P25 IN METRO MANILA, PHILIPPINES

# BusinessWorld

| STOCK MARKET | |
|---|---|
| PSEi | |
| OPEN: | 7,114.87 |
| HIGH: | 7,160.80 |
| LOW: | 7,067.98 |
| CLOSE: | 7,085.69 |
| VOL.: | 0.878 B |
| VAL(P): | 6.913 B |

54.98 PTS. 0.77%
30 DAYS TO JANUARY 11, 2022

ASIAN MARKETS — JANUARY 11, 2022

| | CLOSE | | NET | % |
|---|---|---|---|---|
| Japan (Nikkei 225) | 28,222.48 | ▼ | -256.08 | -0.90 |
| Hong Kong (Hang Seng) | 23,739.06 | ▼ | -7.48 | -0.03 |
| Taiwan (Weighted) | 18,288.21 | ▲ | 48.83 | 0.27 |
| Thailand (SET Index) | 1,667.12 | ▲ | 10.06 | 0.61 |
| S.Korea (Kse Composite) | 2,927.38 | ▼ | 0.66 | 0.02 |
| Singapore (Straits Times) | 3,246.37 | ▲ | 19.32 | 0.60 |
| Sydney (All Ordinaries) | 7,390.10 | ▼ | -57.00 | -0.77 |
| Malaysia (Klse Composite) | 1,564.29 | ▲ | 14.12 | 0.91 |

WORLD MARKETS — JANUARY 10, 2022

| | CLOSE | | NET |
|---|---|---|---|
| Dow Jones | 36,068.870 | ▼ | -162.790 |
| NASDAQ | 14,942.828 | ▲ | 6.926 |
| S&P 500 | 4,670.290 | ▼ | -6.740 |
| FTSE 100 | 7,445.250 | ▼ | -40.030 |
| Euro Stoxx50 | 3,767.870 | ▼ | -48.750 |

PESO-DOLLAR RATES

| FX | |
|---|---|
| OPEN | P51.250 |
| HIGH | P51.070 |
| LOW | P51.275 |
| CLOSE | P51.140 |
| W.AVE. | P51.174 |
| VOL. | $1,221.10 M |

17.00 CTVS
30 DAYS TO JANUARY 11, 2022
SOURCE : BAP

ASIAN MONIES-US$ RATE — JANUARY 11, 2022

| | LATEST BID (0900GMT) | | PREVIOUS |
|---|---|---|---|
| Japan (yen) | 115.310 | ▲ | 115.650 |
| Hong Kong (HK dollar) | 7.796 | — | 7.796 |
| Taiwan (NT dollar) | 27.677 | ▼ | 27.657 |
| Thailand (baht) | 33.390 | ▲ | 33.630 |
| S. Korea (won) | 1,192.300 | ▲ | 1,196.760 |
| Singapore (dollar) | 1.352 | ▲ | 1.355 |
| Indonesia (rupiah) | 14,300 | ▲ | 14,305 |
| Malaysia (ringgit) | 4.190 | ▲ | 4.201 |

WORLD CURRENCIES — JANUARY 11, 2022

| | CLOSE | | PREVIOUS |
|---|---|---|---|
| US$/UK pound | 1.3606 | ▲ | 1.3592 |
| US$/Euro | 1.1340 | ▲ | 1.1334 |
| $/Aust dollar | 0.7188 | ▼ | 0.7194 |
| Canada dollar/US$ | 1.2631 | ▲ | 1.2620 |
| Swiss Franc/US$ | 0.9255 | ▲ | 0.9202 |

DUBAI CRUDE OIL
FUTURES PRICE ON NEAREST MONTH OF DELIVERY
$80.34/BBL
$0.24
30 DAYS TO JANUARY 10, 2022

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PHILIPPINE STOCK EXCHANGE'S 10 MOST ACTIVE STOCKS BY VALUE TURNOVER • JANUARY 11, 2022 (PSEi snapshot on *S1/2*; article on *S2/2*)

