



BAIPHIL MARKET WATCH

*BAIPHIL @ 85: CONTINUING PARTNERSHIP TO R.I.S.E. IN BANKING
RESILIENCE. INCLUSIVITY. SUSTAINABILITY. ENGAGEMENT*

23 Mar
2026

Legend

- Improvement / Up
- Deterioration / Down
- No Movement

FINANCIAL MARKETS AT A GLANCE



Currency Exchange ¹	Current	Previous
USD/PHP	HOLIDAY	60.1000
USD/JPY	159.2300	157.7100
USD/CNY	6.8864	6.9005
EUR/USD	1.1571	1.1588
GBP/USD	1.3340	1.3430

PHP BVAL Reference Rates ²	Current	Previous
30-Day	HOLIDAY	4.7438
91-Day	HOLIDAY	4.9813
180-Day	HOLIDAY	4.9581
1-Year	HOLIDAY	5.0866
3-Year	HOLIDAY	6.2660
5-Year	HOLIDAY	6.5913
10-Year	HOLIDAY	6.9072

Domestic Stock Index ³	Current	Previous
PSEi	HOLIDAY	6,018.62
Trade Value (Php B)	HOLIDAY	9.958

Stock Index ⁴	Current	Previous
NIKKEI 225	HOLIDAY	53,372.53
FTSE 100	9,918.33	10,063.50
DOW JONES	45,577.47	46,021.43
S&P 500	6,506.48	6,606.49
NASDAQ	21,647.61	22,090.69

Various ^{5/6}	Current	Previous
Brent Crude (USD/bbl)	112.19	107.81
3-M US Treasury Yield	3.74%	3.73%
5-Y US Treasury Yield	4.01%	3.88%
10-Y US Treasury Yield	4.39%	4.25%



