

STOCK MARKET	ASIAN MARKETS	WORLD MARKETS	PESO-DOLLAR RATES	ASIAN MONIES-US\$ RATE	WORLD CURRENCIES	DUBAI CRUDE OIL
PSEI OPEN: 6,884.46 HIGH: 6,925.37 LOW: 6,884.46 CLOSE: 6,903.53 VOL.: 2,444 B VAL(P): 10,670 B 5.36 pts, 0.07% 30 DAYS TO MARCH 27, 2024	MARCH 29, 2024 JAPAN (NIKKEI 225) 40,369.44 ▲ 201.37 0.50 HONG KONG (HANG SENG) * 16,541.42 ▲ 148.58 0.91 TAIWAN (WEIGHTED) 20,294.45 ▲ 147.90 0.73 THAILAND (SET INDEX) 1,377.94 ▲ 7.60 0.55 S.KOREA (KSE COMPOSITE) 2,746.63 ▲ 0.81 0.03 SINGAPORE (STRAITS TIMES) * 3,224.01 ▼ -27.70 -0.85 SYDNEY (ALL ORDINARIES) * 7,896.90 ▲ 77.50 0.99 MALAYSIA (KLCSE COMPOSITE) 1,536.07 ▲ 5.47 0.36 * CLOSING PRICES AS OF MARCH 28, 2024	MARCH 28, 2024 Dow Jones 39,807.370 ▲ 47.290 NASDAQ 16,379.458 ▼ -20.063 S&P 500 5,254.350 ▲ 5.860 FTSE 100 7,952.620 ▲ 20.640 Euro Stoxx50 4,428.100 ▲ 12.660	FX OPEN P56.280 HIGH P56.180 LOW P56.329 CLOSE P56.240 W.AVE. P56.260 VOL. \$1,176.00 M SOURCE: BAP 8.00 CTVS 30 DAYS TO MARCH 27, 2024	MARCH 29, 2024 LATEST BID (0900GMT) JAPAN (YEN) 151.310 ▼ 151.170 HONG KONG (HK DOLLAR) 7.826 ▼ 7.824 TAIWAN (NT DOLLAR) 31.942 ▼ 32.002 THAILAND (BAHT) 36.370 ▲ 36.420 S. KOREA (WON) 1,345.090 ▼ 1,348.010 SINGAPORE (DOLLAR) 1.349 ▼ 1.347 INDONESIA (RUPIAH) 15,850 ▼ 15,850 MALAYSIA (RINGGIT) 4.723 ▼ 4.727	MARCH 28, 2024 US\$/UK POUND 1.2623 ▼ 1.2630 US\$/EURO 1.0793 ▼ 1.0836 US\$/AUSTRALIAN DOLLAR 0.6521 ▼ 0.6527 CANADA DOLLAR/US\$ 1.3537 ▼ 1.3595 SWISS FRANC/US\$ 0.9016 ▼ 0.9041	DUBAI CRUDE OIL FUTURES PRICE ON NEAREST MONTH OF DELIVERY \$86.25/BBL ▲ \$1.05 30 DAYS TO MARCH 28, 2024

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PHILIPPINE STOCK EXCHANGE'S 10 MOST ACTIVE STOCKS BY VALUE TURNOVER • MARCH 27, 2024 (PSEi snapshot on \$1/4; article on \$2/2)

ALI P32.250 Value P987,242,430 PO.200 ▲ 0.624%	JFC P252.600 Value P518,835,972 P1.400 ▼ -0.551%	BDO P154.500 Value P437,912,506 P3.500 ▲ 2.318%	BPI P118.100 Value P392,631,307 PO.100 ▲ 0.085%	ICT P318.000 Value P358,435,640 P6.000 ▼ -1.852%	SM P972.000 Value P244,420,005 P10.000 ▼ -1.018%	AP P35.500 Value P217,355,195 PO.500 ▲ 1.429%	URC P105.300 Value P162,388,171 PO.260 ▲ 2.680%	CNVRG P9.960 Value P150,816,754 PO.260 ▲ 2.680%	MBT P65.150 Value P150,408,449 P0.050 ▼ -0.077%
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March inflation likely sped up — poll

By **Luisa Maria Jacinta C. Jocson** Reporter

INFLATION may have quickened for the second straight month in

March, according to economists, which could make the case for the Philippine central bank to keep key rates higher for longer.

