

STOCK MARKET	ASIAN MARKETS	WORLD MARKETS	PESO-DOLLAR RATES	ASIAN MONIES-US\$ RATE	WORLD CURRENCIES	DUBAI CRUDE OIL
PSEI OPEN: 7,243.69 HIGH: 7,275.28 LOW: 7,237.80 CLOSE: 7,273.52 19.91 PTS. 0.27% VOL.: 1.661 B 30 DAYS TO JANUARY 27, 2022 VAL(P): 6.251 B	JANUARY 27, 2022 JAPAN (NIKKEI 225) 26,170.30 ▼ -841.03 -3.11 HONG KONG (HANG SENG) 23,807.00 ▼ -482.90 -1.99 TAIWAN (TAIEX) 17,674.40 ▼ -26.72 -0.15 THAILAND (SET INDEX) 1,633.02 ▼ -10.42 -0.63 S. KOREA (KOSPI) 2,614.49 ▼ -94.75 -3.50 SINGAPORE (STRAITS TIMES) 3,258.99 ▼ -12.58 -0.38 SYDNEY (ALL ORDINARIES) 6,838.30 ▼ -123.30 -1.77 MALAYSIA (KLC COMPOSITE) 1,515.99 ▲ 0.23 0.02	JANUARY 26, 2022 DOW JONES 34,168.090 ▼ -129.640 NASDAQ 13,542.119 ▼ -2.824 S&P 500 4,349.930 ▼ -6.520 FTSE 100 7,469.780 ▼ -98.320 EURO STOXX50 3,733.690 ▼ -57.530	FX OPEN P51.450 HIGH P51.295 LOW P51.450 CLOSE P51.340 W.AVE. P51.393 VOL. \$886.80 M SOURCE: BAP	JANUARY 27, 2022 LATEST BID (0900GMT) JAPAN (YEN) 115.000 ▼ 114.130 HONG KONG (HK DOLLAR) 7.791 ▼ 7.786 TAIWAN (NT DOLLAR) 27.801 ▼ 27.710 THAILAND (BAHT) 33.230 ▼ 32.970 S. KOREA (WON) 1,203.220 ▼ 1,196.320 SINGAPORE (DOLLAR) 1.351 ▼ 1.345 INDONESIA (RUPIAH) 14,385 ▼ 14,350 MALAYSIA (RINGGIT) 4.199 ▼ 4.188	JANUARY 27, 2022 US\$/UK POUND 1.3429 ▼ 1.3496 US\$/EURO 1.1202 ▼ 1.1286 \$/AUSTRALIAN DOLLAR 0.7093 ▼ 0.7164 CANADA DOLLAR/US\$ 1.2664 ▼ 1.2579 SWISS FRANC/US\$ 0.9268 ▲ 0.9202	FUTURES PRICE ON NEAREST MONTH OF DELIVERY \$86.75/BBL ▲ \$1.90 30 DAYS TO JANUARY 26, 2022

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PHILIPPINE STOCK EXCHANGE'S 10 MOST ACTIVE STOCKS BY VALUE TURNOVER • JANUARY 27, 2022 (PSEI snapshot on S1/2; article on S2/2)

FCG	PO.860	SECB	P105.100	SPNEC	P2.130	TEL	P1,848.000	ACEN	P9.500	MBT	P58.000	ICT	P204.600	BDO	P127.000	URC	P126.000	AC	P852.000
Value	P510,072,560	Value	P372,243,486	Value	P369,498,170	Value	P241,987,295	Value	P213,644,837	Value	P206,363,586	Value	P204,997,806	Value	P198,573,036	Value	P190,956,716	Value	P165,018,080
	-P0.060 ▼ -6.522%		P0.100 ▲ 0.095%		P0.060 ▲ 2.899%		P8.000 ▲ 0.435%		-P0.050 ▼ -0.524%		P2.000 ▲ 3.571%		P0.600 ▲ 0.294%		P2.400 ▲ 1.926%		P0.000 — 0.000%		-P16.000 ▼ -1.843%

PHL economy rebounds in 2021

By Ana Olivia A. Tirona
Researcher

THE PHILIPPINE ECONOMY expanded more than expected in 2021, as looser restrictions spurred more business activity and consumer spending in the fourth quarter.

Preliminary data by the Philippine Statistics Authority (PSA) showed gross domestic product (GDP) accelerated by 7.7% in the October to December period, picking up from the revised 6.9% in the third quarter and a turnaround from the 8.3% drop in the fourth quarter of 2020.

This brought the full-year growth to 5.6%, rebounding from the record

9.6% contraction in 2020 that was caused by stringent lockdowns.

