

STOCK MARKET	ASIAN MARKETS	WORLD MARKETS	PESO-DOLLAR RATES	ASIAN MONIES-US\$ RATE	WORLD CURRENCIES	DUBAI CRUDE OIL
<b>PSEi</b> OPEN: 7,101.64 HIGH: 7,101.64 LOW: 7,041.27 CLOSE: 7,041.27 81.36 Pts. 1.14% VOL: 0.722 B 30 DAYS TO JANUARY 3, 2022 VAL(P): 4.262 B	<b>JANUARY 3, 2022</b> JAPAN (Nikkei 225) * 28,791.71 ▼ -115.17 -0.40 HONG KONG (Hang Seng) 23,274.75 ▼ -122.92 -0.53 TAIWAN (Weighted) 18,270.51 ▲ 51.67 0.28 THAILAND (SET Index) * 1,657.62 ▲ 4.29 0.26 S. KOREA (KSE Composite) 2,988.77 ▲ 11.12 0.37 SINGAPORE (Straits Times) 3,134.25 ▲ 10.57 0.34 SYDNEY (All Ordinaries) ** 7,444.60 ▼ -68.80 -0.92 MALAYSIA (KLC Composite) 1,549.05 ▼ -18.48 -1.18 <small>* CLOSING PRICES AS OF DEC. 30, 2021</small>	<b>DECEMBER 31, 2021</b> DOW JONES 36,338.300 ▼ -59.780 NASDAQ 15,644.971 ▼ -96.593 S&P 500 4,766.180 ▼ -12.550 FTSE 100 7,384.540 ▼ -18.470 EURO STOXX50 3,818.460 ▼ -5.930	<b>FX</b> OPEN P50.970 HIGH P50.950 LOW P51.000 CLOSE P51.000 W.AVE. P50.989 VOL. \$588.70 M SOURCE : BAP 0.10 CTV 30 DAYS TO JANUARY 3, 2022	<b>JANUARY 3, 2022 LATEST BID (0900GMT)</b> JAPAN (YEN) 115.170 ▼ 115.080 HONG KONG (HK DOLLAR) 7.798 ▼ 7.796 TAIWAN (NT DOLLAR) 27.624 ▼ 27.712 THAILAND (BAHT) 33.160 ▼ 33.230 S. KOREA (WON) 1,192.910 ▼ 1,187.960 SINGAPORE (DOLLAR) 1.349 — 1.349 INDONESIA (RUPIAH) 14,264 ▼ 14,250 MALAYSIA (RINGGIT) 4.171 ▼ 4.164	<b>JANUARY 3, 2022</b> US\$/UK POUND 1.3518 ▼ 1.3529 US\$/EURO 1.1348 ▼ 1.1368 \$/AUSTRALIAN DOLLAR 0.7258 ▼ 0.7260 CANADA DOLLAR/US\$ 1.2675 ▼ 1.2634 SWISS FRANC/US\$ 0.9122 — 0.9122	<b>FUTURES PRICE ON NEAREST MONTH OF DELIVERY</b> \$77.10/BBL 30 DAYS TO DECEMBER 31, 2021

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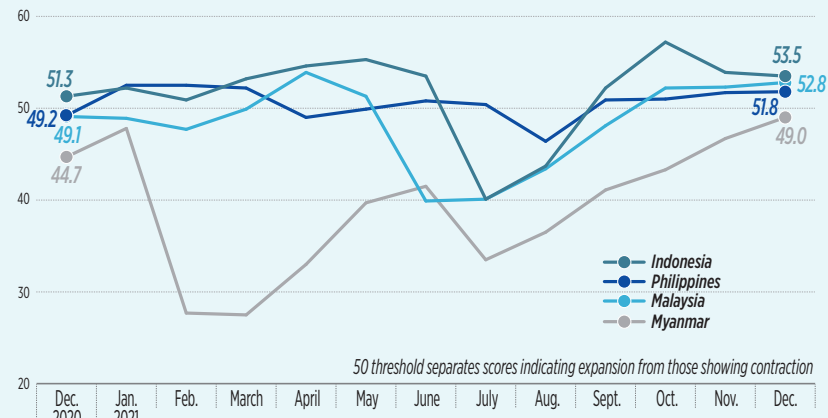
PHILIPPINE STOCK EXCHANGE'S 10 MOST ACTIVE STOCKS BY VALUE TURNOVER • JANUARY 3, 2022 (PSEi snapshot on S1/2; article on S2/2)

MBT	P54.000	CNVRG	P31.150	SM	P932.000	SPNEC	P1.300	GTCAP	P528.000	BDO	P120.000	SMPH	P33.500	ICT	P195.000	ACEN	P10.500	TEL	P1,812.000
Value	P358,985,819	Value	P281,274,660	Value	P240,095,370	Value	P206,249,520	Value	P195,462,380	Value	P166,012,701	Value	P162,000,915	Value	P161,211,520	Value	P161,123,070	Value	P144,357,610
	-P1.700 ▼ -3.052%		-P0.750 ▼ -2.351%		-P11.000 ▼ -1.166%		P0.020 ▲ 1.563%		-P12.000 ▼ -2.222%		-P0.700 ▼ -0.580%		-P0.400 ▼ -1.180%		-P5.000 ▼ -2.500%		-P0.500 ▼ -4.545%		P0.000 — 0.000%

