



Republic of the Philippines
DEPARTMENT OF FINANCE

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DOF Economic Bulletin
Briefer on Asian Currencies

- For the first quarter of 2019, the Philippine peso tracked its peers in Southeast Asia in gaining strength against the US dollar. Year-to-date, the peso appreciated modestly by 0.01%.
- The peso-dollar exchange also remains stable throughout the period, its coefficient of variation at 0.56%.
- While the outlook for the peso remains tilted towards the downside (owing to a growing current account deficit, which, in turn, is on account of increased importation of capital goods), the country's external stance remains generally strong. First, it has ample buffers against heightened external headwinds; its gross international reserves remain high at US\$82.9 billion, equivalent to 7.3 months of imports of goods and services. Second, it has prudently trimmed its external debt exposure. External debt-GDP ratio as of end-2018 remains comfortably low at 23.9% in 2018, significantly down from 59.7% in 2005.

Table 1 Year-to-Date Movement of Selected Asian Currencies Against the US\$

	1-Jan-19	29-Mar-19	YTD % Change*	Volatility**
China (CNY)	6.86	6.71	-2.18%	0.72%
Japan (JPY)	109.74	110.86	1.02%	0.90%
India (INR)	69.43	69.15	-0.41%	1.27%
Philippines (PHP)	52.52	52.51	-0.01%	0.56%
Singapore (SGD)	1.36	1.36	-0.55%	0.31%
South Korea (KRW)	1,119.10	1,135.20	1.44%	0.52%
Thailand (THB)	32.26	31.74	-1.60%	0.76%
Vietnam (VND)	23,210.00	23,189.00	-0.09%	0.03%
Malaysia (MYR)	4.14	4.08	-1.33%	0.56%
Indonesia (IDR)	14,458.00	14,241.00	-1.50%	0.77%
Hong Kong (HKD)	7.83	7.85	0.24%	0.06%
Taiwan (TWD)	30.79	30.82	0.10%	0.13%

Source: Bloomberg

Notes:

* Increase in exchange rate means depreciation or weakening of local currency vis-a-vis the US Dollar

** Coefficient of variation (CV); higher CV means higher volatility of the exchange rate

Table 2 Selected External Stance Indicators

	2005	2017	2018	Feb 2019
Current Account (% of GDP)	1.9	-0.7	-2.4	
External Debt (% of GDP)	59.7	23.3	23.9	
Reserves (US\$ billions)	18.5	81.6	79.2	82.9
Reserves (in months of imports)	4.6	7.7	7.0	7.3
Source: BSP				

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