It probably rose by 3.8% last month, according to a median estimate of 17 analysts in a *BusinessWorld* poll, from 3.4% in February and 7.6% a year earlier.

“[Faster inflation] is likely to keep the Monetary Board ‘disciplined,’ in that it will retain a fairly hawkish rhetoric while keeping the target reverse repo rate unchanged,” Miguel Chanco, Pantheon Macroeconomics chief Emerging Asia economist, said in an e-mail.

The Bangko Sentral ng Pilipinas (BSP) is trying to balance supporting the economy through rate cuts while ensuring that these do not

fan inflation or put pressure on the peso and lead to capital outflows.

It could be the second straight month that inflation picked up on a monthly basis, though still within the central bank’s 2-4% target for a fourth straight month.

BSP Governor Eli M. Remolona, Jr. and Finance Secretary and Monetary Board member Ralph G. Recto estimated 3.9% inflation for March.

The central bank has yet to release its inflation forecast for the month. The local statistics agency will release the March consumer price index (CPI) data on April 5.

Analysts said inflation might have accelerated due to higher food, utility and fuel prices.

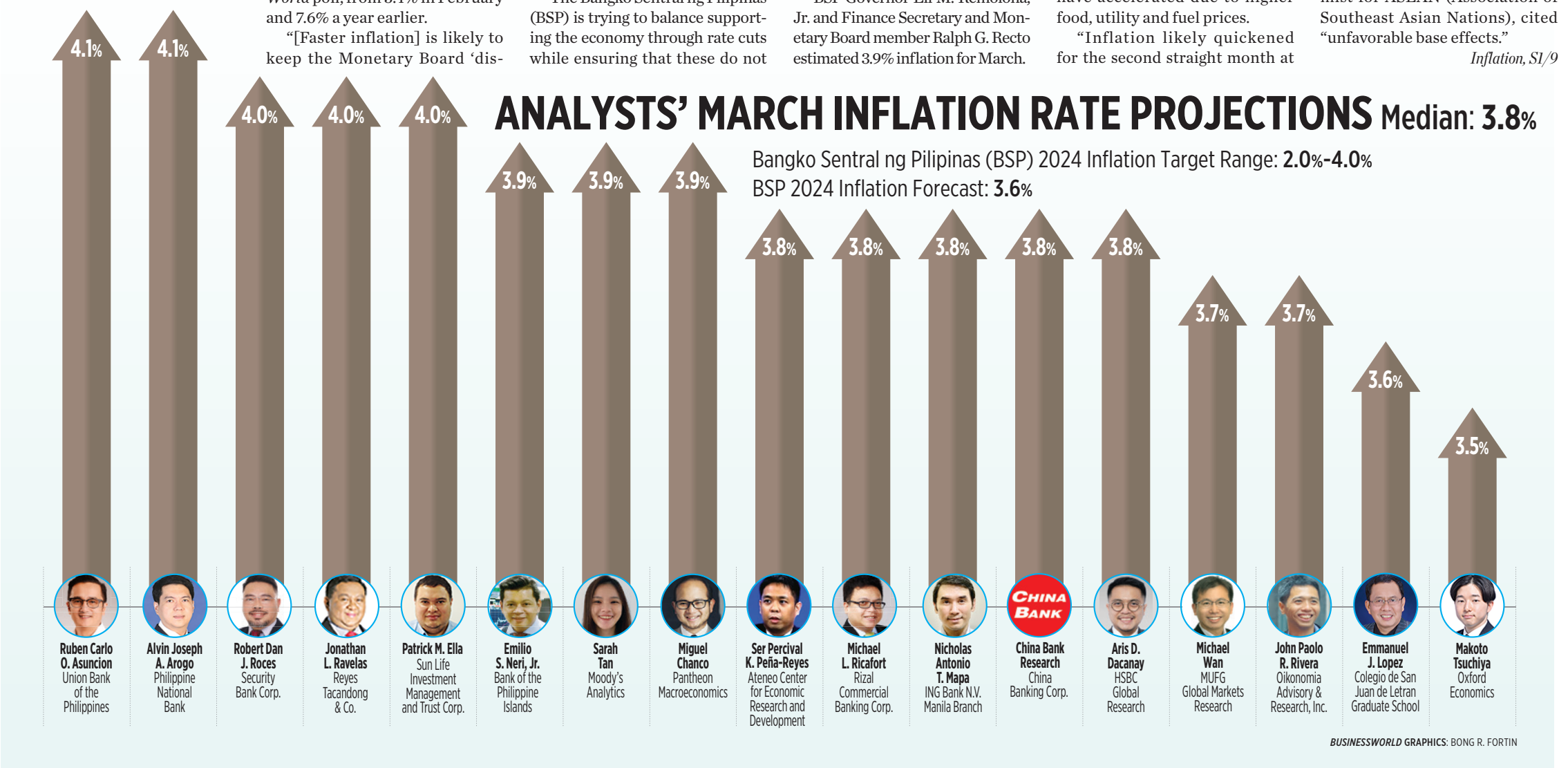
“Inflation likely quickened for the second straight month at