PHILIPPINES



~~~ Philippine Markets Were Closed On March 20 Due To Holiday. ~~~

- ✓ **Philippine stocks spooked by peso free fall as Middle East war intensifies.** Local stocks closed lower on Thursday, as early selling pressure dragged the main index into the red, weighed down by peso's weakness and global uncertainties. The benchmark Philippine Stock Exchange Index (PSEi) fell 0.61 percent or 36.83 points, to close at 6,018.62. Luis Limlingan, head of sales at stock brokerage house Regina Capital Development Corp., said the market decline came as the peso dropped to a record low against the US dollar. This followed the US Federal Reserve's decision to keep interest rates unchanged. "The ongoing uncertainty in the Middle East, which continues to impact oil prices, further weighed on market sentiment. However, late-session buying interest helped trim the index's losses," Limlingan said. Market breadth remained negative, with decliners outpacing advancers, 133 to 61, while 55 issues were unchanged.  
<https://business.inquirer.net/580408/philippine-stocks-spooked-by-peso-free-fall-as-middle-east-war-intensifies>
- ✓ **Peso closes at 60.10 vs dollar, weakest level in history.** The Philippine peso slid to a fresh record low on Thursday, breaking past 60 to the dollar, as the greenback strengthened after the US Federal Reserve had kept interest rates unchanged amid uncertainties over the war in the Middle East. The currency closed at 60.1 per dollar, weakening by 58 centavos from its previous finish and setting a new all-time low, surpassing the prior record of 59.87 reached on March 16. During the session, the peso fell as far as 60.4 before trimming some losses, eclipsing its previous intraday low of 59.95. Before Thursday's foreign exchange trading session, the Bangko Sentral ng Pilipinas issued this statement: "On the peso, the BSP stresses that it operates in the foreign exchange market to smooth excess volatility and maintain orderly conditions. This is consistent with a flexible exchange rate policy, with intervention limited to tempering large swings that could affect inflation rather than defending any specific level."  
<https://business.inquirer.net/580375/peso-closes-at-60-10-vs-dollar-weakest-level-in-history>
- ✓ **T-bill, bond yields may advance as demand weakens on inflation risks.** Rates on Treasury bills and bonds to be offered this week are expected to climb further as investors turn cautious amid rising inflation risks linked to the Middle East war. Analysts said yields could track the recent rise in the secondary market, driven by expectations of possible monetary tightening as oil prices surge. Rizal Commercial Banking Corp. Chief Economist Michael L. Ricafort said rate hike signals from policymakers could push yields higher. The Bureau of the Treasury will auction P27 billion in Treasury bills on Monday, with P9 billion each in 91-, 182-, and 364-day tenors. On Tuesday, it will offer as much as P40 billion in dual-tenor Treasury bonds, including reissued seven-year papers with a remaining life of three years and one month and 25-year bonds with a remaining life of 23 years and 10 months. Finance Secretary and Monetary Board member Frederick D. Go said a

prolonged spike in oil prices might prompt the central bank to raise borrowing costs as early as next month. The Monetary Board would likely consider tightening in the next meeting if the price of oil remains elevated, he said.

<https://www.bworldonline.com/banking-finance/2026/03/23/737812/t-bill-bond-yields-may-advance-as-demand-weakens-on-inflation-risks/>

- ✓ **Debt yields rise on price fears, hawkish BSP signals.** Yields on government securities rose last week as investors pulled back amid mounting inflation concerns and expectations that the central bank might tighten policy in response to surging oil prices. Market sentiment turned cautious as the conflict in the Middle East pushed crude prices higher, raising the risk of faster inflation and eroding appetite for fixed-income assets. This led investors to demand higher returns, driving yields up across the curve while trading activity thinned. A bond trader said the market remained defensive, with participants reacting to developments in the conflict and its impact on global oil prices and US Treasury yields. "With the war continuing, upward pressure on yields will likely continue," the trader said, noting that investors were closely watching both geopolitical developments and policy signals from major economies. The sell-off was broad-based, with yields rising from short-term Treasury bills to longer-dated bonds, reflecting expectations that inflationary pressures could be sustained over the medium term. <https://www.bworldonline.com/banking-finance/2026/03/23/737811/debt-yields-rise-on-price-fears-hawkish-bsp-signals/>