| | | Value | | | |
|---|---|---|---|---|---|
| SPNEC | P1.330 | P429,493,550 | P0.040 | ▲ | 3.101% |
| ALI | P34.450 | P393,756,150 | -P0.050 | ▼ | -0.145% |
| SM | P930.000 | P362,410,460 | -P10.000 | ▼ | -1.064% |
| MBT | P55.800 | P322,162,950 | P0.600 | ▲ | 1.087% |
| PGOLD | P36.000 | P320,359,635 | -P0.550 | ▼ | -1.505% |
| AC | P833.000 | P310,606,160 | -P27.000 | ▼ | -3.140% |
| GTCAP | P532.500 | P272,160,915 | P4.500 | ▲ | 0.852% |
| GLO | P3,300.000 | P263,774,490 | P60.000 | ▲ | 1.852% |
| MONDE | P15.680 | P248,037,430 | -P0.240 | ▼ | -1.508% |
| ACEN | P9.150 | P241,255,589 | -P0.490 | ▼ | -5.083% |

# Nov. trade deficit balloons to record

**By Lourdes O. Pilar**
*Researcher*

THE COUNTRY'S trade-in-goods deficit further widened to a record high in November as growth in merchandise imports continued to outpace the rise in exports, the Philippine Statistics Authority (PSA) reported on Tuesday.

Export receipts grew by 6.6% year on year to $6.27 billion in November, preliminary data from the PSA showed.

This was higher than the 4.6% increase in the same month in 2020 and the 2% growth in October 2021. November's export growth was the highest in three months or since August's 18.9% expansion.

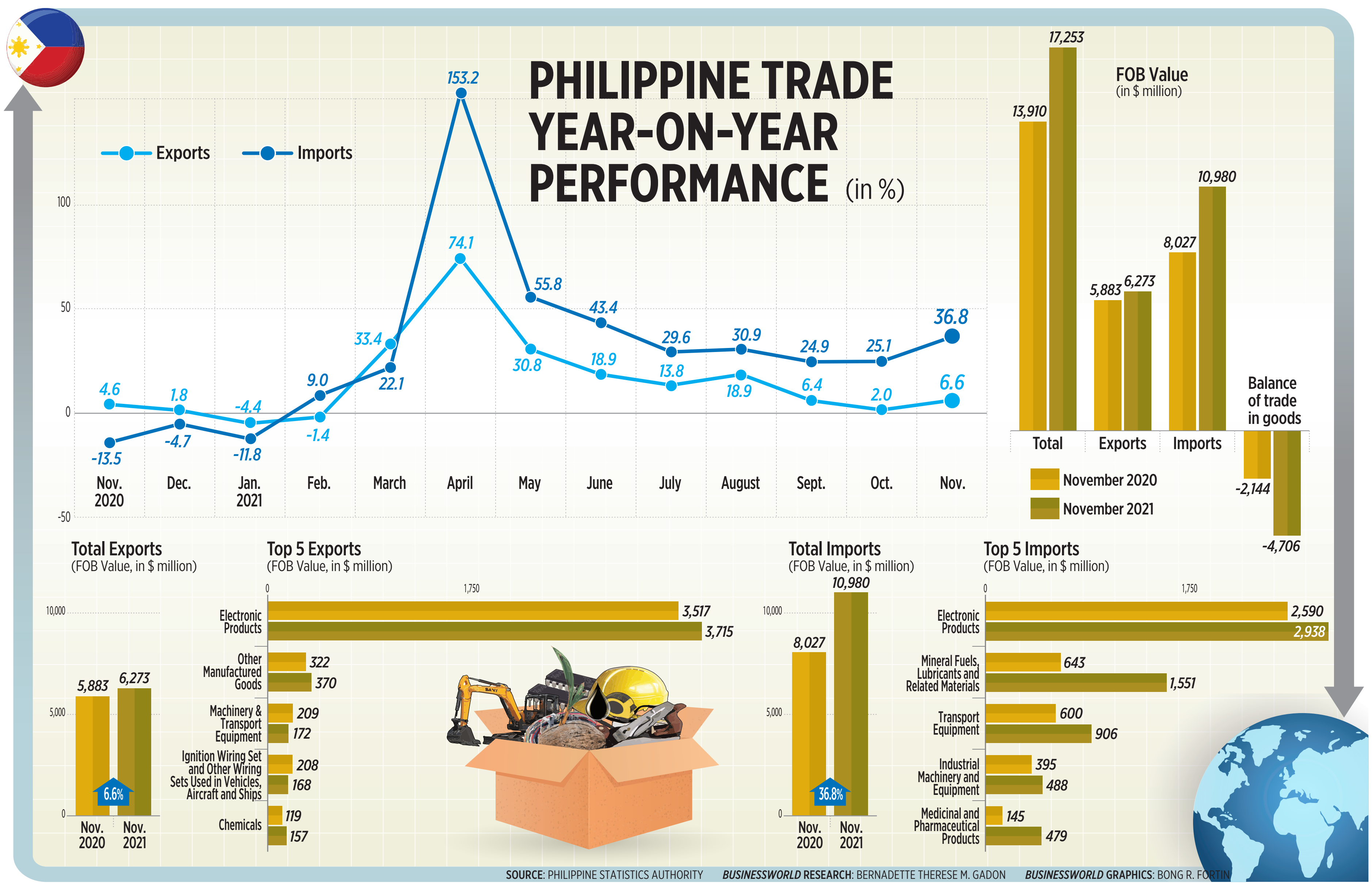
The value of November exports slipped to a six-month low or since May's $5.94 billion.

