# Article information:

BSP seen to hike policy rate by 50 bps – Manila Bulletin
<https://mb.com.ph/2023/02/07/bsp-seen-to-hike-policy-rate-by-50-bps/>

# Article summary:

1. The market expects the Bangko Sentral ng Pilipinas (BSP) to increase the key borrowing rate by 50 basis points (bps) next week in order to control inflation.

2. The BSP had projected a 7.5 percent to 8.3 percent inflation for January, but the actual figure was 8.7 percent, which is the highest since November 2008.

3. The BSP will likely need to sustain rate hikes until inflation returns to its target range of two percent to four percent by October or November this year.

# Article rating:

Appears moderately imbalanced: The article provides some useful information, but is missing several important points or pieces of evidence that would be required to present the discussed topics in a balanced and reliable way. You are encouraged to seek a more balanced perspective on the presented issues by exploring the provided research topics and looking at different information sources.

# Article analysis:

The article is generally reliable and trustworthy as it provides accurate information about the expected policy rate hike by the BSP and its potential effects on inflation in the Philippines. It also provides insights from economists such as Nicholas Mapa and Aris Dacanay, which adds credibility to the article's claims. However, there are some areas where the article could be improved upon in terms of trustworthiness and reliability. For example, while it does provide some counterarguments from economists, it does not explore any other possible counterarguments that could be made against raising the policy rate or any potential risks associated with doing so. Additionally, while it does mention that forecasting economic indicators such as inflation is difficult, it does not provide any evidence or data to back up this claim or explain why this is so. Furthermore, while it mentions that second round effects are difficult to model due to inflation feeding on itself, it does not provide any further explanation or evidence for this claim either. Finally, while it mentions that consumer credit rates were increased last January as an additional tightening measure, it does not provide any further details about how this measure has affected inflation or if there have been any other measures taken by the BSP since then that could potentially affect inflation levels in the future.

# Topics for further research:

* Inflation forecasting accuracy
* Second round effects of inflation
* Impact of consumer credit rate increases on inflation
* Central bank policy rate hikes and inflation
* Economic effects of BSP policy rate hikes
* Risks associated with policy rate hikes

# Report location:

<https://www.fullpicture.app/item/5034817aad7622b9da142a2e90cb9909>