- ✓ **World Bank sees 2026 Philippine growth at 4.6%.** Philippine economic growth would likely remain below its potential of at least six percent until the end of the Marcos Jr. administration, according to the latest forecasts by the World Bank. Documents on the latest \$800-million Philippines Growth and Jobs Development Policy Loan (DPL) 1, approved by the Washington-based multilateral lender last week, showed a projected 4.6-percent gross domestic product (GDP) growth rate for the country in 2026, inching up from the post-pandemic-low of 4.4 percent in 2025. This forecast is below the government's downgraded five- to six-percent growth target for the year. For 2027, the World Bank expects the Philippine economy to grow by 5.3 percent, which would also be lower than next year's downscaled 5.5- to 6.5-percent goal. By the time President Ferdinand R. Marcos Jr. steps down and turns over to a new administration in 2028, World Bank projections showed 5.5-percent GDP growth, still below the six- to seven-percent target. <https://mb.com.ph/2026/03/19/world-bank-sees-2026-philippine-growth-at-46>
- ✓ **Philippines' 'A' rating goal at risk as oil costs strain finances.** Global debt watcher Fitch Ratings said the Philippines' pursuit of an A-level sovereign credit rating could face delays if oil-related uncertainty persists, potentially stalling the Marcos administration's efforts to narrow its budget deficit. Jeremy Zook, senior director for sovereign ratings at Fitch Ratings, said during a virtual press briefing that while the agency maintains a positive outlook on Philippine economic expansion, several downside risks are beginning to cloud the credit assessment. "Our rating model assigned the Philippines a BB+ outcome, but we upgraded it two notches to BBB, largely reflecting the country's strong medium-term growth outlook," Zook said. "Any factor that undermines our view of that medium-term growth outlook would be a key driver of potential negative rating pressure. If these growth challenges become more entrenched and structural, they could pose significant risks to the rating," he added. Earlier this year, Fitch maintained its 'BBB' rating with a stable outlook despite the difficulty the Philippines faces in narrowing its fiscal deficit and reducing its debt, as high interest costs and governance issues continue to weigh on its credit profile. Fitch also noted that the Philippines was the last among five large Asian emerging markets to secure a triple 'B' flat status. <https://mb.com.ph/2026/03/19/philippines-a-rating-goal-at-risk-as-oil-costs-strain-finances>
- ✓ **Philippine manufacturers cut costs as peso breaches 60 per dollar.** Domestic manufacturers are intensifying cost-cutting measures as the escalating conflict in the Middle East threatens to drive up fuel prices and further weaken the peso, potentially raising consumer prices and jeopardizing employment. Federation of Philippine Industries (FPI) chairperson Elizabeth Lee said manufacturing companies are working to make their operations more efficient, especially with uncertainty over how long the conflict might continue. "Right now, I think it's already part of the business strategy to really tighten your belts because this was not expected," Lee told reporters on the sidelines of an FPI forum. Since the war broke out in late February, fuel prices have surged to unprecedented levels due to supply disruptions in the Middle East, where the Philippines sources most of its oil needs. Beyond its potential to trigger higher inflation, increases in fuel prices are putting pressure on the peso, which slid past the 60-per-dollar mark early Thursday, March 19. <https://mb.com.ph/2026/03/19/philippine-manufacturers-cut-costs-as-peso-breaches-60-per-dollar>
- ✓ **BSP may pause in April — Moody's.** The Bangko Sentral ng Pilipinas (BSP) may pause at its next meeting rather than immediately reverse its easing cycle amid oil price spikes and the peso's depreciation, Moody's Analytics said. "I think it is unlikely for the BSP to immediately shift back to a tightening cycle while it is still on an easing path, but the risk of a prudent and prolonged pause has clearly increased," Moody's Analytics Assistant Director and Economist Sarah Tan told *BusinessWorld* in an e-mail. Ms. Tan noted that the central bank can tolerate temporary oil price spikes, but a sustained uptrend in oil prices potentially driving transport and electricity costs higher would raise the odds of monetary policy tightening. "The key issue is whether the rise in oil prices proves temporary or sustained," she said. "A short-lived spike is something the BSP can usually look through, but persistently elevated oil prices that push the inflation outlook materially above the BSP's 2%-4% target range would likely lead to a longer pause, and eventually raise the possibility of a hike if second-round effects begin to appear in transport fares, electricity rates, and inflation expectations." <https://www.bworldonline.com/top-stories/2026/03/23/737903/bsp-may-pause-in-april-moodys/>