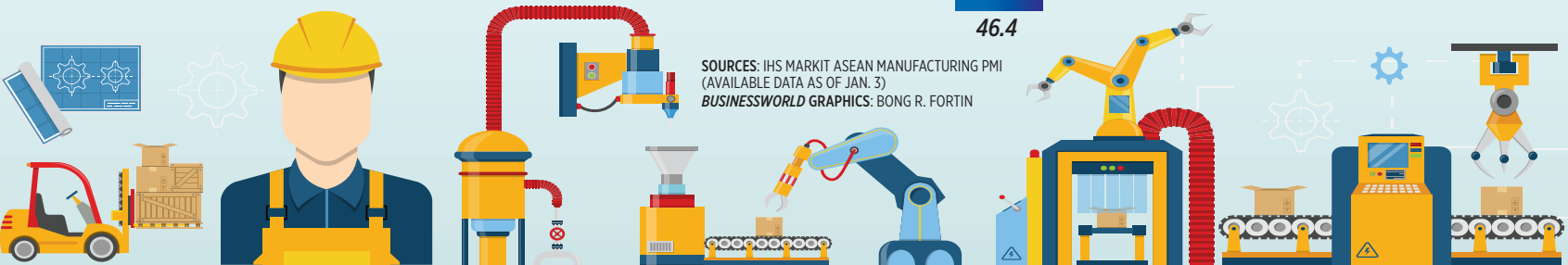
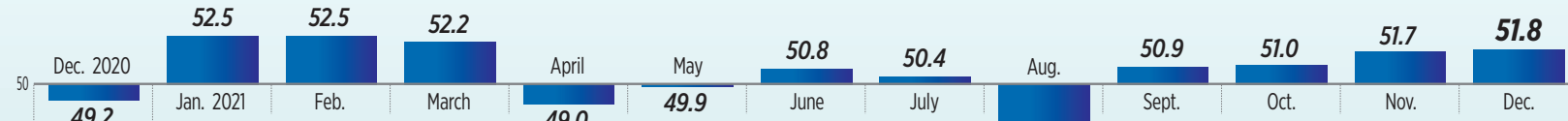
## Factory activity hits 9-month high

### MANUFACTURING PURCHASING MANAGERS' INDEX (PMI) OF SELECT ASEAN ECONOMIES, DECEMBER 2021

INDONESIA	53.5	Expansion (slower than in November)
MALAYSIA	52.8	Expansion (faster than in November)
PHILIPPINES	51.8	Expansion (faster than in November)
MYANMAR	49.0	Contraction (slower than in November)



Philippine Manufacturing PMI 50 = no change from previous month



SOURCES: IHS MARKIT ASEAN MANUFACTURING PMI (AVAILABLE DATA AS OF JAN. 3)  
BUSINESSWORLD GRAPHICS: BONG R. FORTIN

PHILIPPINE MANUFACTURING activity inched up to a nine-month high in December on increased orders, IHS Markit said on Monday.

The Philippines Manufacturing Purchasing Managers' Index (PMI) rose to 51.8 last month from 51.7 in November, the highest since 52.2 in March 2021.

A reading above 50 indicates improving conditions for the manufacturing sector while anything below suggest the opposite.

"The Philippine manufacturing sector remained in a solid position during the closing month of 2021, with the headline PMI at a nine-month high," Shreeya Patel, an economist at IHS Markit, said. "Supporting this was an improvement in domestic demand and a slight uptick in output, the first for nine months."

She said the PMI reflected companies' optimism that demand will continue to improve, prompting them to make advance preparations.

This marked the fourth consecutive month of growth after PMI fell to 46.4 in August after factories were shut due to the two-week strict lockdown in the capital region amid a Delta-driven surge in coronavirus infections.

PMI is the weighted average of five sub-indices — new orders (30%), output (25%), employment (20%), suppliers' delivery times (15%) and stocks of purchases (10%).

IHS Markit said new orders continued to increase, encouraging companies to stock up on inventories for the fourth straight month.

"As a result, firms raised their output expectations for the year ahead which improved to a near two-year high. That said, there were still widespread reports of material scarcity and supply-chain disruption," IHS Markit said.

Increased orders were driven by domestic demand. However, new export orders declined at the fastest rate in four months due to Omicron variant-driven restrictions in other countries.

Production volumes also grew slightly, expanding for the first time since March.

Meanwhile, manufacturing companies reduced their workforce for the 22<sup>nd</sup> straight month, although not as much.

"While new orders increased, firms had sufficient capacity to deal with demand. A decline in outstanding business supported this, with backlogs falling at the third-steepest rate in the near six-year history of the survey," IHS Markit said.

Supply chain issues continued to be a problem as pandemic-related restrictions limited companies' ability to access inputs.

Meanwhile, scarce materials in December, along with anticipated future demand and price hikes, led companies to stockpile.