This was higher than the 5.3% median estimate of 18 economists polled by *BusinessWorld*, and exceeded the 5%-5.5% 2021 growth assumption of the Development Budget Coordination Committee (DBCC).

"The door to economic recovery is now fully open. The num-

bers for 2021 show an economy primed to break out," Socioeconomic Planning Secretary Karl Kendrick T. Chua said during a briefing on Thursday.

"Our efforts to safely reopen the economy allowed more Filipinos to work and earn their income," Mr. Chua said, citing the government's shift to an alert level system with

quarter lockdowns in the last quarter.

The Philippine capital was placed under a more relaxed Alert Level 2 from November to December, as the number of coronavirus disease 2019 (COVID-19) infections dwindled. More businesses increased their capacity, while consumers flocked to malls and restaurants during the holiday season.

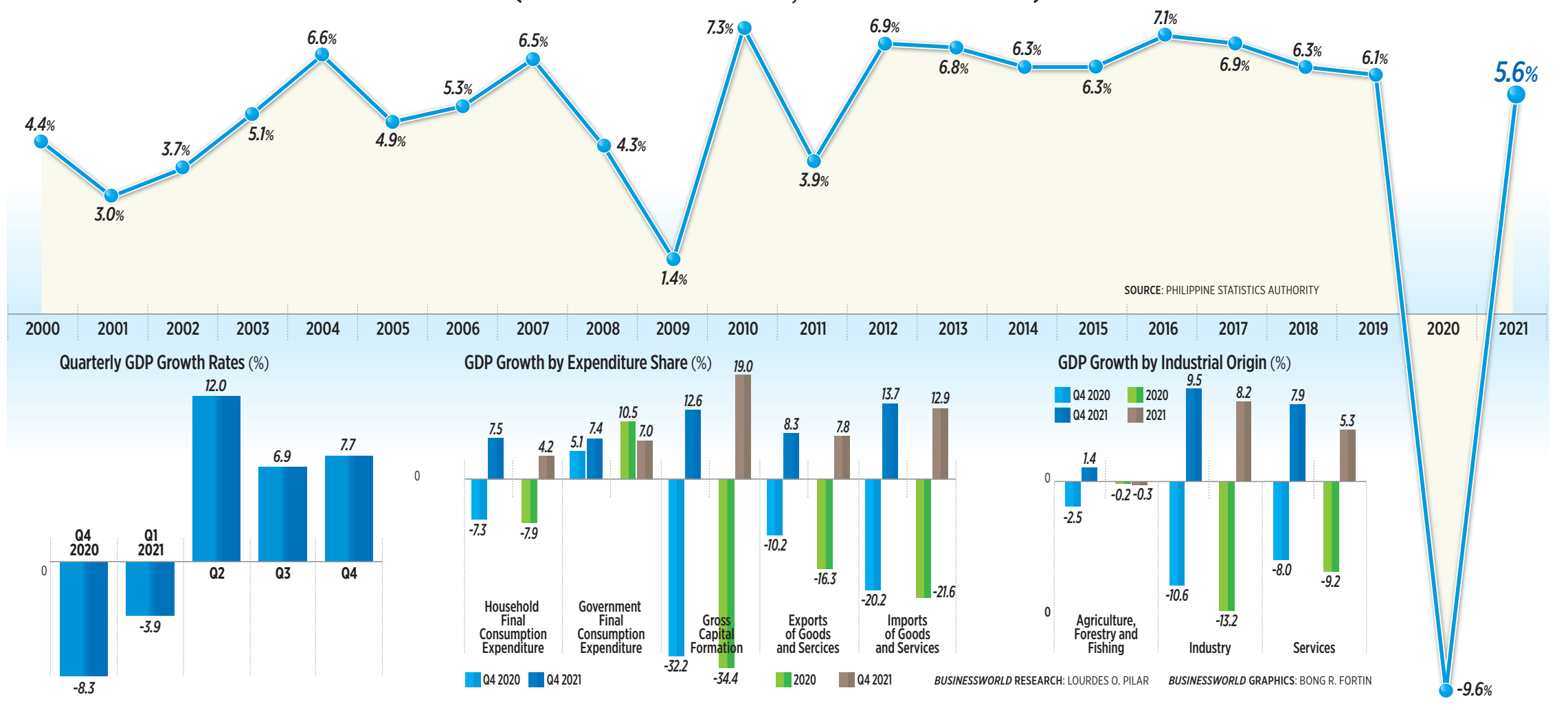
Quarter on quarter, the economy grew by a seasonally adjusted 3.1%.

"This sends a strong signal that we are on track to rapid recovery despite the impact of Typhoon Odette," Mr. Chua said.

