

STOCK MARKET	ASIAN MARKETS	WORLD MARKETS	PESO-DOLLAR RATES	ASIAN MONIES-US\$ RATE	WORLD CURRENCIES	DUBAI CRUDE OIL
PSEI OPEN: 6,630.22 HIGH: 6,630.22 LOW: 6,552.30 CLOSE: 6,571.60 48.29 PFS: 0.72% VOL: 3.425 B VAL(P): 4.189 B	MAY 27, 2024 JAPAN (NIKKEI 225) 38,900.02 ▲ 253.91 0.66 HONG KONG (HANG SENG) 18,827.35 ▲ 218.41 1.17 TAIWAN (WEIGHTED) 21,803.77 ▲ 238.43 1.11 THAILAND (SET INDEX) 1,364.87 ▲ 0.39 0.03 S. KOREA (KSE COMPOSITE) 2,722.99 ▲ 35.39 1.32 SINGAPORE (STRAITS TIMES) 3,320.27 ▲ 3.71 0.11 SYDNEY (ALL ORDINARIES) 7,788.30 ▲ 60.70 0.79 MALAYSIA (KLCSE COMPOSITE) 1,618.27 ▼ -1.13 -0.07	MAY 24, 2024 DOW JONES 39,069.590 ▲ 4.330 NASDAQ 16,920.794 ▲ 184.761 S&P 500 5,304.720 ▲ 36.880 FTSE 100 8,317.590 ▼ -21.640 EURO STOXX50 4,496.660 ▼ -14.630	FX OPEN P58.180 HIGH P58.060 LOW P58.200 CLOSE P58.110 W.AVE. P58.093 VOL. \$791.50 M SOURCE : BAP	MAY 27, 2024 LATEST BID (0900GMT) PREVIOUS JAPAN (YEN) 156.900 ▲ 156.990 HONG KONG (HK DOLLAR) 7.807 ▲ 7.812 TAIWAN (NT DOLLAR) 32.131 ▲ 32.232 THAILAND (BAHT) 36.600 ▲ 36.640 S. KOREA (WON) 1,362.880 ▲ 1,365.930 SINGAPORE (DOLLAR) 1.349 ▲ 1.350 INDONESIA (RUPIAH) 16,060 ▲ 15,990 MALAYSIA (RINGGIT) 4.698 ▲ 4.710	MAY 27, 2024 CLOSE PREVIOUS US\$/UK POUND 1.2748 ▲ 1.2740 US\$/EURO 1.0853 ▲ 1.0845 US\$/AUSTRALIAN DOLLAR 0.6643 ▲ 0.6627 CANADA DOLLAR/US\$ 1.3656 ▼ 1.3661 SWISS FRANC/US\$ 0.9139 ▼ 0.9148	FUTURES PRICE ON NEAREST MONTH OF DELIVERY \$82.49/BBL \$0.74 30 DAYS TO MAY 24, 2024

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PHILIPPINE STOCK EXCHANGE'S 10 MOST ACTIVE STOCKS BY VALUE TURNOVER • MAY 27, 2024 (PSEI snapshot on SI/4; article on SI/2)

ALI	P28.450	BDO	P135.000	BPI	P121.100	SM	P27.200	ICT	P350.000	PLUS	P14.320	SM	P880.000	AEV	P37.700	AGI	P8.950	GLO	P2,000.000
Value	P713,214,885	Value	P412,942,779	Value	P370,054,179	Value	P309,296,785	Value	P209,981,680	Value	P155,019,422	Value	P142,014,550	Value	P131,102,155	Value	P118,725,231	Value	P92,504,665
	-P0.400 ▼ -1.386%		-P0.700 ▼ -0.516%		-P1.900 ▼ -1.545%		-P0.300 ▼ -1.091%		-P3.000 ▼ -0.850%		P0.860 ▲ 6.389%		-P16.000 ▼ -1.786%		P0.000 — 0.000%		-P0.130 ▼ -1.432%		-P6.000 ▼ -0.299%

BSP to maintain 'restrictive' policy

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

THE Bangko Sentral ng Pilipinas (BSP) will keep monetary policy settings "restrictive" as upside risks to inflation remain.