- ✓ **BSP to widen credit, equity exposure reporting to more financial institutions.** The Bangko Sentral ng Pilipinas (BSP) plans to expand its credit and equity exposures report to more financial institutions to strengthen monitoring of emerging risks and credit registry operations in the financial system. This expansion, based on the BSP's draft circular, will include non-stock savings and loan associations (NSSLAs), non-bank credit card companies, government non-bank financial institutions (FIs), non-bank subsidiaries and affiliates of banks and quasi-banks, and other non-bank financial institutions (NBFIs) under BSP supervision that maintain credit and equity exposures. According to the BSP, the current version of the Enhanced Comprehensive Credit and Equity Exposures Report (COCREE 2.0) covers all banks, non-bank financial institutions with quasi-banking functions, and trust entities. <https://mb.com.ph/2026/03/23/bsp-to-widen-credit-equity-exposure-reporting-to-more-financial-institutions>
- ✓ **Philippines to tap oil stockpiles abroad to boost domestic supplies — Marcos.** The Philippines is tapping oil stockpiled in other countries to boost domestic fuel supply as ongoing conflicts in the Middle East continue to disrupt global oil markets, President Ferdinand Marcos Jr. said on Thursday. Marcos said the country is working to expand its 30-day oil buffer to a two to three months' worth of supply. "The President did not disclose the countries providing oil, though Iranian chokepoints in the Strait of Hormuz remain a global concern. Earlier, Energy Secretary Sharon Garin said Manila is looking to secure 200 million barrels from the United States, Canada, Russia, or South

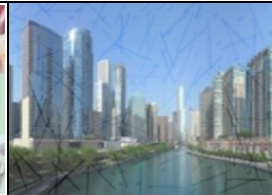
American countries. The government is also moving to “accelerate” the shift to solar power to reduce dependence on imported oil, Marcos said. “Solar was already becoming very, very popular dahil nga it’s free energy. One time lang ang bayaran,” he said. “Now we will accelerate so that the load on our power plants at least is going to be lessened,” he said. While the Philippines has been gradually moving away from coal, the President said the policy may need revisiting amid the current energy crisis.

<https://www.abs-cbn.com/news/business/2026/3/19/philippines-to-tap-oil-stockpiles-abroad-to-boost-domestic-supplies-marcos-1512>

- ✓ **Manila’s slow response to oil price spike exposes economy to energy shock.** The Philippine government’s slow response to surging oil prices risks worsening the economic impact of the latest energy shock, analysts said, as elevated global crude costs begin to filter through to transport fares and supply chains. This as President Ferdinand R. Marcos, Jr. on Sunday said discussions regarding oil supply with China, South Korea, India, Thailand, Brunei and Japan are “going well.” “It’s a good thing we have truly built strong friendships with them and that they are willing to help us,” he said in a video message in Filipino, without giving details. Mr. Marcos had earlier said the government is looking for alternative sources of petroleum products as global supply was disrupted by the conflict in the Middle East. “The government is moving too slowly,” Noel M. Baga, co-convenor of the Center for Energy Research and Policy think tank, said via Facebook Messenger. Dubai crude oil has traded between \$130 and \$153 per barrel in recent weeks, far exceeding the \$80 threshold set by the government, while local diesel prices have climbed to as high as P114 per liter. The oil price surge, driven by the Iran war, is beginning to push up the cost of basic goods and expose gaps in the government’s response framework.  
<https://www.bworldonline.com/top-stories/2026/03/23/737900/manilas-slow-response-to-oil-price-spike-exposes-economy-to-energy-shock/>
- ✓ **DBM eyes cost-cutting measures if fuel excise tax is suspended.** The Department of Budget and Management (DBM) said that it is looking at cost-cutting measures should the revenue losses from the proposed suspension of excise tax on fuel are not fully offset. “At this stage, there is no automatic or immediate shift in expenditure priorities,” Budget Undersecretary Goddess Hope O. Libiran told *BusinessWorld* via Viber. “Should the projected revenue losses from the proposed excise tax suspension not be offset by compensatory revenue measures, the government will need to adopt targeted efficiency-enhancing interventions to remain consistent with its fiscal deficit objectives,” she added. In particular, Ms. Libiran said that the department is looking at the rationalization of nonessential operational expenditures to safeguard priority and high-impact programs. Nonessential spending includes travel, training, consultancy services, and discretionary spending on materials and supplies.  
<https://www.bworldonline.com/top-stories/2026/03/23/737901/dbm-eyes-cost-cutting-measures-if-fuel-excise-tax-is-suspended/>
