

Fed cut, from SI/1

In addition to approving the half-percentage-point cut on Wednesday, Fed policy makers projected the benchmark interest rate would fall by another half of a percentage point by the end of this year, a full-percentage point next year, and half of a percentage point in 2026.

“With the Fed cutting by 50 bps, (the BSP) has more than enough space to cut the target reverse repurchase (RRP) by 25 bps in October with September inflation possibly dipping to 2.3%,” Metropolitan Bank & Trust Co. (Metro-bank) Chief Economist Nicholas Antonio T. Mapa said on X.

Last month, the Monetary Board reduced the RRP rate by 25 bps to 6.25% from the over 17-year high of 6.5%. This was the first time that the BSP reduced rates in close to four years.

BSP Governor Eli M. Remolona, Jr. has said that the central bank can deliver another 25-bp cut in the fourth quarter. The Monetary Board’s remaining meetings this year are scheduled for Oct. 17 and Dec. 19.

Patrick M. Ella, economist at Sun Life Investment Management and Trust Corp., said the BSP would likely cut by at least 25 bps at its meeting next month.

“I expect another 25-bp cut in the next meeting (at least) because if the Fed hikes another 50 bps, the BSP has to match the magnitude of the cut in order to tame the expected strength in Asian currencies due to the Fed’s cutting cycle,” he said in an e-mail.

Mr. Ella said that if the Fed continues its pace of 50-bp sized cuts, the BSP may need to follow suit.

The Fed had kept its policy rate in the 5.25%-5.5% range since last July, when it ended an 18-month rate-hike campaign that was meant to control a surge in inflation, which soared in 2022 to a 40-year high, Reuters reported.

Rate futures traders moved to price in even more easing than projected by the Fed, with the policy rate now expected to be in the 4%-4.25% range by end of this year.

Mr. Mapa said the “door is wide open” for the BSP to deploy further policy easing in October and reserve requirement ratio (RRR) cuts in the near term.

He noted that if the BSP would keep rates steady in October, the Fed would still have two meetings in between the Monetary Board’s

own December meeting. “Makes perfect sense for BSP to front load cuts,” he added.

The Federal Open Market Committee’s (FOMC) last two meetings this year are set for Nov. 6-7 and Dec. 17-18.

Bank of the Philippine Islands (BPI) Lead Economist Emilio S. Neri, Jr. said that the BSP has room to reduce the benchmark rate two more times this year, but forecasts just one more rate cut.

“Most activity indicators remain robust even if policy rates are close to 6% and the Monetary Board needs to reduce the RRR meaningfully and build up its gross international reserve (GIR) buffer while it still has the space to do so,” he said.

“Related to GIR accumulation, the BSP can probably become as aggressive as the FOMC in the cuts if our GIR is brought up closer to the Philippine economy’s \$130-billion external debt,” he added.

External debt hit a record \$130.182 billion at the end of June, up by 10.4% from a year ago.

Gross dollar reserves inched up by 0.18% to \$106.92 billion as of end-August from \$106.74 billion as of end-July. This was the highest level of dollar reserves in 29 months or since the \$107.3 billion in March 2022.

“The BSP hasn’t been able to build up its GIR significantly since the rate hike cycle in mid-2022. The beginning of the US easing cycle opens up the window as long as we have a comfortable differential between Philippine and US policy rates,” Mr. Neri said.

He also noted that latest macro-economic data show “robust economic activity,” citing easing inflation, strong employment figures and double-digit lending growth.

Headline inflation slowed to 3.3% in August from a nine-month high of 4.4% in July.

“The current Monetary Board doesn’t seem to be rushing to cut rates as it also needs to proactively give room for the planned ‘substantial reduction’ in our RRR and will need to rebuild a bigger GIR buffer given the rapid expansion in the country’s external debt,” Mr. Neri added.

Mr. Guinigundo also noted the risk of further rate cuts as well as RRR reductions.

“The only challenge I could foresee is the possible resurgence of price pressures from higher liquidity, especially when RRR is slashed by a few hundred basis points,” he added.

