

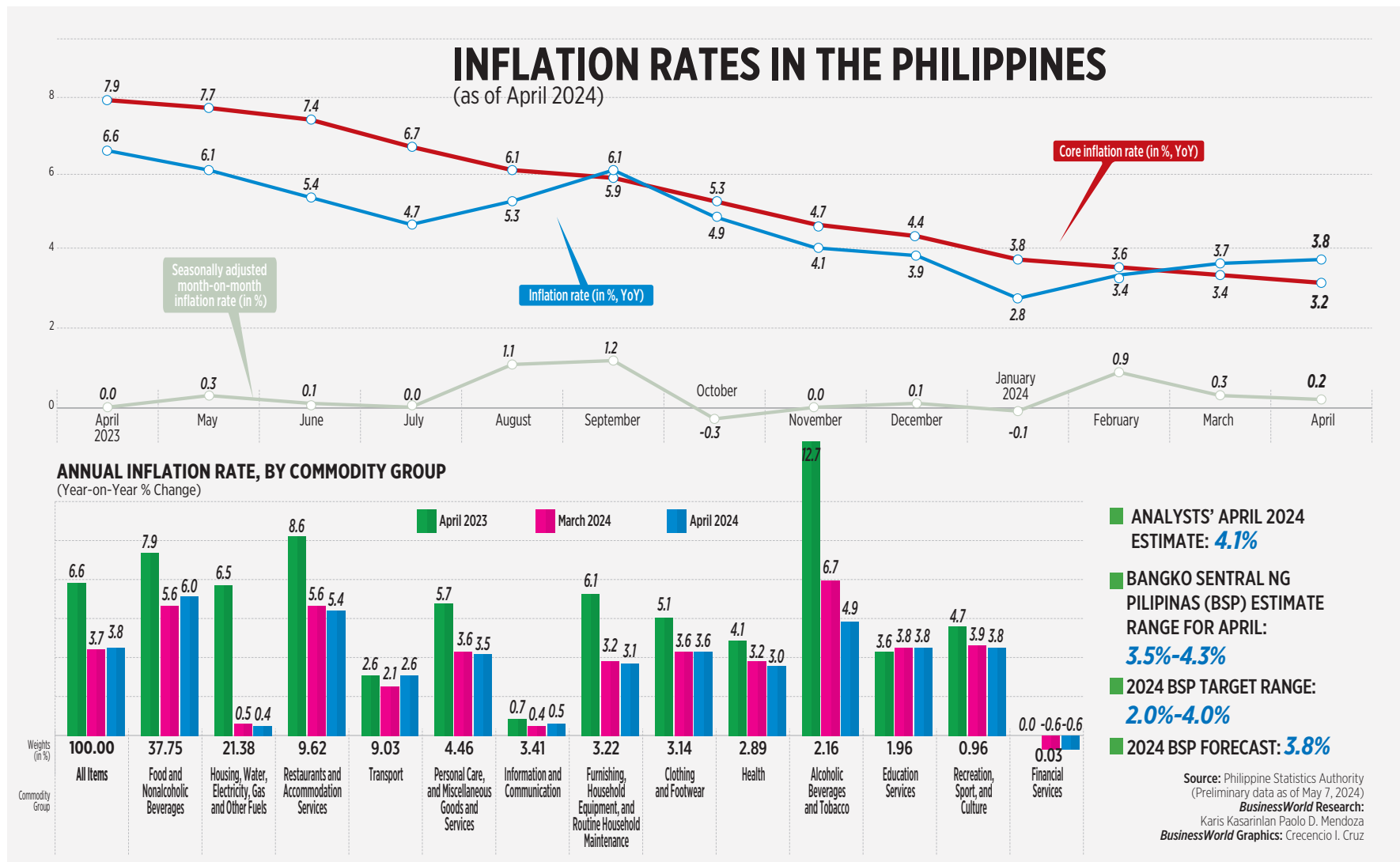
STOCK MARKET	ASIAN MARKETS	WORLD MARKETS	PESO-DOLLAR RATES	ASIAN MONIES-US\$ RATE	WORLD CURRENCIES	DUBAI CRUDE OIL
<b>PSEi</b> OPEN: 6,668.24 HIGH: 6,691.68 LOW: 6,618.58 CLOSE: 6,618.58 VOL.: 7,904 B VAL(P): 11,516 B 33.91 Pts. 0.51% 30 DAYS TO MAY 7, 2024	<b>MAY 7, 2024</b> JAPAN (NIKKEI 225) 38,835.10 ▲ 599.03 1.57 HONG KONG (HANG SENG) 18,479.37 ▼ -98.93 -0.53 TAIWAN (WEIGHTED) 20,653.53 ▲ 130.22 0.63 THAILAND (SET INDEX) 1,382.49 ▲ 12.57 0.92 S.KOREA (KSE COMPOSITE) 2,734.36 ▲ 57.73 2.16 SINGAPORE (STRAITS TIMES) 3,299.46 ▼ -3.73 -0.11 SYDNEY (ALL ORDINARIES) 7,793.30 ▲ 110.90 1.44 MALAYSIA (KLSE COMPOSITE) 1,605.68 ▲ 8.29 0.52	<b>MAY 6, 2024</b> DOW JONES 38,852.270 ▲ 176.590 NASDAQ 16,349.245 ▲ 192.92 S&P 500 5,180.740 ▲ 52.950 FTSE 100* 8,213.490 ▲ 41.34 EURO STOXX50 4,400.190 ▲ 21.64 * CLOSING PRICE AS OF MAY 3, 2024	<b>FX</b> OPEN P57.270 HIGH P57.210 LOW P57.290 CLOSE P57.221 W.AVE. P57.246 VOL. \$1,171.50 M SOURCE : BAP 0.10 CTV 30 DAYS TO MAY 7, 2024	<b>MAY 7, 2024 LATEST BID (0900GMT)</b> JAPAN (YEN) 154.430 ▼ 153.770 HONG KONG (HK DOLLAR) 7.819 ▼ 7.815 TAIWAN (NT DOLLAR) 32.378 ▼ 32.290 THAILAND (BAHT) 36.830 ▼ 36.730 S. KOREA (WON) 1,359.170 ▼ 1,355.870 SINGAPORE (DOLLAR) 1.353 ▼ 1.350 INDONESIA (RUPIAH) 16,040 ▼ 16,020 MALAYSIA (RINGGIT) 4.736 ▼ 4.737	<b>MAY 7, 2024</b> US\$/UK POUND 1.2539 ▼ 1.2578 US\$/EURO 1.0758 ▼ 1.0768 US\$/AUST DOLLAR 0.6597 ▼ 0.6624 CANADA DOLLAR/US\$ 1.3680 ▲ 1.3678 SWISS FRANC/US\$ 0.9078 ▲ 0.9051	<b>FUTURES PRICE ON NEAREST MONTH OF DELIVERY</b> \$84.03/BBL \$0.07 30 DAYS TO MAY 6, 2024

