic performance and future policy decisions of the US Federal Reserve.

Rate cuts, S1/9

Central bank launches overnight reference rate

THE BANGKO SENTRAL ng Pilipinas (BSP) launched on Thursday an overnight reference rate that will serve as the market's reference amid the phaseout of the London Interbank Offered Rate (LIBOR).

Now published on the BSP's website, the overnight rate (ON) uses the secondary market rate on the 28-day BSP bill as a reference to compute its ON equivalent.

"This starts a broader initiative to enhance the BSP ON Reverse Repurchase (RRP) Agreement facility. Once the enhancements are fully completed, the new rate from the RRP facility will become the ON reference rate," the central bank said in a statement on Thursday.

The United Kingdom's Financial Conduct Authority and

the International Exchange Benchmark Administration, the administrator of LIBOR, stopped publishing rates for overnight, one-month, three-month, six-month and 12-month tenors on June 30.

Some LIBOR rates also stopped being published after Dec. 31, 2021.

LIBOR is being phased out as a reference rate after it was manipulated before and during the 2008 global financial crisis.

LIBOR was used by banks and financial institutions to set how much it costs to borrow from one another. The rate is used to set prices for financial products such as mortgages, credit cards, derivatives and other loans, with over \$370 trillion tied to it globally at its peak.

These enhancements for the BSP ON RRP Agreement facility will encourage banks to actively manage liquidity, according to the central bank. This includes changing the auction window from 4 p.m. to 11 a.m.

In line with its mandate, the BSP can either absorb excess or augment gaps in market liquidity through its open market operations. That main tool is the RRP facility based on the policy rate, which stands at 6.25%.

"The expected result of these improvements is a variable rate from the ON RRP facility that would be more responsive to changing market conditions," the BSP added.

In 2020, the central bank issued BSP Memorandum No. M-2020-083, which required

financial institutions to report their LIBOR-related exposures. It wanted proper identification of exposures to ensure that the cessation of LIBOR does not disrupt banks' operations.

Meanwhile, the BSP said in a separate statement it would be accepting all bids at the auction for the ON RRP facility starting on July 14.

"This is in line with the transition from a fixed-rate fixed-volume to a fixed-rate full-allotment auction and then, to an eventual variable-rate auction," the BSP said.

"This refinement to monetary operations is another step in the BSP's efforts towards a more flexible approach to managing liquidity in the financial system," it added. — **K.B.Ta-asan with Reuters**



OPINION
When will air travel finally recover for the Philippines? S1/7

LABOR & MANAGEMENT
NCR minimum wage exceeds poverty threshold — DoLE S1/8

WORLD BUSINESS
Zuckerberg's Meta launches 'Twitter Killer' Threads app S1/9



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