— with *Reuters*

Global talent, from SI/1

The low scores of 15-year Filipino students in the Programme for International Student Assessment (PISA) are one of the Philippines’ top weaknesses. Filipino students were among the world’s weakest in math, reading and science, according to the 2022 PISA. The Philippines ranked 77th out of 81 countries and performed worse than the global average in all categories.

Mr. Caballero said that the country’s low investment in education and the quality of the system are fundamental to understanding why is it lagging behind its regional counterparts.

On appeal, the Philippines went up a notch to 54th spot, as it performed well in terms of cost-of-living (20th) and collected personal income tax (20th). However, it ranked low in terms of quality of life (57th).

“The Philippines’ appeal is also a factor. Although it has a relatively strong cost of living, its quality of life is lacking, as is its performance in measures of institutional strength, which are crucial for attracting highly qualified talent,” Mr. Caballero added.

To improve, he said that the country must revisit its overall talent development strategy, which will help streamline its investment in the education sector.

“This should be a carefully considered strategy, not a matter of just increasing expenditure, but one that aligns investment with the outcome of the system, that is, the skills and competencies that the Philippines’ economy needs to perform efficiently,” he added.

Jose Enrique “Sonny” A. Africa, executive director of think tank IBON Foundation, said that the country lags in talent competitiveness due to its failure to prioritize education and public health.

“Asia-Pacific countries like Japan, South Korea, Taiwan, Singapore, Malaysia, and Thailand have done better because they have focused on building comprehensive education systems, investing in public health, and different levels of national industrial policy,” Mr. Africa said via Viber.

“In contrast, the Philippines continues to struggle with reckless liberalization, underfunded institutions, and shortsighted economic strategies,” he added.

Mr. Africa said the government can achieve immediate gains by investing more in education, health, and social protection, which will ensure a more capable and productive workforce.

“The government can build more and better public educational infrastructure, ensure universal access to quality education, and improve vocational and technical training,” he said.

Meanwhile, Benjamin B. Velasco, assistant professor at the School of Labor and Industrial Relations at the University of the Philippines Diliman, said that it is not surprising that the country ranks very low in the talent index.

“Many of the indicators for talent are dependent on education, for example, the program for PISA rankings, student-teacher ratios, and the budget for education,” Mr. Velasco said in a Viber message.

“In this objective set of indicators, we do not do well. Our education system is in crisis,” he added.

To improve its education system, Mr. Velasco said that the country will have to increase the budget for public education, improve pay to attract talent to the teaching profession, and provide books, gadgets, and classrooms.

FULL STORY



Read the full story by scanning the QR code with your smartphone or by typing the link <tinyurl.com/2ct5kg2w>

Power Maintenance Updates

by **MERALCO** ADVISORY

The following are scheduled power interruptions necessary for the regular maintenance and upgrade of our power distribution facilities, to ensure the delivery of safe and reliable electricity to your areas. Rest assured that Meralco is doing everything to quickly restore your electricity according to schedule.

SUNDAY, SEPTEMBER 22, 2024

MAKATI CITY (SAN LORENZO)

BETWEEN 12:01AM AND 12:30AM – PORTION OF CIRCUIT URDANETA 43VS

MRT 3 - Ayala Station along Epifanio Delos Santos Ave. (EDSA)

REASON: Replacement of facilities inside Meralco - Urdaneta substation.

PASIG CITY (UGONG)

BETWEEN 9:00AM AND 9:30AM AND THEN BETWEEN 1:30PM AND 2:00PM – PORTIONS OF CIRCUITS BRIDGETOWNE 414BRI AND HILLCREST 422VZ

F.F. Cruz & Co. Compound along Ortigas Ave.

Portion of Doña Julia Vargas Ave. from Frontera Verde to and including the whole of Valle Verde 5 Subd.

Along Frontera Verde Drive from Doña Julia Vargas Ave. to and including CCF Center, Silver City Bldgs. 1 – 4, Transcom Center, Fun Ranch, Burger King, McDonalds and Tiendesitas.

BETWEEN 9:00AM AND 2:00PM – PORTION OF CIRCUIT HILLCREST 422VZ

Portion of Eulogio Rodriguez Jr. Ave. (C-5 Road) including from SM Center Pasig Hypermarket to Carlo J. Caparas Footbridge including Jollibee.

