

STOCK MARKET	ASIAN MARKETS	WORLD MARKETS	PESO-DOLLAR RATES	ASIAN MONIES-US\$ RATE	WORLD CURRENCIES	DUBAI CRUDE OIL
PSEi OPEN: 6,008.60 HIGH: 6,008.60 LOW: 5,933.19 CLOSE: 5,963.24 VOL: 0.735 B VAL(P): 5.055 B 30 DAYS TO MAY 26, 2026 46.14 pts. 0.76%	MAY 27, 2026 JAPAN (NIKKEI 225) 64,999.41 ▲ 3.32 0.01 HONG KONG (HANG SENG) 25,328.23 ▼ -271.22 -1.06 TAIWAN (TAIEX) 44,256.80 ▲ 731.43 1.68 THAILAND (SET INDEX) 1,570.96 ▲ 17.60 1.13 S. KOREA (KOSPI) 8,228.70 ▲ 181.19 2.25 SINGAPORE (STRAITS TIMES) 5,028.80 ▲ -41.75 -0.82 SYDNEY (ALL ORDINARIES) 8,717.70 ▲ 59.90 0.69 MALAYSIA (KLSE COMPOSITE) 1,699.02 ▼ -9.48 -0.55 <small>*CLOSING PRICE AS OF MAY 26, 2026.</small>	MAY 26, 2026 DOW JONES 50,461.680 ▼ -118.020 NASDAQ 26,656.181 ▲ 312.210 S&P 500 7,519.120 ▲ 45.650 FTSE 100 10,491.390 ▲ 25.130 EURO STOXX50 5,216.840 ▼ -38.700	FX OPEN P61.450 HIGH P61.405 LOW P61.650 CLOSE P61.560 W.AVE. P61.582 VOL. \$1,675.30 M 9.50 cmys 30 DAYS TO MAY 26, 2026 SOURCE: BAP	MAY 27, 2026 LATEST BID (0900GMT) PREVIOUS JAPAN (YEN) 159.3200 ▼ 159.1800 HONG KONG (HK DOLLAR) 7.8343 ▲ 7.8358 TAIWAN (NT DOLLAR) 31.3740 ▲ 31.4240 THAILAND (BAHT) 32.5400 ▲ 32.6300 S. KOREA (WON) 1,496.5000 ▲ 1,503.6500 SINGAPORE (DOLLAR) 1.2766 ▲ 1.2776 INDONESIA (RUPIAH) 17,775.000 ▼ 17,775.000 MALAYSIA (RINGGIT) 3.9600 ▲ 3.9640	MAY 27, 2026 US\$/UK POUND 1.3447 ▼ 1.3478 US\$/EURO 1.1644 ▲ 1.1642 US\$/AUSTRALIAN DOLLAR 0.7143 ▼ 0.7163 CANADA DOLLAR/US\$ 1.3822 ▼ 1.3801 SWISS FRANC/US\$ 0.7855 ▲ 0.7841	DUBAI CRUDE OIL FUTURES PRICE ON NEAREST MONTH OF DELIVERY \$98.50/BBL 116.50 111.20 105.90 100.60 95.30 90.00 \$0.41 30 DAYS TO MAY 26, 2026

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PHILIPPINE STOCK EXCHANGE'S 10 MOST ACTIVE STOCKS BY VALUE TURNOVER • MAY 26, 2026 (PSEi snapshot on S1/4; article on S2/2)

ICT	P799.000	MER	P600.000	JFC	P136.500	AC	P465.000	BDO	P118.000	BPI	P92.000	MWC	P42.100	PGOLD	P46.150	MBT	P64.150	SMPH	P19.000
Value	P988,609,600	Value	P421,158,535	Value	P281,120,009	Value	P189,813,906	Value	P182,867,738	Value	P173,089,951	Value	P170,080,425	Value	P162,698,065	Value	P143,609,302	Value	P127,914,696
	-P27,000 ▼ -3.269%		-P4,500 ▼ -0.744%		-P1,500 ▼ -1.087%		P5,000 ▲ 1.087%		P0.800 ▲ 0.683%		P0.900 ▲ 0.988%		-P0.450 ▼ -1.058%		-P1.150 ▼ -2.431%		-P0.650 ▼ -1.003%		-P0.140 ▼ -0.731%