Meanwhile, the country's merchandise import bill rose by 36.8% to a record $10.98 billion in November.

This marked a turnaround from the 13.5% fall in November 2020 but faster than the 25.1% increase in imports in October 2021.

This was the highest import growth in five months or since the 43.4% surge recorded in June.

*Trade, S1/3*




SOURCE: PHILIPPINE STATISTICS AUTHORITY *BUSINESSWORLD* RESEARCH: BERNADETTE THERESE M. GADON *BUSINESSWORLD* GRAPHICS: BONG R. FORTIN

# Banks' November NPL ratio lowest in 8 months — BSP data

**By Luz Wendy T. Noble** *Reporter*

PHILIPPINE BANKS' asset quality improved for a third month in a row in November as the industry's gross nonperforming loan (NPL) ratio fell to its lowest since March 2021.

Preliminary data from the Bangko Sentral ng Pilipinas (BSP) showed banks' NPL ratio stood at 4.35% as of November, easing from the 4.42% as of Oct. but still above the 3.81% a year earlier.

The November bad loan ratio matched the 4.35% in April and is the lowest in eight months or since the 4.21% logged in March.

The industry's NPL ratio has dropped after reaching a 13-year high of 4.51% in July and August, after the easing of pandemic-related restrictions allowed businesses to expand operational capacity.

BSP data showed bad loans as of November slipped by 0.43% to P481.879 billion from P483.98 billion in the prior month. However, it was still higher by 19% from the P404.687 billion seen in the same month a year earlier.

Lenders' total loan portfolio grew by 4.3% year on year to P11.08 trillion as of November.

"The absolute amount of bad loans continued to climb as firms and households are still faced with challenging economic conditions. The NPL ratio, however, dipped as new loan growth picked up amidst the economic reopening," ING Bank NV. Manila Senior Economist Nicholas Antonio T. Mapa said in an e-mail.

Earlier released central bank data showed lending by big banks rose by 4% in November, marking the fourth straight month of annual growth and the fastest since the 4.7% in 2020. Lending for production activities increased by 5.3%, although retail borrowings was still down by 7.1%.

The government placed Metro Manila under the more relaxed Alert Level 2 in November.

Meanwhile, past due loans as of November rose by 11.5% to P567.511 billion from P507.687 billion a year earlier. These accounted for 5.12% of the total loans, up from 4.78% a year ago.

*NPL, S1/3*

# PHL gets ADB grant to craft 'growth strategy'

THE ASIAN Development Bank (ADB) has approved a $225,000 grant to the Philippine government to create an economic growth strategy to help reach its target of becoming a high-income country in two decades.

The ADB in a document said the grant was approved on Dec. 28.

"The technical assistance will support the Philippines' Department of Finance (DoF) formulate a growth strategy that will guide necessary structural reforms to lift potential growth and create skilled jobs," the ADB said.

"The socioeconomic impacts of the coronavirus disease (COVID-19) pandemic created many development challenges. This strategy will identify new sources of sustained growth that will help the Philippines consistently achieve a real GDP (gross domestic product) growth to become a high-income country in the 2040s."

