

STOCK MARKET	ASIAN MARKETS	WORLD MARKETS	PESO-DOLLAR RATES	ASIAN MONIES-US\$ RATE	WORLD CURRENCIES	DUBAI CRUDE OIL
PSEI OPEN: 6,917.68 HIGH: 6,919.76 LOW: 6,871.45 CLOSE: 6,881.97 VOL.: 0.540 B VAL.(P): 5.864 B 81.25 pts, 1.16% 30 DAYS TO MARCH 22, 2024	MARCH 22, 2024 JAPAN (NIKKEI 225) 40,888.43 ▲ 72.77 0.18 HONG KONG (HANG SENG) 16,499.47 ▼ -363.63 -2.16 TAIWAN (WEIGHTED) 20,228.43 ▲ 29.34 0.15 THAILAND (SET INDEX) 1,381.04 ▼ -6.58 -0.47 S.KOREA (KSE COMPOSITE) 2,748.56 ▼ -6.30 -0.23 SINGAPORE (STRAITS TIMES) 3,217.97 ▼ -2.40 -0.07 SYDNEY (ALL ORDINARIES) 7,770.60 ▼ -11.40 -0.15 MALAYSIA (KLESE COMPOSITE) 1,542.39 ▲ 0.98 0.06	MARCH 22, 2024 DOW JONES 39,475.900 ▼ -305.470 NASDAQ 16,428.818 ▲ 26.982 S&P 500 5,234.180 ▼ -7.350 FTSE 100 7,930.920 ▲ 48.370 EURO STOXX50 4,395.930 ▼ -6.440	FX OPEN P56.080 HIGH P56.080 LOW P56.300 CLOSE P56.270 W.AVE. P56.195 VOL. \$2,096.12 M SOURCE : BAP 24.00 CTS 30 DAYS TO MARCH 22, 2024	MARCH 22, 2024 LATEST BID (0900GMT) JAPAN (YEN) 151.420 ▼ 151.150 HONG KONG (HK DOLLAR) 7.822 ▼ 7.821 TAIWAN (NT DOLLAR) 31.935 ▼ 31.846 THAILAND (BAHT) 36.350 ▼ 36.040 S. KOREA (WON) 1,343.430 ▼ 1,326.250 SINGAPORE (DOLLAR) 1.348 ▼ 1.339 INDONESIA (RUPIAH) 15,775 ▼ 15,655 MALAYSIA (RINGGIT) 4.735 ▼ 4.713	MARCH 22, 2024 US\$/UK POUND 1.2601 ▼ 1.2772 US\$/EURO 1.0805 ▼ 1.0901 US\$/AUSTRALIAN DOLLAR 0.6514 ▼ 0.6607 CANADA DOLLAR/US\$ 1.3606 ▲ 1.3490 SWISS FRANC/US\$ 0.8976 ▲ 0.8945	DUBAI CRUDE OIL FUTURES PRICE ON NEAREST MONTH OF DELIVERY \$85.14/BBL 30 DAYS TO MARCH 22, 2024 \$0.87

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

ALI	P31.600	BDO	P154.200	ICT	P318.400	AC	P632.000	MBT	P65.800	BPI	P121.500	SCC	P34.950	SM	P980.000	GTCAP	P670.000	SMPH	P32.600
Value	P934,564,815	Value	P586,591,199	Value	P574,452,300	Value	P417,301,600	Value	P296,151,162	Value	P280,338,977	Value	P243,523,150	Value	P204,896,285	Value	P165,465,980	Value	P150,472,810
-P0.750	▼ -2.318%	-P0.300	▼ -0.194%	-P25.600	▼ -7.442%	-P17.500	▼ -2.694%	P0.800	▲ 1.231%	-P1.000	▼ -0.816%	P0.250	▲ 0.720%	P0.000	— 0.000%	-P9.000	▼ -1.325%	-P0.550	▼ -1.659%

Inflation uptick may delay rate cuts

By Luisa Maria Jacinta C. Jocson Reporter

A POTENTIAL uptick in inflation over the next few months could prompt the Bangko Sentral ng Pilipinas (BSP) to delay

its rate easing cycle, analysts said.

