

STOCK MARKET	ASIAN MARKETS	WORLD MARKETS	PESO-DOLLAR RATES	ASIAN MONIES-US\$ RATE	WORLD CURRENCIES	DUBAI CRUDE OIL
PSEi OPEN: 6,899.61 HIGH: 6,922.50 LOW: 6,896.53 CLOSE: 6,903.15 VOL.: 0.529 B VAL(P): 4.916 B 5.79 pts, 0.08% 30 DAYS TO FEBRUARY 22, 2024	FEBRUARY 22, 2024 JAPAN (NIKKEI 225) 39,098.68 ▲ 836.52 2.19 HONG KONG (HANG SENG) 16,742.95 ▲ 239.85 1.45 TAIWAN (WEIGHTED) 18,852.78 ▲ 176.47 0.94 THAILAND (SET INDEX) 1,402.47 ▲ 8.86 0.64 S.KOREA (KSE COMPOSITE) 2,664.27 ▲ 10.96 0.41 SINGAPORE (STRAITS TIMES) 3,222.94 ▲ 5.83 0.18 SYDNEY (ALL ORDINARYS) 7,611.20 ▲ 2.80 0.04 MALAYSIA (KLSE COMPOSITE) 1,545.49 ▼ -6.91 -0.45	FEBRUARY 21, 2024 DOW JONES 38,612.240 ▲ 48.440 NASDAQ 15,580.870 ▼ -49.913 S&P 500 4,981.800 ▲ 6.290 FTSE 100 7,662.510 ▼ -56.700 EURO STOXX50 4,252.250 ▼ -16.390	FX OPEN P55.950 HIGH P55.700 LOW P55.980 CLOSE P55.705 W.AVE. P55.887 VOL. \$1,237.40 M 23.50 ctyvs 30 DAYS TO FEBRUARY 22, 2024 SOURCE : BAP	FEBRUARY 22, 2024 LATEST BID (0900GMT) PREVIOUS JAPAN (YEN) 150.210 ▼ 150.060 HONG KONG (HK DOLLAR) 7.822 ▼ 7.821 TAIWAN (NT DOLLAR) 31.524 ▼ 31.522 THAILAND (BAHT) 35.820 ▲ 35.850 S. KOREA (WON) 1,326.520 ▲ 1,334.810 SINGAPORE (DOLLAR) 1.341 ▲ 1.344 INDONESIA (RUPIAH) 15,585 ▲ 15,630 MALAYSIA (RINGGIT) 4.775 ▲ 4.795	FEBRUARY 22, 2024 CLOSE PREVIOUS US\$/UK POUND 1.2676 ▲ 1.2607 US\$/EURO 1.0851 ▲ 1.0793 US\$/AUST DOLLAR 0.6581 ▲ 0.6556 CANADA DOLLAR/US\$ 1.3450 ▼ 1.3528 SWISS FRANC/US\$ 0.8768 ▼ 0.8809	FEBRUARY 22, 2024 FUTURES PRICE ON NEAREST MONTH OF DELIVERY \$81.45/BBL \$1.30 30 DAYS TO FEBRUARY 21, 2024

VOL. XXXVII • ISSUE 149 **FRIDAY • FEBRUARY 23, 2024 • www.bworldonline.com** S1/1-12 • 2 SECTIONS, 16 PAGES

PHILIPPINE STOCK EXCHANGE'S 10 MOST ACTIVE STOCKS BY VALUE TURNOVER • FEBRUARY 22, 2024 (PSEi snapshot on S1/2; article on S2/2)

MBT	P60.050	ALI	P36.350	BDO	P155.000	ICT	P276.200	SMPH	P33.500	AC	P721.000	JFC	P258.200	GTCAP	P718.000	BPI	P119.000	URC	P113.000
Value	P597,895,802	Value	P485,776,650	Value	P460,547,495	Value	P439,222,052	Value	P350,008,865	Value	P321,388,855	Value	P238,113,648	Value	P187,195,210	Value	P174,873,484	Value	P158,125,987
P1.350	▲ 2.300%	P0.800	▲ 2.250%	-P2.000	▼ -1.274%	-P3.800	▼ -1.357%	-P0.300	▼ -0.888%	P6.500	▲ 0.910%	-P2.800	▼ -1.073%	P28.000	▲ 4.058%	-P1.000	▼ -0.833%	-P1.000	▼ -0.877%

BSP still prepared to adjust policy

THE BANGKO SENTRAL ng Pilipinas (BSP) is still prepared to adjust interest rates as necessary amid persistent upside risks to the inflation outlook, a central bank official said.

In a BusinessWorld Insights webinar on Thursday, BSP Deputy Governor Francisco G. Dakila, Jr. said risks remain despite inflation easing to a three-year low in January.

“Given the prevailing upside risks to the inflation outlook, the BSP is prepared to adjust its monetary policy settings as necessary in keeping with its primary mandate of safeguarding price stability,” he said.