- ✓ **DA chief Tiu Laurel assures public of stable price, supply of agri products until June-July.** Agriculture Secretary Francisco Tiu Laurel Jr. assured the public Thursday that prices in the country will remain stable for the time being amid tensions in the Middle East as supplies of agricultural products are expected to last until June or July. “I can safely say na hanggang June or even July walang issue sa supply of almost everything,” Tiu Laurel said in an ambush interview when asked if he can assure stable supply and prices. (I can safely say that up until June or even July, there won’t be an issue of supply in almost everything.) “In general, prices should remain stable at this time. Of course, may kaunting taas ding nakikita. At least P2 per kilo dahil sa freight, dahil ‘yung transport cost ng lahat ay tumaas din,” he added.  
<https://www.gmanetwork.com/news/money/economy/980592/da-chief-tiu-laurel-assures-public-of-stable-price-supply-of-agri-products-until-june-july/story/>
- ✓ **PDIC submits 46 payout plans in 2025.** The Philippine Deposit Insurance Corp. (PDIC) submitted 46 payout plans for closed banks in 2025, meeting its full-year target and speeding up payments to creditors and uninsured depositors. The plans included 20 final payout plans, which cover all remaining assets needed to complete liquidation, and 26 partial plans for assets already sold or recovered, the agency said in a statement on Thursday. “Every asset distribution plan we file brings creditors and uninsured depositors closer to receiving what is lawfully due to them,” PDIC President and Chief Executive Officer Roberto B. Tan said. He added that meeting the target shows steady progress in settling claims. Once approved by the courts, the plans will allow the PDIC, acting as liquidator, to distribute proceeds from recovered assets to creditors. Each plan outlines how funds will be allocated based on the estimated value of assets, following rules on creditor priority under Philippine law. As of end-2025, the PDIC was handling 303 closed banks, covering 1,245 banking units. Of these, 64 banks have final payout plans awaiting court approval, which would let the agency complete their liquidation once cleared.  
<https://www.bworldonline.com/banking-finance/2026/03/20/737543/pdic-submits-46-payout-plans-in-2025/>
- ✓ **Philippine business groups back SEC broker director term limits.** The Philippines’ influential business organizations threw their weight behind the Securities and Exchange Commission (SEC) proposal to impose term limits on broker directors of securities exchanges, arguing the move is vital to bolstering market credibility and governance. In a joint statement released Thursday, March 19, the Institute of Corporate Directors, Financial Executives Institute of the Philippines, Management Association of the Philippines, Capital Markets Development Foundation Inc., and the Investment House Association of the Philippines said the draft memorandum circular represents a constructive step toward reinforcing board independence. The groups noted that the SEC’s plan to curb long-tenured directors would help mitigate potential conflicts of interest within the country’s financial infrastructure. The organizations said that the securities exchange functions as more than a standard private corporation. Under the Securities Regulation Code, these entities operate as self-regulatory organizations tasked with monitoring trading activities and supervising the very brokers who sit on their boards.  
<https://mb.com.ph/2026/03/19/philippine-business-groups-back-sec-broker-director-term-limits>
- ✓ **GoTyme Bank eyes profitability by 2027.** GoTyme Bank aims to turn profitable by mid-2027, driven by continued customer growth and ahead of potential entrants in the Philippine digital banking market, President and Chief Executive Officer Nathaniel C. Clarke said. “We’re still prioritizing growth over profitability, but we still think we’ll become profitable in 2027,” he told reporters. “Any new entrants don’t really change our strategy,” Clarke told reporters last week. “Our focus is to maintain momentum and stay ahead as the fastest-growing bank.” The Bangko Sentral ng Pilipinas (BSP) lifted a three-year moratorium on digital bank licensing in January, allowing up to four new players or traditional banks converting to digital operations. Six digital banks operate in the Philippines, including GoTyme, Maya Bank, Inc., Overseas Filipino Bank, Inc., Tonik Digital Bank, Inc., UnionDigital Bank, Inc. and UNObank, Inc. Mr. Clarke said GoTyme’s operations are largely insulated from interest rate fluctuations, noting that its loan book is short-term with minimal term deposits. “Unlike traditional banks with longer-dated loans, fluctuations in interest rates don’t really impact us,” he said.  
<https://www.bworldonline.com/banking-finance/2026/03/23/737960/gotyme-bank-eyes-profitability-by-2027/>



## REST OF THE WORLD



