

Banking & Finance

Yields on BSP's term deposits rise on rate hike expectations

TERM DEPOSIT yields climbed on Wednesday as the peso's continued depreciation could prompt the Bangko Sentral ng Pilipinas (BSP) to hike interest rates further.

Demand for the BSP's term deposit facility (TDF) totaled P242.146 billion on Wednesday, higher than the P200 billion on the auction block. This was below the P317.604 billion in bids logged last week for a P240-billion offer.

Broken down, the seven-day term deposits attracted tenders amounting to P126.957 billion, above the BSP's P120-billion offering. However, this was below the P195.304 billion in bids for a P140-billion offer seen the prior week.

Rates accepted by the central bank for the seven-day papers

ranged from 3.7345% to 3.9999%, wider and higher than the 3.7% to 3.85% range logged the previous week. This brought the average rate for the tenor to 3.8357%, up by 3.06 basis points (bps) from the 3.8051% seen on Aug. 31.

For the 14-day deposits, bids hit P115.189 billion, surpassing the P80 billion on the auction block. However, this was lower than the P122.30 billion in demand for the P100-billion offering seen a week ago.

Accepted yields were from 3.75% to 3.8699%, narrower compared with the 3.7% to 3.9% margin recorded the previous week. This brought the average rate of the two-week deposit to 3.8465%, inching up by 0.11 bp from the 3.8454% recorded the prior week.

The central bank has not auctioned off 28-day term deposits for more than a year to give way to its weekly offerings of securities with the same tenor.

The term deposits and the BSP bills are used by the central bank to mop up excess liquidity in the financial system and to better guide market rates.

Yields on the BSP's term deposits were higher as the peso's continued descent to record-low levels could give the central bank a reason to hike borrowing costs further, Rizal Commercial Banking Corp. Chief Economist Michael L. Ricafort said in a Viber message.

The peso on Wednesday logged a new all-time low versus the dollar for a fourth straight session, closing at P57.135, depreciating by

13.5 centavos from its P57 finish on Tuesday, Bankers Association of the Philippines data showed.

The local unit tested fresh lows throughout the day, with its intraday worst at P57.33 and its strongest showing at just P57.

Year to date, the peso has weakened by 12.02% or P6.135 from its P51-per-dollar close on Dec. 31, 2021, putting it among Asia's worst performers, along with the Japanese yen, South Korean won and Taiwanese dollar.

BSP Governor Felipe M. Medalla said in an economic briefing in Singapore on Wednesday that the central bank could hike rates further as the US Federal Reserve continues to tighten policy aggressively, which has propped up the dollar.

Term deposits, S2/3

MARKET WATCH

WEDNESDAY, SEPTEMBER 7, 2022

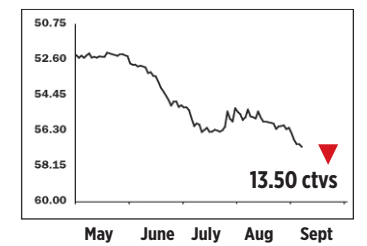
FOREIGN INTEREST RATES

Percent per annum

| | July 11 | Aug 08 | Sept 05 |
|---------------------|---------|--------|---------|
| LIBOR (US\$) | | | |
| 90-days | 2.4551 | 2.9116 | 3.1449 |
| 180 | 3.0704 | 3.5689 | 3.6899 |
| SIBOR (SG\$) | | | |
| 90-days | 1.9136 | 2.4757 | 2.6709 |
| 180 | — | — | 0.8211 |

FOREX RATE

WEDNESDAY, SEPTEMBER 7, 2022



Close: **P57.135**
Volume: **\$1,232.70 million**
Previous Close: **P57.000**
Source: Bankers Association of the Philippines

MONEY QUOTATIONS

Source: REUTERS

TUESDAY, SEPTEMBER 6, 2022

EXCHANGE RATES

NEW YORK - one US\$ expressed in respective unit of foreign currency

| | |
|----------------|----------|
| United Kingdom | 1.1516 |
| Canada | 1.3152 |
| Switzerland | 0.9843 |
| Japan | 142.7900 |
| India | 79.8700 |
| Mexico | 20.1180 |
| Denmark | 7.5069 |
| Norway | 10.0079 |
| Sweden | 10.7886 |
| Singapore | 1.4065 |
| Australia | 0.6735 |
| New Zealand | 0.6037 |
| Hong Kong | 7.8495 |
| S. Africa | 17.2944 |
| Hungary | 407.1900 |
| Israel | 3.4148 |
| Iceland | 142.6900 |
| Czech Koruna | 24.8650 |