"Given upside risks, the BSP has decided to sufficiently maintain a restrictive policy stance in order to ensure that we anchor inflation expectations, so that it will not result in further second-round effects," BSP Senior Assistant Governor Iliminada T. Sicat said at the Philippine Economic Briefing on Monday.

The central bank is anticipating faster inflation from May to July, but expects it to return to within the 2-4% target after.

"At the end of the year, the average inflation rate, based on our risk-adjusted outlook [will be] within the target, but on the upper end of the target range," Ms. Sicat said.

The BSP's baseline forecast for inflation this year is 3.5% while its risk-adjusted forecast is 3.8%.

"That is precisely the reason why the BSP must be very careful not to bring down interest rates too early or else we may not be able to address some of the upside risks

that we are seeing in the future," she added.

The Monetary Board stood pat for a fifth straight meeting in May, keeping its benchmark rate at a 17-year high of 6.5%.

BSP Governor Eli M. Remolona, Jr. earlier said the central bank could begin policy easing as early as August.

International Monetary Fund (IMF) Representative to the Philippines Ragnar Gudmundsson said the BSP should maintain a "sufficiently restrictive" monetary policy stance until inflation settles firmly within target.

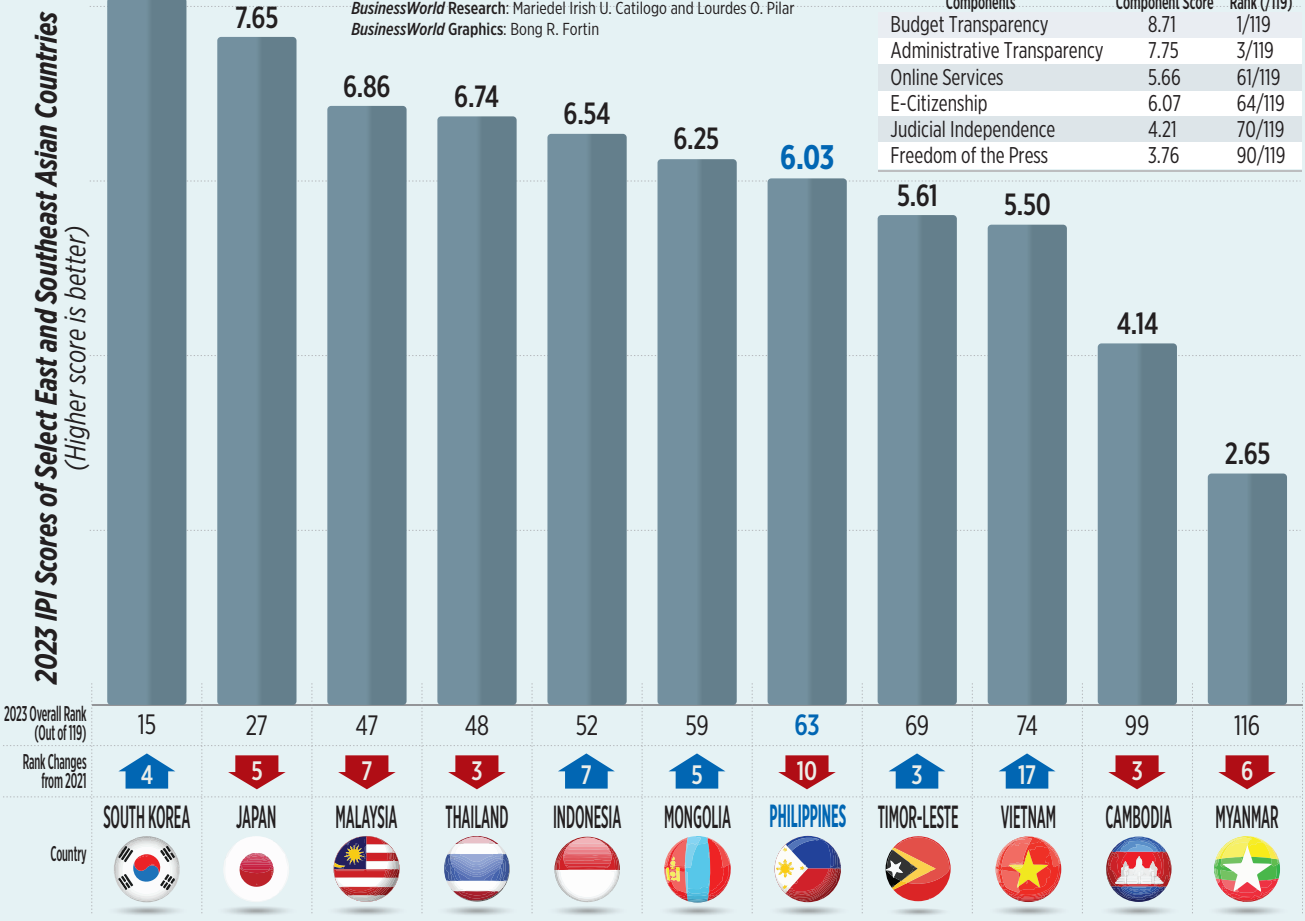
Policy, SI/10

PHILIPPINES FALLS TO 63RD IN PUBLIC INTEGRITY INDEX



The Philippines went down by 10 notches to 63rd out of 119 countries in the 2023 edition of the Index of Public Integrity (IPI) by the European Center for Anti-Corruption and State-Building. It scored 6.03 out of possible 10. The report assesses a society's capacity to control corruption and ensure that public resources are spent without corrupt practices using the index's six components.

Source: European Center for Anti-Corruption and State-Building's Index of Public Integrity 2023
BusinessWorld Research: Marielred Irish U. Catilogo and Lourdes O. Pilar
BusinessWorld Graphics: Bong R. Fortin



Philippines' Profile (2023)

Components	Component Score	Rank (/119)
Budget Transparency	8.71	1/119
Administrative Transparency	7.75	3/119
Online Services	5.66	61/119