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PHILIPPINE STOCK EXCHANGE'S 10 MOST ACTIVE STOCKS BY VALUE TURNOVER • MAY 7, 2024 (PSEi snapshot on S1/2; article on S2/2)

ICT	P350.200	URC	P110.000	SMPH	P26.000	BDO	P148.300	SM	P947.500	ALI	P26.500	AC	P585.000	BPI	P125.000	MBT	P70.000	JFC	P223.000
Value	P890,007,772	Value	P618,125,129	Value	P599,371,040	Value	P443,854,381	Value	P442,370,355	Value	P388,584,665	Value	P194,657,050	Value	P162,949,066	Value	P138,032,562	Value	P125,529,972
P3.200	▲ 0.922%	P3.200	▲ 2.996%	-P1.350	▼ -4.936%	P0.000	— 0.000%	P3.000	▲ 0.318%	-P0.300	▼ -1.19%	-P11.000	▼ -1.846%	-P2.000	▼ -1.575%	-P1.500	▼ -2.098%	P4.000	▲ 1.826%

## PHL inflation quickens to 3.8% in April



By Luisa Maria Jacinta C. Jocson  
Reporter

HEADLINE INFLATION picked up for a third straight month in April amid higher food and transport costs, the Philippine Statistics Authority (PSA) reported on Tuesday.

While the annual rise was below market expectations, it supports the Bangko Sentral ng Pilipinas' (BSP) decision to maintain its hawkish pause, analysts said.

The pickup also "underscores the need for vigilance," the National Economic and Development Authority said in a statement.

The consumer price index (CPI) quickened to 3.8% year on year in April from 3.7% in March, preliminary data from the PSA showed. Still, this was slower than the 6.6% print in the same month a year ago.