Policy rate seen at 5.5% by end-2026

By Katherine K. Chan
Reporter

THE BANGKO SENTRAL ng Pilipinas (BSP) could hike its key policy rate to as high as 5.5% by end-2026 as inflation pressures intensify amid the Philippines' high exposure to the energy crisis, Fitch Solutions unit BMI said. Based on its latest forecasts obtained by *BusinessWorld*, BMI now expects the Philippine

central bank to deliver an additional 100 basis points (bps) in rate hikes at its remaining policy meetings this year. The research firm earlier said the BSP will likely cap its tightening cycle once the benchmark interest rate hits 5%, as the country's weak growth prospects hinder further hikes. The revision came as BMI now sees the country's headline inflation averaging 6.1% in 2026, higher than its 5.6% estimate earlier this month and 3.1% projec-

tion before the Middle East war erupted in late February. If realized, inflation will settle above the central bank's 2%-4% target but below its 6.3% projection for the year. Yen Nee Lee, senior Asia country risk analyst at BMI, noted that the rapid transmission of oil shocks to the Philippine economy led the research firm to make its biggest forecast revisions for the country versus other Asian countries. "Growth was already weaker coming into the crisis, but infla-

tion has shot up and forced the hands of the central bank," she said on Tuesday. "And this also explains why our forecast revisions for the Philippines are our biggest across the region." Prior to the Iran war, the Philippine economy posted its weakest growth since the COVID-19 pandemic at 4.4% in 2025 as the flood control mess fallout dampened local investments and spending. Growth continued to soften for a third straight quarter as the gross domestic product (GDP)

expanded by 2.8% in the January-to-March period from 3% in the previous quarter and 5.4% in the first quarter of 2025. The economy is expected to remain weak as red-hot inflation amid the energy crisis tightens household spending. In April, inflation accelerated to its fastest pace in three years at 7.2% as elevated oil prices continued to feed into the costs of major commodities such as food, transport and utilities. This marked the second month in a row that

the headline clip breached the BSP's target. Economic managers have warned that the spillover effects of the energy crisis could still spread in the coming months, keeping inflation elevated throughout the year. For BMI, this could also mean that Philippine GDP growth will come in at a full-year clip of 3.9%, the worst in the post-pandemic era and below the government's 5%-6% goal. *Policy rate, SI/5*