~~~ Nikkei Closed On March 20 Due To Holiday. ~~~

- ✓ **Asia-Pacific markets mostly decline as Iran war dents risk sentiment.** Asia-Pacific markets mostly declined on Friday, following volatile trading on Wall Street overnight, as the Middle East war and disruptions to energy supply keep investors jittery. Australia's S&P/ASX 200 closed 0.82% lower at 8,4284. Hong Kong's Hang Seng index was down over 1% as of its last hour of trading while mainland China's CSI 300 index reversed earlier gains to close 0.35% lower at 4,567. The Hang Seng tech index was last down 2.6%, with Xiaomi Corp as the largest dragger, falling more than 7%. The sell-off came a day after the company launched an updated electric vehicle model and announced plans to invest over \$8.7 billion in artificial intelligence development over the next three years. China's central bank held its benchmark lending rates steady for a 10th month on Monday, with the five-year loan prime rates at 3.5% and the one-year rate at 3%. South Korea's blue-chip Kospi was the rare exception, rising 0.31% to end the session at 5,781.2 while the small-cap Kosdaq gained 1.58% to 1,161.52. Japan's markets were closed for a public holiday.
<https://www.cnbc.com/2026/03/20/asia-markets-today-nikkei-hang-seng-kospi.html>
- ✓ **Europe: Shares log third straight weekly loss as Mideast war fuels inflation fears.** European equities fell for a third straight week, their longest streak of losses in almost a year, as the deepening conflict in the Middle East stoked inflation fears and revived bets for interest-rate hikes. The pan-European Stoxx 600 closed 1.8 per cent lower at 573.28 on Friday. It posted a 3.8 per cent decline for the week. What began as a calm week rapidly unravelled into renewed inflation fears, as strikes on energy infrastructure in the Middle East pushed oil prices higher, shattering hopes that risk assets had found a floor. Every major sub-index in the Stoxx 600 ended lower, with defence stocks and utilities among the biggest drags, down 3.2 per cent and 2.7 per cent, respectively. The heavyweight financial sector and the energy index lost 2 per cent each.
<https://www.businesstimes.com.sg/companies-markets/europe-shares-log-third-straight-weekly-loss-mideast-war-fuels-inflation-fears>
- ✓ **US: Wall Street skids as Middle East turmoil fans inflation fear.** Wall Street ended sharply lower on Friday (Mar 20), with the S&P 500 closing at its lowest in six months, as the US-Israeli war against Iran entered its fourth week, deepening worries about inflation and the potential for higher interest rates. The conflict in the Middle East showed no signs of easing. The S&P 500 declined 1.5 per cent to end the session at 6,506.48 points, its lowest since September. The Nasdaq slumped 2 per cent to 21,647.61 points, leaving it down almost 10 per cent from its record high close on Oct 29. The Dow Jones Industrial Average declined 1 per cent to 45,577.47 points. The Russell 2000 index of smaller companies dropped 2.3 per cent, leaving it down 10 per cent from its record high close on Jan 22. Nine of the 11 S&P 500 sector indices declined, led lower by utilities, down 4.1 per cent, followed by a 3.2 per cent loss in real estate. The S&P 500 energy sector index was near flat for the day, but it logged its 13th straight weekly gain. That week-over-week rally was its longest since at least the late 1980s, according to LSEG data, as geopolitical events in Venezuela and the Middle East dominated much of the first quarter.
<https://www.businesstimes.com.sg/companies-markets/us-wall-street-skids-middle-east-turmoil-fans-inflation-fear>
- ✓ **Oil closes at highest since 2022 on outlook for prolonged war.** The global oil benchmark settled at the highest level since mid-2022 with fears over further escalation in the Iran war and little expectation that the conflict will resolve soon. Brent settled above US\$112 a barrel, bringing this week's gains to about 9 per cent. The Strait of Hormuz, through which 20 per cent of global oil transits, is all but closed, and there were more signs on Friday (Mar 20) of continued conflict. CBS News reported that Pentagon officials made preparations for a possible deployment of US ground troops into Iran. The report, which cited unnamed sources, said it was an option and it was unclear under what circumstances Trump would authorise such an operation.
<https://www.businesstimes.com.sg/companies-markets/oil-closes-highest-2022-outlook-prolonged-war>
- ✓ **Gold whipsaws after worst week in 40 years as war risks mount.** Gold whipsawed after the biggest weekly drop in more than 40 years, as the war in the Middle East entered its fourth week with the US and Iran trading threats of further attacks. Bullion fluctuated on either side of US\$4,500 an ounce, swinging as much as 1 per cent in either direction, after tumbling nearly 11 per cent in its worst week since 1983. Since the conflict began, surging oil prices have raised inflationary risks and reduced the likelihood of near-term interest-rate cuts by the US Federal Reserve and other central banks. This is a headwind for non-yielding gold, which has declined for eight consecutive sessions.
<https://www.businesstimes.com.sg/companies-markets/energy-commodities/gold-whipsaws-after-worst-week-40-years-war-risks-mount>
- ✓ **China rate markets signal cooling bets on deflation, PBOC easing.** China's interest rate markets are indicating reduced expectations for further easing of funding conditions and monetary policy, reflecting renewed economic optimism and lingering concerns about elevated oil prices. The yield on 30-year government bonds reached an 18-month high this week, after rising for three consecutive weeks. Onshore interest-rate swaps, which are tied to a key gauge of borrowing costs among banks, also rebounded from an 11-month low earlier this month. The repricing has come as the world's second-largest economy showed a surprise expansion in early 2026, as well as a consumer price uptick and moderating factory deflation. The prospect of a prolonged war in Iran, which has already started complicating global central banks' decisions, is also sowing doubts about Beijing's capacity for more aggressive policy loosening.
<https://www.businesstimes.com.sg/companies-markets/banking-finance/china-rate-markets-signal-cooling-bets-deflation-pboc-easing>
- ✓ **BOJ holds rates steady, warns of Iran war impact on inflation.** The Bank of Japan (BOJ) kept interest rates steady on Thursday (Mar 19) but warned of the impact rising oil costs from the Middle East conflict could have on underlying inflation, signalling its caution over mounting price pressures. Two hawkish board members also dissented to the central bank's projection on how soon inflation may durably hit its target, arguing that the timing could be faster than initially expected. The BOJ's decision came in a week crammed with central bank meetings, where policymakers grappled with a policy path muddled by the Middle East oil shock. The Federal Reserve and Bank of Canada kept rates on hold but struck hawkish tones on Wednesday, mindful of the risk surging oil prices could fan inflation.