3.8%, driven by higher prices of rice, meat and fruits, as well as increases in the cost of gasoline and LPG (liquefied petroleum gas),” China Bank Research said in an e-mail.

Aris D. Dacanay, HSBC economist for ASEAN (Association of Southeast Asian Nations), cited “unfavorable base effects.”

Inflation, SI/9

ANALYSTS' MARCH INFLATION RATE PROJECTIONS Median: 3.8%



PHL Jan. debt service up threefold to P159B

THE NATIONAL Government's (NG) debt service bill more than tripled to P158.898 billion in January as both principal and interest payments rose, the Bureau of the Treasury (BTr) reported.

Latest data from the BTr showed that the debt repayments in January surged by 232.2% from the P47.831 billion recorded in the same month a year ago.

The bulk of the debt service bill for the month was composed of amortization payments, which took up more than half or 53.3% of the total.

Principal payments in January surged (9,734%) to P84.677 billion from P861 million in the same month in 2023.

Broken down, this was composed almost entirely of principal payments on external debt at P84.539 billion, which sharply increased (9,753%) from P858 million a year ago.

Amortization on domestic debt jumped (4,500%) to P138 million from P3 million.

Meanwhile, interest payments during the month rose by 58% to P74.221 billion from P46.97 billion in the previous year.

Interest paid on domestic debt climbed by 83.2% to P48.823 billion from P26.647 billion in the same period a year ago.

Interest paid to foreign creditors went up by 25% to P25.398 billion from P20.323 billion.

Higher debt servicing costs were mainly due to a weaker peso exchange rate and elevated interest rates, Rizal Commercial

Banking Corp. Chief Economist Michael L. Ricafort said.

“The NG front-loaded some borrowings to hedge amid the rising interest rate trend since 2022,” he added in a Viber message.

The Bangko Sentral ng Pilipinas (BSP) has kept its policy rate at a near 17-year high of 6.5% for three straight meetings.

The central bank has been among the most aggressive in the region last year, hiking borrowing costs by 450 basis points from May 2022 to October 2023.

Meanwhile, the peso closed at P56.24 per dollar on March 27, down by 1.55% from its P55.37 finish on Dec. 29, 2023

For the coming months, Mr. Ricafort said that potential rate cuts by the US Federal Reserve and the BSP could help reduce debt servicing costs.

The FOMC (Federal Open Market Committee) stood pat at its meeting in March, keeping its fed funds steady at the 5.25-5.5% range. From March 2022 to July 2023, the Fed raised rates by a total of 525 bps.

BSP Governor Eli M. Remolona, Jr. has said they will likely begin their policy easing cycle in the next few meetings.

Fed officials also affirmed last month that they remain on track to deliver three interest rate cuts this year.

In 2023, the NG's debt service bill jumped to P1.604 trillion, higher by 24% from P1.293 billion in 2022 and exceeding its program for the year by 3%. — **Luisa Maria Jacinta C. Jocson**

Securing 'A' credit rating difficult as fiscal issues remain

SECURING an “A” level sovereign credit rating by the end of the Marcos administration may be difficult as persistent underspending and the lack of reforms to improve revenue generation continue to constrain the Philippines’ growth prospects, analysts said.