LONDON - one pound sterling expressed in respective unit of foreign currency at 1637 GMT

| | | |
|--------------|----------|----------|
| US | 1.1476 | 1.1477 |
| Swiss France | 1.1309 | 1.1314 |
| Japan | 164.4700 | 164.5200 |
| Norway | 11.5538 | 11.5578 |
| EURO | 1.1609 | 1.1614 |
| Canada | 1.5128 | 1.5133 |
| Denmark | 8.6325 | 8.6365 |
| Sweden | 12.4300 | 12.4429 |

JAPAN - in ¥ per unit of foreign currency

| | | |
|-------------|--------|--------|
| UK | 0.6079 | 0.6080 |
| Switzerland | 0.6875 | 0.6878 |

SINGAPORE - in S\$ per unit of foreign currency

| | | |
|----------------|--------|--------|
| US | 1.4085 | 1.4094 |
| UK | 1.6164 | 1.6176 |
| Australia | 0.9452 | 0.9461 |
| Per 100 | | |
| Hong Kong | 0.1794 | 0.1796 |
| Japan | 0.9826 | 0.9833 |

MONEY RATES (London)

| Euro\$ Depo | | |
|--------------|--------|--------|
| One month | 2.7200 | 2.9200 |
| Three months | 3.1400 | 3.3400 |
| Six months | 3.7000 | 3.9000 |
| One year | 4.1200 | 4.3200 |

Forwards & Deposits (Singapore)

| | | |
|--------------|--------|--------|
| One month | 2.1500 | 2.3500 |
| Two months | 2.3500 | 2.4500 |
| Three months | 2.5500 | 2.6500 |
| Six months | 2.6500 | 2.7500 |
| Nine months | 2.7500 | 2.8500 |
| One year | 2.8000 | 3.0000 |

LIBOR RATE - London Interbank Offered

Rates charged in US\$ for Eurodollar loans

| Rates fixed at 11:00 a.m. London time | | |
|---------------------------------------|--|--------|
| One Month | | 2.6429 |
| Two Months | | 0.0000 |
| Three months | | 3.1449 |
| Six months | | 3.6899 |
| One year | | 4.1487 |

WORLD BULLION

| WORLD BULLION - in US\$ per troy ounce, rupees/10 gms, won/gram | | |
|---|---------|---------|
| Ldn morning fix | | 1712.50 |
| Ldn aftrn fix | | 1702.60 |
| London close | 1704.00 | 1705.10 |
| New York | SPOT | 700.6/ |
| Zurich | SPOT | 700.6/ |
| Bombay 24 carat | 200.00 | 200.00 |

US Gold Prices (\$/Troy ounce)

| | | |
|-----------------------------|---------|---------|
| Engelhard gold (bullion) | 1707.00 | |
| Engelhard gold (fabricated) | 1835.03 | |
| Handy & Harman (base price) | 1702.60 | |
| Handy & Harman (fabricated) | 1889.80 | |
| Kruggerand | 1704.00 | 1707.00 |

Central bank's rediscount facility untapped in August

LENDERS left the rediscount facility of the Bangko Sentral ng Pilipinas (BSP) untapped again in August as there was enough liquidity in the financial system.

In a statement on Monday, the BSP said its peso rediscount window was untouched anew last month. Total borrowings for the first eight months remained at P11.6 billion, which was from separate availments worth P4.08 billion and P7.52 billion made by a universal bank in April and June, respectively.

The Exporters' Dollar and Yen Rediscount Facility (EDYRF) was also untapped in August. The last time an availment was

made under the EDYRF was a dollar rediscounting loan in 2016.

In 2021, banks only borrowed from the BSP's rediscount facility in June, July, and September. These peso rediscount loans amounted to P6.12 million.

The BSP's rediscount window gives banks access to additional money supply by posting their collectibles from clients as collateral.

In turn, banks may use the cash — denominated in peso, dollar or yen — to extend more loans to their corporate or retail clients and service unexpected withdrawals.

Rizal Commercial Banking Corp. Chief Economist Michael L. Ricafort said there were no rediscount loans again last month amid "continued excess liquidity in the financial system."

M3, which is considered as the broadest measure of liquidity in an economy, grew by 7% year on year to P15.4 trillion in July.