REASON: Installation of poles and primary facilities along Eulogio Rodriguez Jr. Ave. (C-5 Road) in Bgy. Ugong, Pasig City.

PASIG CITY (MANGGAHAN)

BETWEEN 9:30AM AND 2:30PM – PORTION OF CIRCUIT MANGGAHAN 45ZM

Portion of Manggahan Floodway - East Bank Road from B. Robles St. to Rizal St.

Portion of MRR St. from Ana Barbera Salon to Rizal St. including Buenmar, Eslegui, Lourdes, SPS and A. Rodriguez Sts.

REASON: Replacement, relocation and installation of facilities along Manggahan Floodway - East Bank Road in Bgy. Manggahan, Pasig City.

SUNDAY AND MONDAY, SEPTEMBER 22 & 23, 2024

BULACAN (ANGAT, NORZAGARAY, SAN JOSE DEL MONTE CITY, DOÑA REMEDIOS TRINIDAD, PANDI, SAN ILDEFONSO AND SAN RAFAEL)

BETWEEN 11:00PM AND 11:59PM (SUN., 09/22/24) AND THEN BETWEEN 6:00AM AND 7:00AM (MON., 09/23/24) – THE WHOLE OF CIRCUITS ANGAT 33YT; AND SAPANG PALAY 33YO AND 34YO

Portion of Angat – Bustos Provincial Road and M. A. Fernando St. from Bgy. Donacion to Pundicion St. including Taboc – Cacarong Barangay Road; Bgys. Taboc, Sulucan, Marungko, Sta. Lucia, Laog, Banaban, Baybay, Binagbag, Donacion, Sto. Cristo, San Roque and Sta. Cruz in Angat.

Portion of Bgys. Bayabas, Camachile and Pulong Sampalok in Doña Remedios Trinidad; Bgy. Pinagtulayan in Norzagaray; Bgys. Sapang Pahalang, Tukod and Pulo in San Rafael; Bgy. Casalat in San Ildefonso; and Bgy. Real De Cacarong in Pandi.

Portion of Angat – Norzagaray Provincial Road, Villarama Road and Quirino Highway from Meralco – Angat substation to Newton Drive including Roads 1 & 4, Ipo and Quarry Sts. in Bgys. Sapang Palay, Minuyan and Minuyan proper in San Jose Del Monte City; Bgys. Bangkal, Baraka, Bigte, Bitungol, Matitict, Minuyan, Poblacion, San Mateo and Tigbe in Norzagaray.

Portion of Quirino Highway, Dr. Eduardo V. Roquero Sr. Ave. and Balasing – San Jose Road (Jose Pantaleon Road) from Meralco – Sapang Palay substation to and including Norzagaray – Sapang Palay Road in Bgys. Tigbe and Poblacion in Norzagaray; Bgys. Bagong Buhay, Citrus, Fatima II & IV, Minuyan II – IV & proper, San Martin IV, San Rafael I – IV, Santo Niño II and Sapang Palay in San Jose Del Monte City.

REASON: Preventive maintenance and testing work inside Meralco - Sapang Palay substation.

TUESDAY, SEPTEMBER 24, 2024

MANILA (SAN MIGUEL AND QUIAPO)

BETWEEN 12:01AM AND 12:30AM – PORTION OF CIRCUIT TEGEN 513B

Portion of Nicanor Padilla St. from Nepomuceno St. to Casal St. including Espinosa St. in San Miguel.

Portion of Carlos Palanca St. from Casal St. to near Muelle Dela Quinta St. in San Miguel.

Portion of Casal St. from Carlos Palanca St. in San Miguel to Arlegui St. in Quiapo.

Portion of Arlegui St. from Aguado St. in San Miguel to Quezon Boulevard including Duque, Vergara, Castillejos, Fraternal, Farnecio, Pax, Gunao, Globo de Oro, Norzagaray, Elizondo, A. Bautista and Muelle Dela Quinta Sts. in Quiapo.

Portion of R. Hidalgo St. from Z. P. De Guzman St. to Quezon Boulevard in Quiapo.

BETWEEN 12:01AM AND 5:00AM – THE WHOLE OF CIRCUIT TEGEN 52B; AND PORTION OF CIRCUIT TEGEN 513B

Portion of Aguado St. from Arlegui St. to Jose Laurel St. including Aguado Ext. St. in San Miguel.