This was within the BSP's 3.5-4.3% forecast for April CPI and marked the fifth straight month that inflation settled within the central bank's 2-4% annual target range.

The April print was also below the 4.1% median estimate in a *BusinessWorld* poll of 16 analysts conducted last week.

Month on month, inflation inched down by 0.1%. Stripping out seasonality factors, month-on-month inflation picked up by 0.2%.

For the first four months, headline inflation averaged 3.4%, still below the BSP's 3.8% full-year forecast.

"The inflation outturn is consistent with the BSP expectations that inflation could accelerate temporarily above the target range in the next two quarters of the year due to the possible negative impact of adverse weather conditions on domestic agricultural output and positive base effects," the central bank said in a statement.

"Looking ahead, the Monetary Board will consider the latest inflation and first-quarter 2024 GDP (gross domestic product) outturns, among other information, in its upcoming monetary policy meeting on May 16. The BSP also continues to support the National Government's non-monetary measures to address supply-side pressures on prices and sustain the disinflation process," the central bank added.

The PSA will release first-quarter GDP data on May 9, Thursday.

Core inflation, which excludes volatile prices of food and fuel, slowed to 3.2% in April from 3.4% in the previous month and 7.9% a year ago.

April inflation was mainly driven by the faster annual increase in the heavily-weighted food and non-alcoholic beverages index, National Statistician Claire Dennis S. Mapa said.

The index jumped to 6% from 5.6% in the previous month but was slower than 7.9% a year earlier.

Food inflation alone accelerated to 6.3% from 5.7% in March. However, this was slower than the 8% print in the same month in 2023.

One of the primary contributors to faster food inflation was vegetables, tubers, plantains, cooking bananas and pulses, which rose to 4.3% from the 2.5% decline in the previous month.

## Two House committees approve amendments to Rice Tariffication Law

TWO COMMITTEES at the House of Representatives on Tuesday approved the proposed amendments to the Rice Tariffication Law of 2019.

The House committees on Agriculture and Food and Ways and Means on Tuesday in separate hearings okayed the amendments, with several measures on the amendments set to be consolidated into a substitute bill.

The unnumbered substitute bill will have to go through the Appropriations Committee before being deliberated in the plenary, Quezon Rep. Wilfrido Mark M. Enverga, who chairs the Agriculture Committee, told reporters on the sidelines of their panel hearing.

The approved amendments include a provision allowing the National Food Authority (NFA) to sell rice to retailers, Marikina Rep. Stella Luz A. Quimbo said in a chance interview, as well as a proposal to increase the annual funding of the Rice Competitive Enhancement Fund (RCEF) to P15 billion from P10 billion.

"Right now, the NFA can only sell (rice) to local government units," Ms. Quimbo said. "We expanded the list of distribution outlets so they can sell to other entities, to more retail outlets."

"Rice inflation is still high," Ms. Quimbo said in mixed English and Filipino. "It's about time that we passed... the amendments to the Rice Tariffication Law, which expands the power of the NFA so they can intervene in situations where we have extraordinary price increases."

The House is currently fast-tracking its deliberations on amendments to the law, with President Ferdinand R. Marcos, Jr. on Monday saying he would certify the proposal as urgent, in

a bid to lower retail prices of rice products in the market.

House Speaker and Leyte Rep. Ferdinand Martin G. Romualdez last week said amending the Rice Tariffication Law to allow the NFA to buy rice directly from producers would reduce rice prices by as much as P10 to P15 per kilo.

Changes to the law would also include allowing the NFA to import rice, Ms. Quimbo said.

"(The NFA) can rely on importing rice as a last resort if they can no longer buy rice locally," she said.

Ms. Quimbo said the proposed measure also seeks to increase the annual funding allocation to RCEF to P15 billion as rice tariff revenues from imports reached around P30 billion in 2023.

The bill expands the NFA's regulatory functions to include warehouse monitoring to prevent rice stock hoarding, she added.

"We expanded the regular mandate of the NFA to include warehousing," Ms. Quimbo said. "This is one of the 'holes' of the Rice Tariffication Law, where the functions of the NFA were removed and not transferred to other agencies."

Antonio A. Ligon, a law and business professor at De La Salle University in Manila, said allowing the NFA to sell to consumers directly will lead to cheaper prices.

