P25 IN METRO MANILA, PHILIPPINES

BusinessWorld

STOCK MARKET		
PSEi		
OPEN:	7,266.96	
HIGH:	7,315.31	
LOW:	7,251.97	
CLOSE:	7,251.97	▼ 21.55 PTS. 0.29%
VOL.:	1.234 B	
VAL(P):	8.011 B	

30 DAYS TO JANUARY 28, 2022

ASIAN MARKETS — JANUARY 28, 2022

	CLOSE		NET	%
Japan (Nikkei 225)	26,717.34	▲	547.04	2.09
Hong Kong (Hang Seng)	23,550.08	▼	-256.92	-1.08
Taiwan (Weighted) *	17,674.40	▼	-26.72	-0.15
Thailand (SET Index)	1,639.51	▲	5.34	0.33
S.Korea (Kse Composite)	2,663.34	▲	48.85	1.87
Singapore (Straits Times)	3,246.33	▼	-13.70	-0.42
Sydney (All Ordinaries)	6,988.10	▲	149.80	2.19
Malaysia (Klse Composite)	1,520.02	▲	4.03	0.27

* CLOSING PRICE AS OF JAN. 26, 2022

WORLD MARKETS — JANUARY 28, 2022

	CLOSE		NET
Dow Jones	34,725.470	▲	564.690
NASDAQ	13,770.573	▲	417.790
S&P 500	4,431.850	▲	105.340
FTSE 100	7,466.070	▼	-88.240
Euro Stoxx50	3,730.930	▼	-41.620

PESO-DOLLAR RATES

FX	
OPEN	P51.340
HIGH	P51.210
LOW	P51.350
CLOSE	P51.230
W.AVE.	P51.273
VOL.	$1,124.60 M

▲ 11.00 CTVS

30 DAYS TO JANUARY 28, 2022

SOURCE : BAP

ASIAN MONIES-US$ RATE — JANUARY 28, 2022

	LATEST BID (0900GMT)		PREVIOUS
Japan (yen)	115.240	▼	115.000
Hong Kong (HK dollar)	7.792	▼	7.791
Taiwan (NT dollar)	27.827	▼	27.801
Thailand (baht)	33.420	▼	33.230
S. Korea (won)	1,209.560	▼	1,203.220
Singapore (dollar)	1.355	▼	1.351
Indonesia (rupiah)	14,385	—	14,385
Malaysia (ringgit)	4.188	▲	4.199

WORLD CURRENCIES — JANUARY 28, 2022

	CLOSE		PREVIOUS
US$/UK pound	1.3404	▼	1.3429
US$/Euro	1.1143	▼	1.1202
$/Aust dollar	0.6986	▼	0.7093
Canada dollar/US$	1.2761	▲	1.2664
Swiss Franc/US$	0.9307	▲	0.9268

DUBAI CRUDE OIL

FUTURES PRICE ON NEAREST MONTH OF DELIVERY $86.75/BBL

UNCHANGED $0.00

30 DAYS TO JANUARY 28, 2022

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PHILIPPINE STOCK EXCHANGE'S 10 MOST ACTIVE STOCKS BY VALUE TURNOVER • JANUARY 28, 2022 (PSEi snapshot on *S1/3*; article on *S2/2*)

		Value			
BDO	P134.000	P1,148,692,836	P7.000	▲	5.512%
BPI	P99.300	P561,224,146	P4.300	▲	4.526%
SM	P939.000	P371,907,290	-P12.000	▼	-1.262%
ICT	P197.500	P293,626,416	-P7.100	▼	-3.470%
FCG	P0.850	P292,841,770	-P0.010	▼	-1.163%
ACEN	P9.470	P283,771,128	-P0.030	▼	-0.316%
SPNEC	P2.170	P269,933,520	P0.040	▲	1.878%
ALI	P34.200	P244,555,780	-P0.450	▼	-1.299%
AC	P852.000	P233,840,285	P0.000	—	0.000%
GLO	P3,240.000	P227,703,940	-P20.000	▼	-0.613%

Inflation likely cooled in Jan. — poll

INFLATION is expected to have decelerated in January, as a favorable base effect offset the rise in oil prices and the impact of Typhoon Odette on food supply.

A *BusinessWorld* poll of 16 analysts last week yielded a median estimate of 3% for January inflation.

If realized, this will be the second consecutive month that inflation will be within the 2-4% target band of the Bangko Sentral ng Pilipinas (BSP). It will also be slower than the 3.6% in December.

The BSP is expected to give its inflation forecast for the month today (Jan. 31).

The Philippine Statistics Authority (PSA) will release the January consumer price index (CPI) report on Feb. 4 (Friday).

The PSA will change the base year for the CPI to 2018 starting in the January report to reflect changing Filipino household consumption patterns.