Nonmonetary measures also remain crucial to sustain the disinflation process and address lingering supply-side pressures, he said.

After emerging as the most aggressive central bank in the region, the BSP kept the key rate at 6.5% — the highest in nearly 17 years — for a third straight meeting in February.

The Monetary Board hiked borrowing costs by 450 bps from May 2022 to October 2023 to tame inflation and help support the peso against the dollar.

Price pressures have receded in the past months as inflation has been within the 2-4% target since December 2023, Mr. Dakila said.

“Inflationary pressures for most key food and nonfood items have steadily eased, supported by government supply-side measures alongside negative base effects,” he said.

Inflation eased to the lowest in three years to 2.8% in January from 3.9% in December and 8.7% a year ago. It was the second straight month that inflation was within the BSP’s 2-4% target.

Mr. Dakila also noted that core inflation continued to fall in January, after staying above 2-4% for 17 consecutive months.

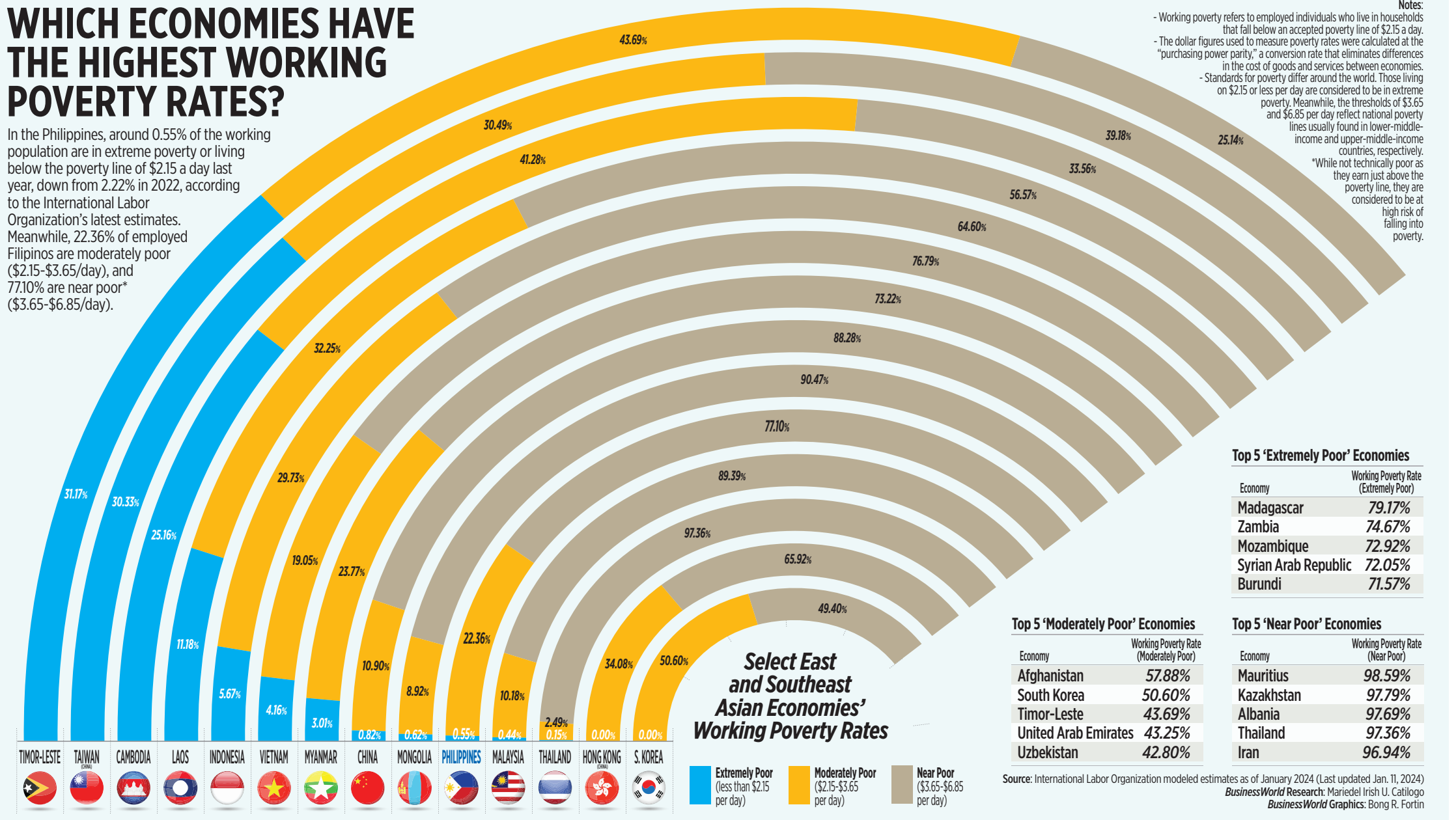
Core inflation, which excludes volatile prices of food and fuel, slowed to 3.8% in January from 4.4% in December, the slowest since 3.1% in June 2022.