Meanwhile, preliminary data from central bank showed outstanding loans of big banks expanded by 12% to P10.21 trillion in July.

Rediscount, S2/3



REUTERS

GOVERNMENT SERVICE Insurance System has partnered with M. Lhuillier Financial Services, Inc. to expand its loan payment solutions.

GSIS partners with M. Lhuillier to expand loan payment channels

GOVERNMENT SERVICE Insurance System (GSIS) has tapped M. Lhuillier Financial Services, Inc. to expand its loan payment solutions to about 5,600 collection sites.

GSIS and M. Lhuillier signed a memorandum of agreement on the partnership on Tuesday at the GSIS head office in Pasay City, the pension fund said in a statement on Wednesday.

The partnership will allow GSIS members to pay their loan dues via M. Lhuillier's 2,576 branches nationwide.

The company joins the CIS Bayad Center, Inc., which also accepts GSIS loan payments via its 3,000 payment centers.

To date, Bayad has collected P173 million in GSIS loan payments.

"We hope to double this feat with M. Lhuillier's payment solutions of over 2,500 centers," M. Lhuillier President and Chief Executive Officer Michael Lhuillier was quoted as saying, referring to Bayad's collections.

"We are honored to be a part of the GSIS payment platforms for the greater convenience of its members and pensioners. We look forward to growing this partnership. *Lahat pwede* or what we call 'pwede-bilities' when you partner with M. Lhuillier," Mr. Lhuillier added.

GSIS President and General Manager Jose Arnulfo A. Veloso said their partnership with M. Lhuillier will allow the state-run pension fund to leverage on the company's strategic presence in the South, as 40% of its members and pensioners are in the Visayas and Mindanao.

"We are bringing our *ginhawa* services closer to our members and pensioners by engaging more payment channels so that our stakeholders need not visit our offices. This will also complement GSIS's efforts to improve our loan collection efficiency," Mr. Veloso said.

The official said aside from physical channels, GSIS members can also pay their dues via the mobile apps of UnionBank of the Philippines, Inc. and Land Bank of the Philippines.

"This means more GSIS funds can be made available for our members and pensioners who are in need," Mr. Veloso added. "We plan to enter into similar agreements with other payment service providers in the coming months to bring our payment channels to 10,000 over-the-counter and online outlets to enhance our customer experience," he said.

GSIS booked a net profit of P595.81 billion in 2021, a turnaround from the P94.18-billion loss it posted in 2020. — **D.G.C. Robles**



NOTICE OF THE 2022 ANNUAL STOCKHOLDERS' MEETING

TO ALL SHAREHOLDERS

NOTICE IS HEREBY GIVEN that the Annual Meeting of the Stockholders of ALVIERA COUNTRY CLUB, INC. will be held on **30 September 2022, Friday, at 10:00 a.m.** via online remote communication, with the following

AGENDA

1. Call to Order
2. Proof of Notice and Determination of Quorum
3. Approval of the Minutes of the Previous Annual Stockholders' Meeting held on 30 September 2021
4. Ratification of all Acts, Contracts, Investments, and Resolutions of the Board of Directors and Acts of Management since the last Annual Stockholders' Meeting
5. Presentation and Approval of the President's Report and the 2021 Audited Financial Statements
6. Election of Directors
7. Appointment of Independent External Auditor and Fixing of its Remuneration
8. Other Matters
9. Adjournment

The record date for stockholders of record entitled to notice of, and vote at, this meeting is **31 July 2022**.

Given the health and safety concerns arising from the COVID-19 pandemic, stockholders may only attend the meeting through remote videoconferencing facilities and voting *in absentia*. Stockholders interested to participate through any of these means should notify the Corporation by email to members@alvieracountryclub.com not later than **15 September 2022**. The guidelines for registration, attendance through remote videoconferencing, and voting *in absentia* or by proxy shall be sent by email to the interested stockholders. These guidelines are also set out in the Information Statement which is available in the Corporation's website.

Any instrument authorizing a proxy to act as such must be submitted and received at the principal office of the corporation on or before **15 September 2022 at 5:00 pm**, addressed to the attention of the Corporate Secretary. Corporate shareholders are required to submit duly notarized Secretary's Certificates attesting to the resolution of the Board of Directors designating their proxies. Validation of proxies shall be on **20 September 2022 at 11:00 a.m.** at the principal office of the Corporation. No proxy is being solicited.

San Juan City, 12 August 2022.


ATTY. ANNA LIZA M. ANG-CO
Corporate Secretary