Factory, S1/9

## Omicron could derail short-term Philippine growth

By Jenina P. Ibañez  
Senior Reporter

A FASTER ROLLOUT of coronavirus disease 2019 (COVID-19) vaccines and public compliance with health protocols have become more urgent as the recent increase in infections threatens to slow down the Philippine economy in the first three months of 2022, analysts said.

The recent surge in cases due to the Omicron variant could impact economic growth in the first quarter, Ruben Carlo O. Asuncion, UnionBank of the Philippines, Inc. chief economist, said.

"Although it may not resemble the previous lockdowns, it can be quite a drag," he said in a Viber message last week.

The government in December raised its gross domestic product (GDP) projection



PHILIPPINE STAR/MICHAEL VARGAS

METRO MANILA is under Alert Level 3, a stricter form of lockdown, up to Jan. 15 to curb the spike in coronavirus cases.

for 2021 to 5.5% after the economy grew faster than expected in the third quarter, leading economic managers to anticipate eased lockdown measures by January.

The government expects the economy to expand by 7-9% this year.

However, Metro Manila was placed under Alert Level 3, a stricter form of

lockdown, starting Monday up to Jan. 15 to curb the spike in COVID-19 cases. A council composed of Metro Manila mayors also agreed to enact measures to restrict the movement of unvaccinated people.

As of Monday, the daily COVID-19 tally reached 4,084, for a total active case count of 24,992.

Early studies suggest that the Omicron variant is more contagious but leads to fewer hospitalizations than the Delta variant. The Omicron-driven surge in cases overseas has led other countries to go into lockdown.

Asian Institute of Management economist John Paolo R. Rivera said the Omicron variant poses a threat to the global value chain, which could then cause inflationary pressures and supply constraints.

The deployment of overseas Filipino workers and recovery of the tourism

Omicron, S1/9

## PDS plans to launch country's first digital corporate bonds in February

THE Philippine Dealing System Holdings Corp. (PDS) will launch the country's first digital corporate bond in February to deepen local capital markets, the Department of Finance (DoF) said.

The issuance will use distributed ledger technology, where transactions are recorded in several sites instead of a centralized database.

Philippine Dealing and Exchange Corp. (PDEX) President and Chief Executive Officer Antonio A. Nakpil said PDS is working with a Singapore-based financial technology company to roll out the digital registry backed by the distributed ledger technology.

"The PDS is aiming to conduct an end-to-end test of the digital registry and depository with market participants by January this year and is targeting its possible live launch with an issuance of a digital bond by late February," he said.

Mr. Nakpil said the digitalization roadmap for the corporate bond market includes the use of distributed ledger technology, which will be integrated with the PDS online platform.

The platform, or the electronic securities portal (e-SIP), was launched for the primary market last year.

The e-SIP allows the online submission of documents required for PDEX listing and Philippine

Depository and Trust Corp. registry services for initial public offerings for corporate bonds.

After the Ayala Land, Inc. pilot last year, in which the company offered its four-year P10-billion bond, four more issuers have onboarded securities and client investors through the online portal.

PDS last month said it was preparing cybersecurity measures as it rolls out its online platform for the secondary market.

Finance Secretary Carlos G. Dominguez III said he supports these digitalization initiatives to deepen the country's capital markets. But he also expressed concern about hackers.

PDS, S1/9

### FUEL PRICE TRACKER (week-on-week change)

GASOLINE	
Dec. 21	▲ P0.55
Dec. 28	▼ P0.02
Jan. 4	▲ P1.85
DIESEL	
Dec. 21	▲ P0.55
Dec. 28	▼ P0.65
Jan. 4	▲ P2.40
KEROSENE	
Dec. 21	▲ P0.70
Dec. 28	▼ P0.85
Jan. 4	▲ P1.85

• Jan. 4, 12:01 a.m. — Caltex Philippines  
 • Jan. 4, 6 a.m. — Petron Corp.; Phoenix Petroleum; Pilipinas Shell Petroleum Corp.; PTT Philippines Corp.; Seaoil Philippines, Inc.  
 • Jan. 4, 8:01 a.m. — Cleanfuel (Shaw Autogas, Inc.)

## Duterte vetoes creation of human rights institute

PRESIDENT Rodrigo R. Duterte directly vetoed five items in this year's P5.024-trillion national budget, including the creation of a human rights institute.

Mr. Duterte rejected a provision in Republic Act 11639 or the General Appropriations Act (GAA) of 2022 that establishes a human rights institute, saying no "appropriation is provided for the purpose."

"The creation of an institute, just like other offices, should be subject to a comprehensive review of the mandate, mission, objectives and functions, systems and procedures, programs, activities and projects, as well as the corresponding struc-

tural, functional, operational adjustments in an organization, including the necessary staffing and funding requirements," the President said in his veto message.

Mr. Duterte also vetoed a provision on the Department of Transportation's (DoTr) motor vehicle inspection and gender responsive restroom programs, saying the items "should not have found their way in this GAA considering both do not relate to any appropriation in the DoTr's budget."

The President also rejected a provision excluding lands owned by state universities and colleges

Duterte, S1/9