- ✓ **Japan lower house approves Takaichi's dovish nominees to fill BOJ board.** Japan's lower house of parliament approved on Thursday Prime Minister Sanae Takaichi's choice of two like-minded monetary doves to join the central bank board, a move that could influence its decision on the timing and pace of further interest rate hikes. Academics Toichiro Asada and Ayano Sato, both seen by markets as strong advocates of economic stimulus, were approved by the lower house of parliament to join the nine-member board. The nomination still needs approval by the upper house of parliament to take effect. Asada would replace economist Asahi Noguchi, whose term ends on March 31. Sato would replace Junko Nakagawa, whose term expires at the end of June. Both academics belong to a group of reflationists who have advocated expansionary fiscal and monetary proposals now flagged by Takaichi, and have ties with dovish former BOJ executives like ex-deputy governor Masazumi Wakatabe.
<https://www.channelnewsasia.com/business/japan-lower-house-approves-takaichis-dovish-nominees-fill-boj-board-6003371>
- ✓ **India's central bank ramps up key tool to defend falling rupee.** India ramped up its use of a key tool for defending the rupee to record levels – as the currency weakened to an all-time low against the US dollar, sources said. The net-short US dollar book of the Reserve Bank of India (RBI), a measure of the degree it has sold forward its stockpile of US currency, is nearing US\$100 billion in offshore and onshore markets, said the sources, who asked not to be identified as the information is private. The measure was US\$67.8 billion in January, the latest official data showed, and last hit a record US\$88.8 billion in February 2025. The build-up comes as emerging markets face renewed pressure from a resurgent US dollar. Even before the conflict broke out, the RBI was already heavily intervening to steady the rupee for months, as high US tariffs spurred record equity outflows. Madhavi Arora, chief economist at Emkay Global Financial Services, said: "Letting the rupee freely absorb shocks is not an option in times of stress, when speculative dominance in FX markets can quickly put the currency on a slippery slope, one that we can ill-afford."
<https://www.businesstimes.com.sg/international/indias-central-bank-ramps-key-tool-defend-falling-rupee>
- ✓ **Australia February employment jumps, jobless rate still rises.** Australian employment rose by more than expected in February, though the jobless rate ticked up to a three-month high as more people joined the labour force, a mixed report that failed to move the dial for the interest rate outlook. Figures from the Australian Bureau of Statistics (ABS) on Thursday (Mar 19) showed net employment rose 48,900 in February from January, when it rose a revised 26,000. That was well above market forecasts of a 20,000 gain and was driven by a gain of 79,400 in part-time jobs. Full-time jobs, however, fell 30,500 after a strong rise the month before. The jobless rate rose to 4.3 per cent, when analysts had looked for a steady 4.1 per cent, as the participation rate climbed to 66.9 per cent. "This month we saw fewer people who were unemployed and waiting to start a job in January move into employment in February, compared to recent Februaries," said Sean Crick, ABS head of labour statistics.
<https://www.businesstimes.com.sg/international/australia-february-employment-jumps-jobless-rate-still-rises>
- ✓ **Bank of Canada holds key interest rate at 2.25%, saying war will boost global inflation.** The Bank of Canada held its key interest rate at 2.25 per cent on Wednesday, saying that higher oil and gas prices from the war in the Middle East are likely to boost global inflation, but that it's too soon to assess the conflict's impact on the Canadian economy. The bank expects the economy will grow "modestly" as it adjusts to U.S. trade policy uncertainty, but that near-term growth will be weaker than it anticipated at the beginning of the year. Meanwhile, the war in Iran has added "a new layer of uncertainty" against that backdrop and Canada is facing even more volatility than before, said Bank of Canada governor Tiff Macklem during a morning news conference in Ottawa.