"This could keep the BSP from cutting rates as anticipated by market players. If inflation persists, they might not cut at all," Jonathan L. Ravelas, senior adviser at professional service firm Reyes Tacandong & Co., said in a Viber message.

BSP Governor Eli M. Remolona, Jr. last week said that inflation could have quickened further to 3.9% in March.

Inflation accelerated to 3.4% in February, the first time it quickened in five months. If the headline print picks up in March, this would mark the sec-

ond straight month that inflation accelerated.

Inflation data for March is scheduled to be released on April 5.

The BSP earlier said that inflation could temporarily accelerate above the 2-4% target range in the second quarter due to the El Niño dry spell and positive base effects.

"The uptrend in inflation will definitely delay the decision to cut rates since inflation is the key variable that BSP is monitoring to guide its decision regarding policy rates," University of Asia and the Pacific (UA&P) Senior Economist Cid L. Terosa said in an e-mail.

The Monetary Board kept its benchmark rate steady at a near 17-year high of 6.5% for a third straight meeting in February. From May 2022 to October 2023, the BSP has raised borrowing costs by 450 basis points (bps).

Inflation, S1/3

MANILA INCHES UP IN FINANCIAL CENTERS INDEX

The Philippine capital inched up a notch to 101st out of 121 financial centers in the 35th edition of the biannual Global Financial Centers Index (GFCI). The GFCI provides evaluation of future competitiveness of financial centers around the world and serves as a valuable reference for policy and investment decision makers. Manila's GFCI score rose by 17 points to 631. Meanwhile, in a separate assessment of financial technology (fintech), the capital fell four places to 97th out of 116 financial centers.

Manila, Philippines' Profile

Financial Center	Manila
GFCI Rank (Out of 121)	101
GFCI Rating	631
Fintech Rank (Out of 116)	97
Fintech Rating	618

Top 10

GFCI 35 Rank (Out of 121)	Financial Center (Country)	GFCI 35 Rating
1	New York, United States	764
2	London, United Kingdom	747
3	Singapore, Singapore	742
4	Hong Kong, China	741
5	San Francisco, United States	740
6	Shanghai, China	739
7	Geneva, Switzerland	738
8	Los Angeles, United States	737
9	Chicago, United States	736
10	Seoul, South Korea	735

Notes:
— The index is updated every March and September of each year. The latest edition uses 48,365 assessments provided by 8,494 respondents.