"For one, the distribution costs will be lessened as you eliminate other conduits in the sale of rice," he said in a Viber message. — **Kenneth Christiane L. Basilio and Kyle Aristophere T. Atienza**

**FULL STORY**

Read the full story by scanning the QR code with your smartphone or by typing the link [tinyurl.com/27pf83ff](https://tinyurl.com/27pf83ff)

## Philippines readies offering of dual-tranche dollar bonds

THE PHILIPPINE government is readying a benchmark-sized issuance of dual-tranche dollar bonds, which would be its first global bond offering for this year.

The country is looking to issue 10- and 25-year dollar bonds, based on a report by Reuters.

Benchmark-sized issues are typically worth at least \$500 million.

The 10-year papers will be initially priced at US Treasuries plus 120 basis points (bps), while the 25-year sustainability bonds will be priced at the 6.05% area, according to a term sheet seen by Reuters.

Final pricing was expected overnight.

The bonds will be senior unsecured notes and are shelf-registered with the US Securities and Exchange Commission.

Proceeds from the issuance will be used for "general budget financing," while funds raised from the 25-year notes will be earmarked for "general budget financing and to finance or refinance assets in line with the sovereign's sustainable finance framework," fixed-income news provider IFR reported.

Bank of America, Citigroup, HSBC, JPMorgan, Morgan Stanley, Standard Chartered were tapped as the joint bookrunners.

The bonds have a settlement date of May 14.

Fitch Ratings, Moody's Ratings and S&P Global Ratings rated the proposed bonds at "BBB," "Baa2," and "BBB+," respectively, matching their ratings for the Philippines' sovereign debt.

"According to the terms and conditions available to Moody's, the bonds to be issued under the shelf program will constitute direct, unconditional and unsubordinated obligations of the Government of the Philippines," Moody's Ratings said in a statement on Tuesday.

The dollar-denominated issuance would be the government's first global bond offering for this year.

In 2023, the government raised \$3 billion from its three-tranche dollar bond offering in January, \$1.26 billion from a retail dollar bond issue in October, and \$1 billion from its maiden issuance of Sukuk bonds in December.

This year, the government's borrowing program is set at P2.57 trillion, of which 25% will come from foreign sources. — **Luisa Maria Jacinta C. Jocson with Reuters**

## Peso support at P58 seen holding as BSP pushes back

THE PHILIPPINES' latest line in the sand for the peso appears to have settled halfway between its previous two, with P58 per dollar the new level to defend for the central bank.

The currency is just shy of that level after its slump to a 17-month low last month. The plunge prompted Bangko Sentral ng Pilipinas (BSP) Governor Eli M. Remolona, Jr. to warn that authorities stand ready to manage any unnecessary movement and excessive volatility in the currency.

"As BSP alluded, they'll be intervening at the P58 level and they have a proven record in successfully defending the peso in the past," said Robert Dan J. Roces, chief economist at Security Bank

Corp. in Manila. "Their recent comments drew a line in the sand and that is supporting the peso."

The peso slumped to P57.96 per dollar in April, the weakest since November 2022, as receding US Federal Reserve interest rate cut bets for this year wreaked havoc across emerging market currencies. Tensions in the Middle East and rising oil prices also added to the selling pressure.

With the central bank's policy rate already at a 17-year high and its hawkish stance to curb inflation, the monetary authority is seen to be relying on verbal warnings for now to manage the peso.

The BSP in the past has adopted a strategy of defining the

limit of its tolerance for currency weakness. It succeeded in capping the peso's drop at the record-low level of P59 in late 2022. Officials had also signaled they were intervening to defend the peso at the P57-per-dollar level in September.

**AMPLE RESERVES**

Nomura Holdings, Inc. late last month took profit on its recommendation to sell the peso, citing the step up in the BSP's rhetoric against depreciation.

"BSP is one of the few central banks in the Asia ex-Japan region that has ample FX (foreign exchange) reserves to stabilize peso for a prolonged period (if there

is a desire)," analysts including Craig Chan wrote in a note.

Philippine forex reserves totaled \$104.1 billion in March, the highest since April 2022. Data due this week are expected to show growth picked up in the first quarter, which would provide another tailwind for the peso.

The peso may rise to as high as P56.50 per dollar by the end of the second quarter, according to Security Bank. Rizal Commercial Banking Corp. (RCBC) sees the currency trading at P56 to P57.

The currency closed at P57.35 per dollar on Friday. It was emerging Asia's worst-performing currency in April with a loss of 2.7% against the dollar. — **Bloomberg**

Inflation, S1/9