<https://www.cbc.ca/news/business/bank-of-canada-interest-rate-9.7132984>
- ✓ **European Central Bank holds rates steady, warns outlook is 'significantly more uncertain'.** The European Central Bank opted to keep interest rates on hold at its latest monetary policy meeting, saying the war in Iran has made the outlook "significantly more uncertain". Policymakers said the conflict had created "upside risks for inflation and downside risks for economic growth," prompting traders to up bets on potential ECB rate hikes later this year. The ECB said the ongoing conflict "will have a material impact on near-term inflation through higher energy prices", while its medium-term implications would depend "both on the intensity and duration of the conflict and on how energy prices affect consumer prices and the economy." Regional central banks, the Bank of England, Sweden's Riksbank and Swiss National Bank, also opted to keep rates on hold on Thursday, as the war continues to cloud the outlook for inflation and growth. The ECB was not expected to change stance on its benchmark interest rate even before the war began, with euro zone inflation data remaining near the central bank's 2% target. The latest flash data from Eurostat showed inflation in the euro zone rose to 1.9% in February, up from 1.7% in January.
<https://www.cnn.com/2026/03/19/ecb-boe-swiss-national-bank-riksbank-interest-rate-decisions.html>
- ✓ **Bank of England holds interest rates at 3.75% and signals rise is possible within months.** The Bank of England has kept interest rates on hold and signalled it could be forced to increase borrowing costs in the coming months as the US-Israel war on Iran threatens to drive inflation in the UK above 3%. The Bank's rate-setting monetary policy committee (MPC) voted unanimously to keep its base rate at 3.75% amid growing concern over the surge in energy prices triggered by the conflict. The pound strengthened against the US dollar after the decision, while UK government borrowing costs rose and the FTSE 100 fell as City traders bet that the Bank would be forced to raise interest rates twice this year. In a development that would add to the pressure on household finances already battered by a cost of living crisis, financial markets anticipate a quarter-point increase from as early as June, followed by a further rise to 4.25%. Against an increasingly volatile backdrop in global markets, the Bank said the "new shock" to the economy would lead to higher than previously expected inflation in the short term.
<https://www.theguardian.com/business/2026/mar/19/bank-of-england-holds-interest-rates-iran-war-inflation>
- ✓ **Fed will wait out war, monitor oil shock impact before acting on interest rates.** Stocks fell after the Federal Reserve held rates steady as expected on Wednesday (Mar 18), with the central bank chair Jerome Powell hinting that the US central bank may not cut rates until the fog from the Iran war has cleared. The Fed left its benchmark rates unchanged in a range of between 3.5 and 3.75 per cent, and raised targets for both inflation and economic growth. Officials left the median number of rate cuts anticipated this year largely unchanged at one to two cuts. During his post-meeting press conference, however, Powell indicated that those predictions were merely placeholders while the central bankers waited, along with the rest of the world, to see how the ongoing Iran war will play out.
<https://www.businesstimes.com.sg/international/fed-will-wait-out-war-monitor-oil-shock-impact-acting-interest-rates>

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Everything is either an opportunity
to grow or an obstacle to keep you
from growing. You get to choose.

Wayne Dyer

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- 6 CNN Money: <https://money.cnn.com/data/bonds/>

OTHER REFERENCES / EXTERNAL LINKS

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