Last week, the BSP trimmed its baseline inflation forecast for this year to 3.6% from 3.7% but kept its projection for 2025 at 3.2%.

Policy, S1/3

WHICH ECONOMIES HAVE THE HIGHEST WORKING POVERTY RATES?

In the Philippines, around 0.55% of the working population are in extreme poverty or living below the poverty line of \$2.15 a day last year, down from 2.22% in 2022, according to the International Labor Organization’s latest estimates. Meanwhile, 22.36% of employed Filipinos are moderately poor (\$2.15-\$3.65/day), and 77.10% are near poor* (\$3.65-\$6.85/day).



‘Not the right time’ to raise wages — NEDA

By Luisa Maria Jacinta C. Jacson Reporter

THE PROPOSED P100 increase in the minimum wage of private workers may stoke inflation, hurt gross domestic product (GDP) growth and increase unemployment, National Economic and Development Authority (NEDA) Secretary Arsenio M. Balisacan said.

“Our position at NEDA is that it’s not the right time,” he said during the SNAP Conversations webinar on Thursday.

“We are working very hard to sustain the momentum in reducing inflation to the target of 2-4% and the last thing we want is to reverse those gains we have achieved for the last several months.”

The Senate on Monday approved on final reading a bill that seeks to implement a P100 across-the-board minimum wage hike for private sector workers.

The last legislated national wage hike was in 1989. Since then, pay rates have been decided by regional wage boards.

The House of Representatives said it is planning to tackle next

week pending bills that seek a P150 minimum wage increase for private sector workers.

A separate bill has also been filed at the House seeking to increase wages by P750, while congressmen are also studying a proposal for a P350 to P400 wage hike.

Mr. Balisacan said a legislated P100 wage hike would “negatively impact” the recent inflation downtrend.

“Inflation that would be induced by the wage hike could run from 0.2 to 0.8 percentage point (ppt) depending on how the hike has been employed,” he said.

Inflation has settled within the central bank’s 2-4% target for two straight months as it eased to 2.8% in January from 3.9% in December.

The NEDA chief said the wage hike could also lead to a reduction in GDP growth ranging from 0.1 to 0.5 point.

“The lower number assumes the wage hike will only apply to minimum wage earners but if there is a cascading effect of that to other workers, then it would go as high as a 0.5-ppt reduction in GDP,” he added.

Wages, S1/3

Moody’s Analytics hikes PHL growth forecast

MOODY’S ANALYTICS raised its growth projection for the Philippines to 5.8% this year from 5.4% it gave in January, as strong demand for electronics could spur export growth in Asia-Pacific economies.

It expects the Philippines to be the third-fastest performing economy in the region this year after India (6%) and Vietnam (6%). It is also followed by China (5%) and Indonesia (4.9%).

However, Moody’s Analytics’ forecast is below the government’s full-year gross domestic product (GDP) growth goal of 6.5-7.5% this year.

In a report dated Feb. 21, Moody’s said the Philippines has “shown remarkable resilience thanks to electronics exports, relatively strong domestic demand, government spending and remittances.”

“The Philippines and Taiwan enjoyed rapid growth at year’s end,” it said. “In the Philippines, the post-pandemic recovery continues, helped by record overseas remittances in value terms last year that fueled strong domestic demand.”

The Philippine economy grew by 5.6% in 2023, falling short of the government’s 6-7% target and slower than 7.6% in 2022.

In the report, Moody’s said better demand for electronics would lead to rising exports globally in the second half, which will boost economic growth in the Asia-Pacific (APAC) region.

“Exports will improve alongside global growth in the second half of this year, and



PHILIPPINE STAR/ MIGUEL DE GUZMAN

PEOPLE enjoy a night stroll at a park in Manila, Feb. 13.

this will boost APAC economies,” it said. “Improved demand for electronics and high-performance chips needed for AI (artificial intelligence) will underpin rising exports.”

The research unit also sees higher demand for cars, car parts and pharmaceuticals.

“Further, as central banks finally loosen monetary policy, lower interest rates will encourage domestic spending and investment across much of Asia,” it said.

Inflation averaged 6% in 2023, marking the second straight year that it breached the Bangko Sentral ng Pilipinas’ (BSP) 2-4% target.

To tame inflation, the BSP hiked borrowing costs by 450 basis points (bps) from May 2022 to October 2023, bringing the key rate to a near 17-year high of 6.5%.

Central bank officials have said inflation might still pick up in the second quarter, prompting the Monetary Board to keep borrowing costs steady until a sustained downtrend in inflation is seen.

“With elections now completed in Thailand, the Philippines, Taiwan and Indonesia, there is a good chance that fiscal policy will remain stimulative, at least for a short while, as new administrations execute their policies,” Moody’s Analytics said.

It expects the economy to expand by 5.8% in 2025 before picking up further to 6.3% in 2026. However, both forecasts are below the government’s 6.5-8% target.

It sees inflation settling at 3.4% this year, before it slows further to 3% in both 2025 and 2026. — Keisha B. Ta-asan