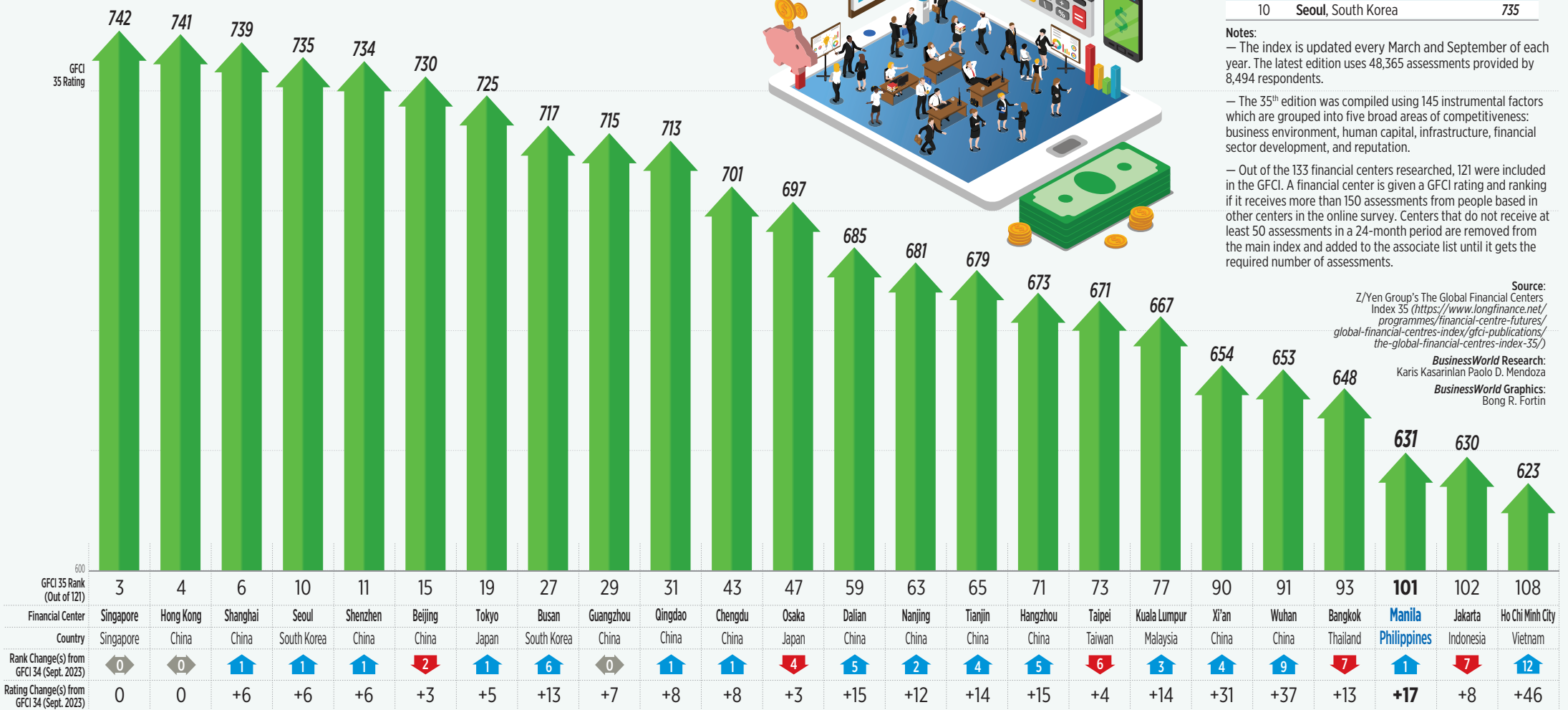
— The 35th edition was compiled using 145 instrumental factors which are grouped into five broad areas of competitiveness: business environment, human capital, infrastructure, financial sector development, and reputation.

— Out of the 133 financial centers researched, 121 were included in the GFCI. A financial center is given a GFCI rating and ranking if it receives more than 150 assessments from people based in other centers in the online survey. Centers that do not receive at least 50 assessments in a 24-month period are removed from the main index and added to the associate list until it gets the required number of assessments.

Source:
Z/Yen Group's The Global Financial Centers Index 35 (<https://www.longfinance.net/programmes/financial-centre-futures/global-financial-centres-index/gfci-publications/the-global-financial-centres-index-35/>)

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GFCI 35 Ratings of Select East and Southeast Asian Financial Centers



DoE sees yellow alert in April, May

By Sheldeen Joy Talavera Reporter

THE Luzon grid may potentially experience yellow alerts in April and May as the operations of several hydroelectric power plants have been affected by the El Niño weather event, according to the Department of Energy (DoE).

This comes after the Philippine Atmospheric, Geophysical and Astronomical Services Administration (PAGASA) on Friday declared the official start of summer in the country.

The country also continues to experience the effects of the El Niño weather event, which has triggered drought and dry spells around the country.

"Based on the latest DoE simulations, with hydroelectric power plants running below capacity level due to the El Niño phenomenon, the Luzon grid might experience yellow alert in April and May," it said in a statement.

Yellow alerts are declared when supply available to the grid falls below a designated safety margin.

The DoE, however, said the Visayas and Mindanao grids will have "normal reserve level" during the second quarter.