Analysts said the base effect will be a major factor for a likely slower increase in the CPI for January.

"We are forecasting a big drop in the headline rate to 2.5% year on year in January, mainly due to a higher base for comparison," said Alex Holmes, an economist from Capital Economics.

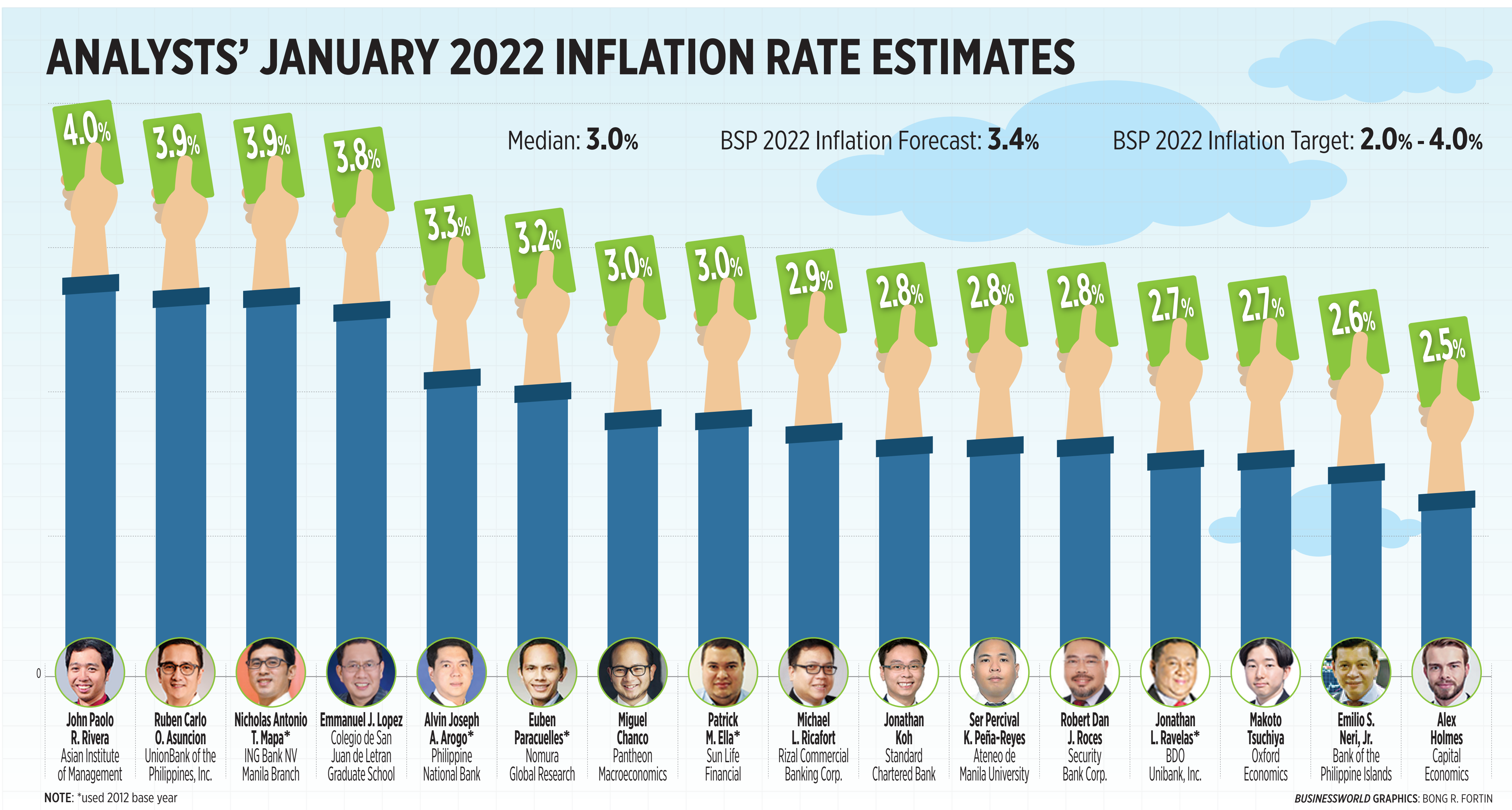
The CPI rose by 4.2% in January 2021, the first time inflation exceeded the target since the 4.4% in January 2020.

The 2018 base year also strengthens the case for a slower inflation reading, analysts said.

In 2018, inflation exceeded the target for most of the year as rice prices soared. It returned to within the BSP target band as rice supply increased due to the Rice Tariffication Law.

Inflation once again quickened in 2020, as pork prices spiked amid low supply due to the African Swine Fever outbreak.