Lawmakers pushed to diversify fertilizer supply amid China reliance

By Norman P. Aquino Associate Editor
and Pexcel John Bacon

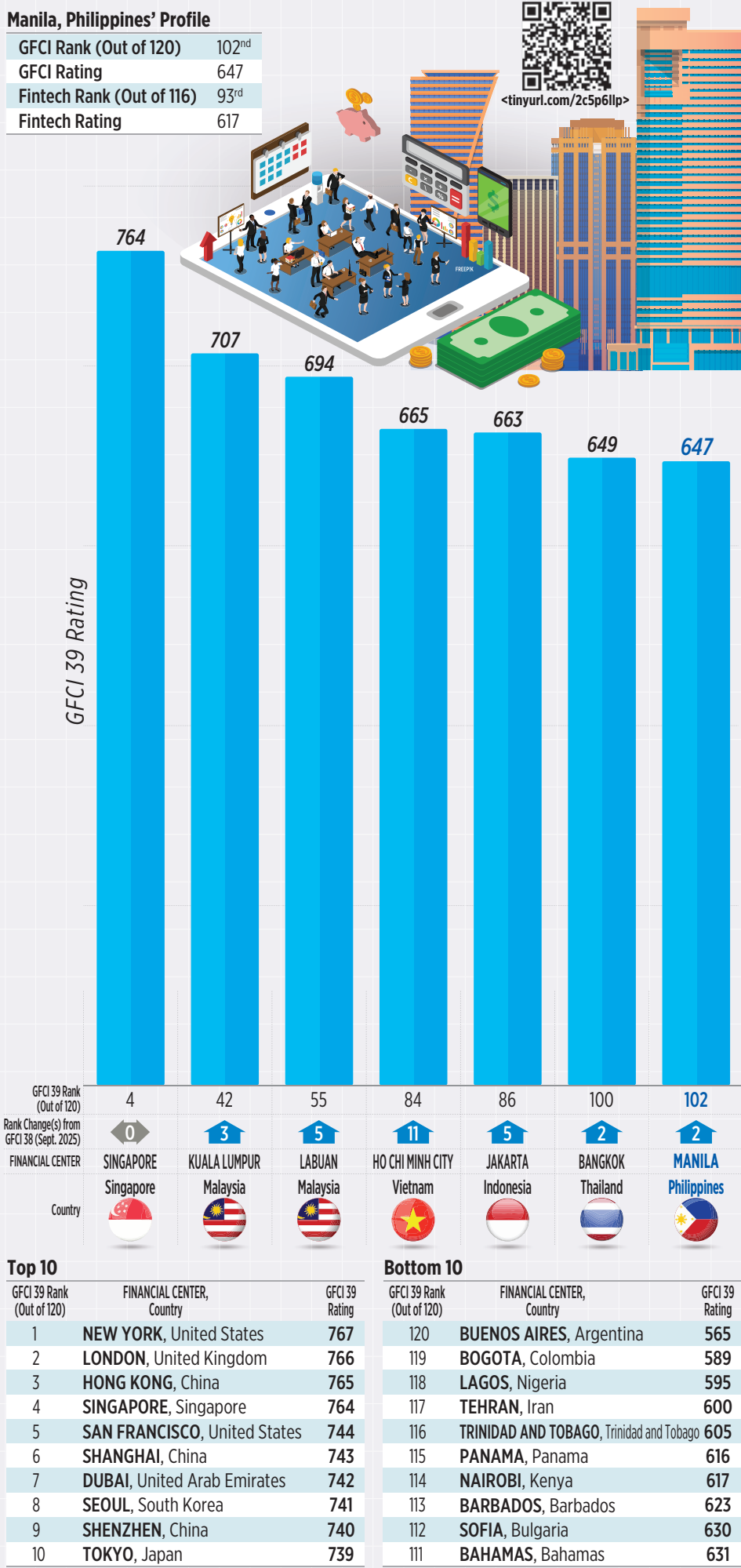
THE PHILIPPINES should diversify fertilizer sources and boost domestic capacity to reduce exposure to China and global supply shocks, according to a congressional policy paper, as imports declined but dependence on a single supplier deepened. In a report released this month, the Congressional Policy and Budget Research Department (CPBRD) of the House of Representatives warned that the country's fertilizer import structure remains highly concentrated among a small number of suppliers, exposing the agriculture sector to external supply disruptions and geopolitical risks. "This heavy reliance poses a serious supply chain risk, with Chinese imports alone accounting for 53.6% of the country's total supply in 2025," the House think tank said. The CPBRD said the Iran war and the crisis involving the closure of the Strait of Hormuz, aside from China's export controls, could continue to raise fertilizer costs in the coming months, adding pressure on agricultural production and food prices. "The Philippines has seen a significant decline in its reliance on imported fertilizers to sustain rice and maize yields," the CPBRD said, adding that import trends also point to a concentration risk in supply. Fertilizer imports fell 6.8% to 2.37 million metric tons (MT) in 2025 from 2.54 million MT in 2023, based on Bureau of Customs data cited in the report, reflecting lower fertilizer application rates and easing demand. Fertilizer use also dropped, with application declining by 30.1% to 199.4 kilograms per hectare in 2023 from a year earlier, the CPBRD said, citing data from the Food and Agriculture Organization. Nitrogenous fertilizer, mostly urea, accounted for 61.3% of total imports over 2023-2025, followed by mixed fertilizer at 28.7% and potassic fertilizer at 9.6%, it said. China increased its share of Philippine fertilizer supply despite the fall in overall volumes. Imports from China rose to 1.27 million MT in 2025, equivalent to 53.6% of total shipments. Other suppliers lagged far behind. Indonesia held an 8.2% share, followed by Canada at 5.8%, Brunei Darussalam at 5.2%, and Malaysia at 5.1%, while the remaining 22.1% came from 45 countries combined. China's role is more pronounced in key product segments. It supplied 39.1% of nitrogenous fertilizer and 79.1% of mixed fertilizer imports, backed by its coal-based ammonia production and large phosphate reserves. Canada dominated potassic fertilizer supply with a 51.2% share, while India accounted for 50.6% of organic fertilizer imports. The CPBRD said the concentration of suppliers exposes the country to supply chain risks, including export restrictions and geopolitical disruptions. *Fertilizer, SI/9*

Manila climbs two spots in financial center ranking

Manila rose two places to 102nd out of 120 global financial centers in the 39th edition of the biannual Global Financial Centers Index (GFCI) by London-based think tank Z/Yen as part of its Long Finance initiative. Despite the improvement, the Philippine capital still remained the laggard among its peers in the Southeast Asian region. In a separate assessment of countries as financial technology (fintech) providers, Manila retained the 93rd rank out of 116 financial centers. The GFCI evaluates the future competitiveness of financial centers and is used as a reference for policy and investment decision-makers.