E-Citizenship	6.07	64/119
Judicial Independence	4.21	70/119
Freedom of the Press	3.76	90/119

Top 10

2023 Overall Rank (Out of 119)	Country	2023 IPI Score (Out of 10)
1	Denmark	9.30
2	Norway	9.26
3	Finland	9.18
4	Estonia	9.16
5	New Zealand	9.13
6	United States	8.81
7	Netherlands	8.67
8	France	8.60
9	Switzerland	8.58
10	Sweden	8.52

Bottom 10

2023 Overall Rank (Out of 119)	Country	2023 IPI Score (Out of 10)
119	Yemen	1.96
118	Chad	2.28
117	Venezuela	2.51
116	Myanmar	2.65
115	Ethiopia	2.78
114	Mali	2.92
113	Mozambique	2.98
112	Burundi	2.98
111	Tajikistan	3.13
110	Burkina Faso	3.39

NOTES:

- Since 2021, the components Administrative Burden and Trade Openness were replaced by Administrative Transparency and Online Services.
- Every component score was normalized to range between 1 (lowest) and 10 (highest). The overall IPI score was derived by the equally weighted average of all six components:
- 1. **Judicial Independence** - based on the "judicial independence" indicator from the Executive Opinion Survey of the World Economic Forum's Global Competitiveness Dataset
- 2. **Administrative Transparency** - based on select scores from the de facto Transparency Index
- 3. **Online Services** - based on 2020 Online Services Index
- 4. **Budget Transparency** - based on Open Budget Survey
- 5. **E-Citizenship** - based on International Telecommunication Union's ICT Dataset (Fixed broadband subscriptions, % population); Internet users (% population), and Internet World Stats (Facebook users, % population)
- 6. **Freedom of the Press** - based on the Reporters without Borders' Press Freedom Index

FUEL PRICE TRACKER

(week-on-week change)

Fuel Type	May 14	May 21	May 28
GASOLINE	P2.00	P0.10	P0.40
DIESEL	P0.50	P0.25	P0.40
KEROSENE	P0.85	P0.30	P0.30

• May 28, 12:01 a.m. — Caltex Philippines
 • May 28, 6 a.m. — Petron Corp.; Phoenix Petroleum; Pilipinas Shell Petroleum Corp.; PTT Philippines Corp.; Seacell Philippines, Inc.
 • May 28, 8:07 a.m. — Cleanfuel (Shaw Autogas, Inc.)

Central bank to cut rates by up to 150 bps — survey

THE Bangko Sentral ng Pilipinas (BSP) could reduce rates by up to 150 basis points (bps) this year, its survey of private sector analysts showed, as inflation is likely to fall within the 2-4% target range.