Portion of Arlegui St. from Aguado St. to Jose Laurel St. in San Miguel.

Portion of San Rafael St. from near Concepcion Aguila St to Jose Laurel St. including Abreu St. in San Miguel.

Hospicio De San Jose in Isla Convalencia, San Miguel.

Goldenberg Mansion and Teus Mansion in San Miguel.

REASON: Installation of facilities and line reconstruction work along Arlegui St. in San Miguel, Manila.

LAGUNA (STA. CRUZ)

BETWEEN 3:45AM AND 4:00AM AND THEN BETWEEN 5:45AM AND 6:00AM – THE WHOLE OF CIRCUIT STA. CRUZ 322WF

Portion of National Highway from Meralco – Sta. Cruz substation to and including Lynville Homes 10 Subd., Villa Adelina Subd., Celino Subd., El Rey Subd., Sitio Bagong Lipunan, Sitio Masipag, Sitio Maunawain, Sitio San Miguel, Capitol Ville Subd., Sitio Munting Gatid, Sitio Acacia, Sitio Antipolo, Sitio Maulawin, Sitio Narra, Sitio Sta. Elena, Sitio Yakal, Sitio Bagong Anyo, Sitio Huwaran, Sitio Maligaya, Sitio Mapalad, Sitio Pag-Asa, Sitio Pag-Ibig, Lingap Village Phase 1, Bliss Compound, Sitio Banana, Sitio Pulong Alay, Sitio Riverside and Sitio I, II & III; and Tramo Road in Bgys. Bubukal, Duhat, Gatid, Labuin, Pagsawitan, Palasan, Patimbao, San Jose and San Juan.

REASON: Preventive maintenance and testing work inside Meralco - Sta. Cruz substation.

TUESDAY TO WEDNESDAY, SEPTEMBER 24 – 25, 2024

CALOOCAN CITY (POBLACION)

BETWEEN 11:00PM (TUE., 09/24/24) AND 5:00AM (WED., 09/25/24) – PORTION OF CIRCUIT MALABON 412YD

Portion of Lakas Ng Mahirap St. from near Gen. Luna St. to Velasco Ext. St. including 1st St.

Portion of Libis Talisay St. from Libis Espina St. to Lakas Ng Mahirap St. including A. Cruz, Gonzales and J. Felipe Sts.

REASON: Line reconductoring work and replacement of pole along Lakas Ng Mahirap and Libis Talisay Sts. in Bgy. Poblacion, Caloocan City.

WEDNESDAY TO THURSDAY, SEPTEMBER 25 – 26, 2024

BULACAN (MARILAO)

BETWEEN 11:00PM (WED., 09/25/24) AND 4:00AM (THU., 09/26/24) - PORTION OF CIRCUIT SAOG 412SAO

Portion of M. Villarica Road from MacArthur Highway to and including Caneville Subd. in Bgy. Tabling Ilog.

REASON: Relocation of facilities along M. Villarica Road in Bgy. Tabling Ilog, Marilao, Bulacan.

PARAÑAQUE CITY (SAN DIONISIO)

BETWEEN 11:30PM (WED., 09/25/24) AND 4:30AM (THU., 09/26/24) - PORTION OF CIRCUIT BF-PARAÑAQUE 424WU

Portion of Juanita De Leon St. from Dr. A. Santos Ave. to and including Olivarez Compound.

REASON: Relocation of poles along Dr. A. Santos Ave. in Bgy. San Dionisio, Parañaque City.

THURSDAY, SEPTEMBER 26, 2024

CAVITE (ALFONSO)

BETWEEN 10:30AM AND 3:30PM – PORTION OF CIRCUIT TAGAYTAY WEST 312TGW

Portion of Sikat Road from Tagaytay – Nasugbu National Highway to and including Puroks I – V; and Southgrove Heights Subd. in Bgy. Sikat.

REASON: Replacement of rotten poles and line maintenance work along Sikat Road in Bgy. Sikat, Alfonso, Cavite.