Manila, Philippines' Profile

GFCI Rank (Out of 120)	102 nd
GFCI Rating	647
Fintech Rank (Out of 116)	93 rd
Fintech Rating	617



Source: Z/Yen's Global Financial Centers Index 39 (https://www.longfinance.net/programmes/financial-centre-futures/global-financial-centres-index/gfci-39-explore-the-data/) BusinessWorld Research: Matthew Miguel L. Castillo BusinessWorld Graphics: Bong R. Fortin

PHL economy expected to rebound in 2nd half

By Justine Irish D. Tabile
Senior Reporter

THE PHILIPPINE ECONOMY could grow by around 5% in the second half of the year, driven by base effects and an expected acceleration in government infrastructure spending, according to the University of Asia and the Pacific (UA&P). "Growth could recover to around 5% in the second half on base effects and a ramp-up in National Government infrastructure spending," UA&P said in its The Market Call report this month. Government officials earlier signaled a pickup in disbursements and project implementation as agencies roll out catch-up programs. UA&P cautioned, however, that growth will remain subdued in the first half amid unresolved issues surrounding last year's flood control scandal and elevated oil prices. "Weak gross domestic product growth and faster inflation will weigh on the economy in the first half amid the unresolved flood control scandal and high oil prices from the Middle East conflict," it said. "Flip-flopping US-Iran talks may keep fuel prices elevated, hit-

ting the Philippines harder than its ASEAN (Association of Southeast Asian Nations) peers," it added. The Philippine economy expanded by a slower-than-expected 2.8% in the first quarter. This was below the government's target range of 5-6% for the year. For the entire year of 2026, UA&P said growth will be slow "but pose some resilience in the face of near-term global and local headwinds that will likely moderate activity in the first half of the year." "While cautious business sentiment and lingering geopolitical uncertainties may weigh on household and investment spending, the domestic economy continues to benefit from strong structural drivers such as steady household consumption, a healthy labor market, and sustained remittance inflows," it added. Meanwhile, UA&P said that it expects inflation to accelerate further amid second-round effects from the oil shock, "but likely not to (reach) double digits year on year." Inflation accelerated to 7.2% in April, marking the second consecutive month that it settled above the Bangko Sentral ng Pilipinas' (BSP) 2%-4% target. It also breached the BSP's 5.6%-6.4% forecast for the month. *Economy, SI/9*

BIR clarifies tax treatment of casino jackpot winnings

THE BUREAU of Internal Revenue (BIR) has issued new revenue memorandum circulars targeting unpaid taxes in digital marketplaces and clarifying the taxation of large casino jackpots. BIR Commissioner Charlito Martin R. Mendoza warned that electronic marketplace (e-marketplace) and gambling operators must strictly comply with withholding tax rules or face immediate penalties. Under Revenue Memorandum Circular (RMC) No. 57-2026, the agency said jackpot prizes from casinos and other gambling activities are considered "winnings" and therefore subject to final withholding tax. The circular was issued to address queries on the scope of "winnings" under the Tax Code. "There is a compelling need to clarify the tax treatment of jackpot prizes to ensure consistent application of existing laws, promote equity and uniformity in taxation, and safeguard government revenue — without expand-

ing or modifying the scope of the law," it said. The circular covers jackpot prizes, or the highest prize, derived by individuals from participation in casino gaming and other gambling activities. "The tax base for computing the final withholding tax shall be the gross amount of the jackpot prize or winnings, without any deduction for service charges, administrative fees, commissions, or other similar charges," the BIR said. Winnings will be subject to a 20% final withholding tax or 25% if derived by nonresident aliens not engaged in trade or business in the Philippines. "Failure of the withholding agent or gaming operator to withhold and remit the correct amount of final tax on jackpot prizes or winnings shall render such party liable for the corresponding surcharge, interest, and compromise penalties without prejudice to the filing of appropriate criminal actions," the circular read. *BIR, SI/5*