“Getting an ‘A’ rating requires marked improvement in government finances and capacity to pay,” Enrico P. Villanueva, senior lecturer of economics at the University of the Philippines Los Baños, said via Messenger chat.

“An ‘A’ rating in five years is not impossible but requires hard work in terms of plugging holes in tax collection, purging corruption in revenue and spending activities, and improving prospects for growth,” he added.

The Philippines currently holds investment grade ratings with the three major

debt watchers. Fitch Ratings rates the country at “BBB,” Moody's Ratings at “Baa2,” and S&P Global Ratings at “BBB+.”

All three also assigned a “stable” outlook to their ratings for the country.

The government is aiming to achieve an “A” level rating by 2028 or the end of the Marcos administration. The Finance department earlier said that it organized, along with the central bank, an interagency committee for the “Road to A Credit Rating Agenda” back in 2019.

“An ‘A’ rating of course is a good sign for investors. But the question is: Will we get there? In fact, we should have already attained that status if only this administration undertook the reforms that would have addressed fiscal consolidation without

sacrificing growth,” Filomeno S. Sta. Ana III, coordinator of Action for Economic Reforms, said via Messenger chat.

He said the government should have raised its tax effort through reforms to help reduce its deficit.

“It could have also reduced the fiscal deficit by undertaking the reform of the military and uniformed personnel pension system, among other things.”

Latest data from the Bureau of the Treasury (BTr) showed that the National Government's (NG) posted a budget surplus of P88 billion in January.

In 2023, the NG's fiscal deficit narrowed by 6.32% to P1.51 trillion. However, it exceeded the P1.499-trillion ceiling set by the government.

'A' credit, SI/9

Marcos gov't told to turn to Japan for infra funding

By **John Victor D. Ordoñez** Reporter

THE GOVERNMENT of President Ferdinand R. Marcos, Jr. should turn to Japan for funding assistance to fast-track stalled infrastructure and development projects initially designed for funding by Chinese loans, according to economists.

“The Japan International Cooperation Agency (JICA) remains the nation's top development partner in the last few years, providing loans and aid to various projects,” Terry L. Ridon, a public investment analyst and convenor of think tank InfraWatch PH, said in a Facebook Messenger chat.

“As long as JICA's interest rates remain competitive for fu-

ture projects, there should be no impediment to broadening our development relations,” he added.

The Marcos government has withdrawn from loan negotiations with China for three major railway projects worth at least P228 billion amid worsening tensions over their sea dispute.

These were the P142-billion South Long-Haul Project in the Bicol Region, the P50-billion Subic-Clark Railway Project and the first phase of the Mindanao Railway Project worth P36 billion.

Last month, the Philippines and JICA signed loan deals worth ¥250 billion (P93 billion) for the construction of the Metro Manila Subway and the Dalton Pass East Alignment, which will link San Jose City in Nueva Ecija to Aritao in Nueva Vizcaya, both in northern Philippines.

The government is also banking on the Asian Development Bank's (ADB) technical know-how to bankroll the South Long-Haul Rail Project after Chinese loans failed to materialize, National Economic and Development Authority (NEDA) Assistant Secretary Jonathan L. Uy said last month.

During a congressional oversight hearing looking into projects funded by official development assistance (ODA), the NEDA official told congressmen the agency was in talks with the ADB to start the design-build phase of the 639-kilometer rail line connecting Metro Manila to southeastern Luzon.

Only the Department of Agriculture's Philippine Solar-Powered Irrigation Project has been lined up for Chinese funding assistance, he added.

“All development partners and multilaterals such as the ADB should be allowed to determine the viability of both projects for ODA funding,” Mr. Ridon said.

At least four Chinese ODA-funded projects have been completed. These are the P4.5-billion Chico River Pump Irrigation Project in Kalinga province, the P1.8-billion Estrella-Pantaleon Bridge and P3.4-billion Binondo-Intramuros Bridge both in Metro Manila and P65 million worth of firetrucks donated to Marawi City in southern Philippines.

Based on 2022 JICA data, the Philippines got P109 billion in ODA from Japan from April 2021 to March 2022, the biggest among Southeast Asian beneficiaries.

Funding, SI/9