Inflation, S1/9



NOTE: *used 2012 base year

BUSINESSWORLD GRAPHICS: BONG R. FORTIN

Simple, predictable COVID-19 rules needed for airlines' recovery this year — analysts

By Arjay L. Balinbin
Senior Reporter

SIMPLE, PREDICTABLE, and practical health measures are critical to the recovery of the airline industry this year amid the threat of the Omicron variant of the coronavirus disease 2019 (COVID-19), analysts said.

"The pandemic needs to be treated as an endemic disease. The first priority must be to reopen borders, allowing the free flow of air travel without quarantine by managing it through testing and vaccination," Philip Goh, International Air Transport Association (IATA) regional vice-president for Asia Pacific, told *BusinessWorld* in a recent e-mail interview.

"We urge governments to adopt IATA's blueprint for safe reopening by implementing simple, predictable, and practical measures," he added.

Mr. Goh said this includes removing all travel barriers for those who are fully vaccinated with a World Health Organization (WHO)-approved vaccine and enable quarantine-free travel for non-vaccinated travelers with a negative pre-departure antigen test result.

The adoption of digital solutions for health credential processing, which would facilitate automated check-in and reduce airport processing and wait times, is expected to aid the airline industry's recovery, he said. This includes implementing a pan-national digital health credential to record a passenger's health status.

The government and the airline companies should also ensure that COVID-19 measures are "proportionate to the risk levels with a continuous review process."

"This includes publishing risk assessments used to make decisions relating to international travel, and to review existing processes and applying a sunset clause to ensure they are in place only for as long as they are needed," Mr. Goh said.

Airlines, S1/9

China's slowdown seen to impact PHL trade

By Jenina P. Ibañez
Senior Reporter

AN ECONOMIC SLOWDOWN in China could dampen trade inputs to Philippine manufacturing, prompting the need to further diversify the country's trade partners, economists said.

"What we need from them are production inputs. If they slow down in producing inputs that we need, there might be a spillover effect on us," Ser Percival K. Peña-Reyes, associate director at the Ateneo de Manila University Center for Economic Research and Development, said in an interview by telephone.

Effects may be seen in imports for various manufacturing and food production sectors, he said.

China's gross domestic product expanded by 8.1% last year, exceeding its government's growth target of 6%.

Production has so far been growing — industrial output rose by 4.3% in December, stronger than the 3.8% year-on-year increase a month earlier.

But China's economic growth is widely expected to slow down in 2022 amid the threat of the Omicron variant to business operations. Goldman Sachs reduced its China growth forecast to 4.3% from 4.8%, while the International Monetary Fund lowered its projection to 4.8% from 5.6%.

"Because China is one of the major trading partners of the Philippines and our economy has huge exposure with respect to their economy, any growth increase or slowdown will have an impact on us especially on their trade commitments and development assistance given to us particularly on infrastructure development," Asian Institute of Management economist John Paolo R. Rivera said in a Viber message.

But China is only one of many Philippine trading partners, he added.

"That's why it's important to diversify and forge cooperation with other countries whom we can generate mutual benefits because we are in an integrated world economy," Mr. Rivera said.

China was the Philippines' biggest source of imports in the first 11 months of last year as it shipped $24.6 billion worth of goods into the country, government data showed.

Meanwhile, China was the second-biggest export destination, receiving $10.6 billion in goods from the Philippines in the same period.

So far, exporters are optimistic about trade with China this year.

Philexport President Sergio R. Ortiz-Luis, Jr. said in a mobile message that the Regional Comprehensive Economic Partnership (RCEP), a regional trade pact, would support the trade relationship between the two economies, especially in services exports in information technology, healthcare, and outsourcing.

"In terms of products, major China imports (from the Philippines) are electronics and parts, marine and agriculture products, which have been identified as among the products that showed export growth last year," he said.

The RCEP was ratified by President Rodrigo R. Duterte on Sept. 2, 2021, and is now pending in the Senate for its concurrence. The Senate only has until Feb. 4 to tackle the RCEP, before lawmakers go on a break for the election campaign.

In a separate statement, Department of Trade and Industry (DTI) said the RCEP will support ongoing economic reforms that would drive recovery.

DTI said the country's participation in RCEP, together with legislative reforms will strengthen efforts to improve the business environment. These include the amendments to the Retail Trade Liberalization Act, which has been signed into law, and the proposed amendments to the Public Service Act, which is still at the Bicameral Conference Committee level.

"By outlining the existing legal regime in the conduct of services trade and investment through Schedules of Specific Commitments and Reservation Lists of Parties, RCEP provides the assurance that the existing rules and disciplines in doing business in the country, including the allowed foreign equity participation (FEP) in various key sectors will not be changed arbitrarily," DTI said.

"This will help encourage inflow of foreign investments, facilitates an opportunity to partner and form joint ventures within the region, and allows greater participation of more service providers in vital sectors of the country," it added.

The RCEP has been in force in 11 countries since Jan. 1. — *with inputs from* **Revin Mikhael D. Ochave**