All major sectors posted year-on-year growth in the fourth quarter, led by industry (9.5% GDP, S1/8

PHILIPPINE ECONOMY BOUNCES BACK IN 2021

(Year-on-Year Growth Rates, at Constant 2018 Prices)



Faster Fed hikes likely to hit PHL external position

By Luz Wendy T. Noble
Reporter

THE PHILIPPINES' external position and the peso will likely weaken as investors start to price in the US Federal Reserve's planned March interest rate hike and sustained policy tightening.

Given this possibility, the Bangko Sentral ng Pilipinas (BSP) is now faced with the decision to focus on either growth accommodation by keeping rates low or financial stability by recalibrating monetary policy, said former BSP Deputy Governor Diwa C. Guinigundo.

"If domestic rates don't adjust, we might see capital outflows, peso depreciation, gross international reserves drain and increase in our debt spreads," he said in a Viber message.

Fed Chairman Jerome H. Powell said the US central bank was likely to begin hiking interest rates in March to tame runaway inflation, Reuters reported.

In the Philippines, the balance of payments (BoP) position already saw narrower surplus in 2021, and

this could deteriorate further when the Fed raises interest rates, ING Bank N.V. Manila Senior Economist Nicholas Antonio T. Mapa said.

BSP data showed the BoP position stood at a surplus of \$1.345 billion in 2021, much lower than the \$16.022-billion surplus in 2020 mainly due to wider trade deficit as imports recovered.

"March rate hikes by the Fed could likely lead to a reversal of financial flows, a key support for the country's external position given that the current account has slid back into deficit territory," Mr. Mapa said in an e-mail.

A Fed rate hike in March would also hit the peso as investors prepare for more rate increases in 2022, Sophia Ng, an analyst at Mitsubishi UFJ Group Global Markets Research, said.

The peso closed at P50.999 a dollar on Dec. 31, 6.2% weaker than its P48.023 finish a year earlier.

"I think the first order of impact will be on foreign exchange, namely the peso, especially with markets now even starting to price-in a probability of five rate

Trade deficit reaches record high in Dec.

THE PHILIPPINES' trade-in-goods balance hit another record deficit in December as merchandise imports continue to grow by double digits, reflecting robust domestic demand.

The value of outbound shipment of goods grew by 7.1% year on year to \$6.27 billion in December, preliminary data from the Philippine Statistics Authority showed.

The December growth was faster than the 1.8% increase

in the same month in 2020 and the 6.6% growth in November 2021.

December's export growth was the highest in four months or since the 18.9% expansion logged in August.

Meanwhile, merchandise imports rose by 38.3% to \$11.48 billion in December, faster than the 36.8% growth seen in the month prior. This also marked a reversal from the 4.7% decline in December 2020.

This was the highest import print in six months or since the 43.4% growth in June.

This brought the trade-in-goods deficit to a record \$5.21 billion in December, wider than the \$2.45-billion shortfall recorded in December 2020, as well as the \$4.71-billion gap in November last year.

For 2021, the trade balance ballooned to a \$43.13-billion deficit, almost double the \$24.60-billion trade gap in 2020.

Exports grew by 14.5% year on year to \$74.64 billion in 2021, missing the revised 16% growth projected by the Development Budget Coordination Committee.

Imports reached \$117.78 billion last year, climbing by 31.1% year on year. This pace was slightly above the government's also revised 30% assumption.

Exports of manufactured goods, which accounted for 84.1% of the total overseas sales

Electronics sector sets 10% growth target for 2022

THE SEMICONDUCTOR and Electronics Industries in the Philippines Foundation, Inc. (SEIPI) has set a 10% export growth target for this year, a sign of the manufacturers' optimism despite the ongoing coronavirus disease 2019 (COVID-19) pandemic.

SEIPI Chairman Glenn Everett said during a general membership meeting on Thursday that the board of trustees has a "gener-

ally optimistic" growth outlook for 2022.

"Given all the local and global trends and conditions, the SEIPI's board of trustees evaluated the condition of the semiconductor and electronics industry... and together, made an overall growth forecast of 10% for 2022," he said.

However, Mr. Everett said the growth target will depend on several factors, including

the further reopening of the economy.

"The (SEIPI's) board of trustees is generally optimistic about our growth in 2022. But they note that it depends very much upon the improvements to inbound and outbound logistics flows, to the health of the supply chain, to the health of the population, and to the continuing opening up of the country," he added.

In November, SEIPI raised its electronics exports growth target to 10%, from 7% previously, as global demand recovered.

The value of Philippine electronics products exports in 2021 reached \$42.49 million, higher by 11.9% from the previous year, according to trade data released by the Philippine Statistics Authority (PSA) on Thursday.