THURSDAY TO FRIDAY, SEPTEMBER 26 – 27, 2024

BULACAN (CALUMPIT; HAGONoy; AND MALOLOS CITY)

BETWEEN 10:00PM AND 11:00PM (THU., 09/26/24) AND THEN BETWEEN 6:00AM AND 7:00AM (FRI., 09/27/24) – THE WHOLE OF CIRCUITS CALUMPIT 312YQ AND 315YQ

Portion of MacArthur Highway from Pulilan Regional Road in Bgy. Caniogon, Calumpit to Hangga Road in Bgy. Longos, Malolos City including Bloomfields Residences, Purok Hangga, Purok Kamistisuhan, Purok Tambubong; Carmen De Luna St.; San Jose Ville Subd., Diamond Ville Subd., Purok 3 & 7; Calumpit District Hospital and Calumpit Water District Water Pump in Bgy. Caniogon, Calumpit.

Purok 1 – 7 in Bgy. Iba – Ibayo, Hagonoy.

REASON: Preventive maintenance and testing work inside Meralco - Calumpit substation.

SATURDAY, SEPTEMBER 28, 2024

RIZAL PROVINCE (MORON AND TERESA)

BETWEEN 10:00AM AND 3:00PM – PORTION OF CIRCUIT NEW TERESA 43XP

Portion of Francisco, R. Mata and Agas-as Roads from near J. Sumulong Road to and including Crystal East Subd. Phases 1A, 1C, 1F & 1H, Sitio Butig, Sitio Libis, Sitio Estacion, Manila East Lakeview Farm Compound, Sitio Agas-as, Sitio Dulo, Sitio Labas, Sitio Agas-as, Sitio Labas, Sitio Tambongco; and PhilTower Consortium Cell Site in Bgys. Bombongan and San Guillermo in Morong.

F. Gonzales St. in Bgy. Prinza, Teresa.

REASON: Line reconductoring work along Agas-As Road in Bgys. Bombongan and San Guillermo in Morong, Rizal Province.

SATURDAY AND SUNDAY, SEPTEMBER 28 & 29, 2024

LAGUNA (STA. CRUZ)

BETWEEN 11:45PM AND 11:59PM (SAT., 09/28/24) AND THEN BETWEEN 7:00AM AND 7:15AM (SUN., 09/29/24) – THE WHOLE OF CIRCUITS STA. CRUZ 34WF AND 35WF

Portion of P. Guevarra Ave. from Meralco – Sta. Cruz substation in Bgy. Pagsawitan to and including Bgys. Santisima Cruz, Umboy, Calios, Pagsawitan, San Pablo Sur, Sto. Angel Central, Sto. Angel Norte, Sto. Angel Sur and Town Proper.

Portion of Quezon Ave. from P. Guevarra Ave. in Town Proper to Pentecostal Missionary Church of Christ in Bgys. Calios, Patimbao, Sto. Angel Central and Sto. Angel Sur.

REASON: Upgrading of facilities and testing work inside Meralco - Sta. Cruz substation.

SUNDAY, SEPTEMBER 29, 2024

MANILA (PANDACAN)

BETWEEN 8:30AM AND 9:00AM AND THEN BETWEEN 2:00PM AND 2:30PM – PORTIONS OF CIRCUITS TEGEN 14B AND 56B

Portion of Jesus St. from Quirino Ave. to and including Residencias De Manila.

Portion of Jesus St. from Palumpong St. to and including Petron – Pandacan Terminal.

Portion of Palumpong and Laura Sts. from Jesus St. to Tomas Claudio St. including Beata, F. Balagtas, Aladin, General Osmalik, Miramolin, Selya, Florante, Febo, Cisne, Antenor, Florida, Menandro, Linceo and Princesa Floresca Sts.; and Ever Supermarket.

BETWEEN 8:30AM AND 2:30PM – PORTION OF CIRCUITS TEGEN 14B AND 56B

Portion of Jesus St. from Teodoro San Luis St. to and including Mercury Drugstore, St. Joseph School Pandacan and Unistar Bldg.; Labores, Industria, Narciso, Hilum, Victorino, Rosario, Balagtas and Pandacan Sts.

REASON: Replacement of rotten poles and cross-arms along Jesus St. in Pandacan, Manila.

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