In the Monetary Policy Report for May 2024, the results of the BSP's survey showed analysts expect the policy rate to be reduced by 25 bps to 150 bps by yearend.

"The results of the survey showed that most of the analysts anticipate current monetary policy settings to remain unchanged in Q2 2024," it said.

The Monetary Board earlier this month kept its benchmark rate at a 17-year high of 6.5% for

a fifth straight meeting. Its next policy review is on June 27.

For the second quarter, most analysts anticipate monetary policy settings to remain unchanged.

"For the third quarter of 2024, the majority of the analysts foresee policy settings to remain unchanged, although about the same number of respondents expect a 25-bp cut in the policy rate during the period," the BSP said.

BSP Governor Eli M. Remolona, Jr. earlier said the Monetary Board's first rate cut could be delivered in August, with possibly another cut before the end of the year.

The central bank could cut by up to 25 to 50 bps this year, he added.

"For 2025, BSP is seen to further loosen its policy stance by a range of 25 to 250 bps. For 2026, analysts expect an additional reduction of about 50 to 150 bps in the policy rate," the central bank said in the report.

Meanwhile, the survey showed that inflation expectations were "well-anchored."

"Relative to the February 2024 [report], the shape of the May 2024 BSP survey of external forecasters (BSEF) probability distribution for analysts' inflation forecasts for 2024 and 2025

has narrowed, implying an increased probability that inflation will settle within the 2-4% target band," it said.

"This could indicate a further anchoring of inflation expectation."

Analysts' mean inflation forecast for this year was at 3.7%, lower than their previous 3.8% estimate. This was higher than the BSP's 3.5% baseline forecast for 2024 but within the 2-4% target.

Inflation quickened for a third straight month to 3.8% in April. For the first four months, headline inflation averaged 3.4%.

Survey, SI/9

Energy dep't warns Luzon grid may experience red alerts until next week

By **Sheldeen Joy Talavera**
Reporter

THE LUZON GRID could face red alerts until next week if the power plants that experienced forced outage or derated capacities fail to resume operations, the Department of Energy (DoE) said on Monday.

"If the situation does not improve, if the plants that went offline because of the typhoon

do not come back by next week, probably we'll have a red alert also next week," Energy Undersecretary Rowena Cristina L. Guevara said at a media briefing on Monday.

However, she said the DoE expects a total of 4,000 megawatts (MW) to come online this year, including 2,000 MW from conventional plants and 2,000 MW from renewables.

"This week, we expect to have some improvements but still we are dependent on having

all of them back working under more normal conditions as the weather improves," Energy Secretary Raphael P.M. Lotilla said.

In an advisory, the National Grid Corp. of the Philippines (NGCP) said the Luzon grid was placed under red alert status from 1-5 p.m. and 6-10 p.m.

A yellow alert was also raised in the Luzon grid from 12-1 p.m., 5-6 p.m., and 10 p.m. to 12 a.m.

The grid had 11,810 MW in available capacity, while the peak demand hit 11,785 MW.

"[Typhoon Aghon] has caused a substantial decrease in available power supply in the grid at a time when the hydropower plants have not yet recovered from their low water supply," Mr. Lotilla said.

Thirty-four power plants were either on forced outage or at derated capacities as of Monday morning, which resulted in 4,497.3 MW being unavailable to the grid.

Aghon (international name: Ewiniar), the first storm of the

year, intensified into a typhoon over the coastal waters of Burdeos, Quezon on Sunday evening.

In an 11 a.m. bulletin, the Philippine Atmospheric, Geophysical and Astronomical Services Administration said Typhoon Aghon maintained its strength while moving northeastward over the Philippine sea.

One of the power plants on shutdown was the 1,200-MW Ilijan power plant after its floating storage unit had to be disconnected and relocated for safety

reasons since Aghon entered the Philippine area of responsibility.

Pagbilao Units 1 and 2 with a total capacity of 764 MW and Unit 3 with a capacity of 420 MW were also shut down, the DoE said.

Operations were also halted at the following plants: Masinloc coal-fired thermal power plant 3 with a capacity of 335 MW, San Buenaventura Power Limited coal power plant with 455 MW, and Botocan hydroelectric power plant with 20.8 MW.

Luzon grid, SI/9