Project outputs include an economic complexity analysis and services for the country's long-term growth strategy. — **Jenina P. Ibañez**

**FULL STORY**

Read the full story by scanning the QR code with your smartphone or by typing the link
<bit.ly/Strategy011222>

# GDP growth seen below gov't target this year

ECONOMISTS EXPECT the Philippines' gross domestic product (GDP) to grow between 6-7% this year, lower than the government's 7-9% target range.

First Metro Investment Corp. (FMIC) on Tuesday said the economy will likely expand by 6-7% in 2022 as remittances increase and the outsourcing industry generates more revenue.

On the other hand, the Hongkong and Shanghai Banking Corp. (HSBC) lowered its 2022 growth forecast for the Philippines to 6.2%, from 6.5% previously.

"This is a strong growth this year, but we are still not at the pre-pandemic output levels. It will still take a few more years before we get there, similar to other countries as well," James Cheo, chief investment officer, Southeast Asia Global Private Banking and Wealth at HSBC, said at an online briefing.

Mr. Cheo said the government's infrastructure push will help accelerate growth.

"It's [Philippine economic growth] really one of a recovery, powered by consumption, economic reopening and also the big investment infrastructure projects that are backed by the government," he said.

The economy will also be supported by rising demand for technology-driven products, said Fan Cheuk Wan, Asia managing director and chief investment officer for HSBC Global Private Banking and Wealth.

"We think the key driver for the growth recovery remains the economic reopening and we also anticipate that the global tech cycle will also benefit the Philippines because the third source of growth, a very important driver for the Philippine economy is actually the electronics growth," Ms. Fan said.

The government gradually eased restrictions in the fourth quarter, allowing more economic activity as the daily new cases of coronavirus disease 2019 (COVID-19) declined.

"Last year the Philippine economy rebounded from a deep recession, registering 4.9% growth in the first three quarters of the year. This growth momentum likely spilled over in the fourth quarter given further economic reopening and easing mobility restrictions," FMIC President Jose Patricio A. Dumlao said in a statement.

Third-quarter GDP grew by 7.1%, bringing full-year growth to 4.9%. The Development Budget Coordination Committee raised the 2021 outlook to 5-5.5%, from the previous estimate of 4-5%.

"Notwithstanding the ongoing pandemic, and Omicron sparking the third wave of infections, we are still optimistic that Philippine growth will further accelerate and get back on its trajectory of 6-7% in 2022," Mr. Dumlao added.

This forecast would be backed by its 9.5% growth projection for the industry sector. The services sector would lag behind with a 5% growth forecast.

Business process outsourcing will likely see more earnings from emerging segments like insurance, healthcare, and data and analytics, he added.

*Growth, S1/3*

# Rate hike unlikely in first half of 2022, says Diokno

THE PHILIPPINES' central bank is unlikely to increase policy rates in the first half of this year as it waits for the economic recovery to become entrenched and unemployment to fall, according to central bank Governor Benjamin E. Diokno.

"After the performance in the first two quarters of the year, that's when we seriously look at whether we will make some adjustments," Mr. Diokno said in an interview on Tuesday. "We want to make sure that the economy is recovering well."

Like central bankers globally, Southeast Asian policy makers are juggling the prospects of a faster US rates liftoff and the threat from a quick-spreading coronavirus variant, as well as regional developments such as the People's Bank of China pledging greater support for its economy and sustaining accommodative policies.

"There is no 'one size fits all' on what's happening," Mr. Diokno said, when asked how faster rate increases by the US Federal Reserve will impact emerging-market central banks.

The governor said the Bangko Sentral ng Pilipinas typically likes to see four to six quarters of steady economic growth and unemployment around 5% before considering raising rates. Gross domestic product has posted two consecutive quarters of year-on-year growth — including, most recently, 7.1% expansion in the July-September period — while the unemployment rate hit 6.5% in November, the lowest since the pandemic began.

The Philippines' key interest rate has been at a record-low 2% for more than a year, withstanding mounting inflation in 2021. Ample foreign-exchange reserves and manageable government debt provide some cushion against tighter financial conditions worldwide, said Mr. Diokno, who recently was named central banker of the year by *The Banker* magazine.

*Rate hike, S1/3*