Irma C. Exconde, director for DoE's Electric Power Industry Management Bureau, said that the possible yellow alert in April and May is based on the scenario that "there'll be 70% reduction" or "zero" capacity from hydropower plants.

Yellow alert, S1/3



Love and support at Happy Walk 2024

HANS T. SY, SM Prime Holdings chairman of the executive committee (right), showed solidarity with a member of the Down Syndrome community during the Happy Walk for Down Syndrome at SMX Convention Center Manila. The annual event, which celebrates the strength and joy of individuals with Down Syndrome, is organized by the Down Syndrome Association of the Philippines in partnership with SM Supermalls' corporate social responsibility arm, SM Cares.

Gross borrowings slump in Jan.

THE National Government's (NG) gross borrowings slumped by nearly half to P203.151 billion in January, the Bureau of the Treasury (BTr) said.

Data from the BTr showed that total gross borrowings declined by 44.6% in January from the P366.863 billion in the same month in 2023.

During the month, domestic borrowings accounted for more than two-thirds or 69.7% of the total.

Gross domestic debt stood at P141.505 billion in January, a 21.1% drop from the P179.3 billion seen a year ago.

This consisted of fixed-rate Treasury bonds amounting to P130 billion and Treasury bills worth P11.505 billion.

Meanwhile, gross external debt dropped by 67.1% to P61.646 billion in January from P187.563 billion a year ago.

Broken down, program loans stood at P56.298 billion and new project loans were recorded at P5.348 billion.

Rizal Commercial Banking Corp. Chief Economist Michael L. Ricafort said the year-on-year drop in gross borrowings was primarily due to the dollar-bond offering in January 2023.

Borrowings, S1/3

New taxes 'last resort' — Recto

THE Finance department may not introduce any new tax proposals under the Marcos administration, but will instead focus on improving tax collection efficiency, its top official said.

"It is incumbent upon this administration that its last resort should always be to increase taxes," Finance Secretary Ralph G. Recto told reporters in mixed English and Filipino at the sidelines of an Economic Journalists Association of the Philippines event last Thursday.

Asked if there is a chance that there will be no new tax measures until the end of the administration, Mr. Recto said: "There is a possibility. I think we should try first to collect what's there. There are so many leakages."

Latest Development Budget Coordination Committee (DBCC) data showed that the government is targeting to generate P4.235 trillion in revenues this year, equivalent to 15.5% of gross domestic product (GDP).

Of this, the Bureau of Internal Revenue and the Bureau of Customs are expected to collect P3.055 trillion and P959 billion, respectively.

Mr. Recto earlier said he does not plan to push for new tax measures at least this year and the next, save for the pending tax reforms in Congress, such as the rationalization of the mining fiscal regime and the Passive Income and Financial Intermediary Taxation Act.

Current tax rates are already high as is, Mr. Recto said. "In my view, taxes are

already high. What can you tax? 60% of our revenue already is indirect tax. And it's the most efficient way to collect, indirect tax."

"I cannot tax oil anymore. I cannot tax power anymore. I cannot increase the price of your vehicle anymore. I cannot increase the registration of your vehicle anymore," he added.

Mr. Recto is also not keen on imposing luxury taxes.

Asked about taxing luxury cars, he said: "Cars already have excise and value-added tax (VAT). There's registration fees, there's motor vehicle user's charge."

Raising sin taxes such as a tobacco tax would also result in more smuggling, he added.

"Hopefully there will be no trigger (or need to impose new taxes). Collection efficiency first. But that will take time. You have to digitize, digitalization, so on and so forth. I think it is prudent for us to say, let's first try to improve tax collection efficiency," he said.

"The best way to grow your revenues is to grow the economy. If you grow the economy, you'll collect more taxes."

Instead of major tax proposals, Mr. Recto said he would be willing to study proposals on higher fees and charges. "We can probably look at fees and charges. I'm willing to take a look too. User fees, like that."

The Finance department is also looking at ways to better tax the e-commerce sector, he said.

Taxes, S1/3