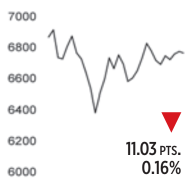
P25 IN METRO MANILA, PHILIPPINES

BusinessWorld

STOCK MARKET



PSEi	
OPEN:	6,796.38
HIGH:	6,796.38
LOW:	6,684.63
CLOSE:	6,758.59
VOL.:	0.828 B
VAL(P):	5.291 B

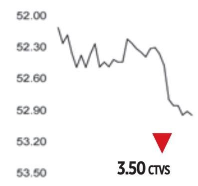
ASIAN MARKETS — JUNE 9, 2022

	CLOSE		NET	%
Japan (Nikkei 225)	28,246.53	▲	12.24	0.04
Hong Kong (Hang Seng)	21,869.05	▼	-145.54	-0.66
Taiwan (Weighted)	16,621.34	▼	-49.17	-0.29
Thailand (SET Index)	1,643.23	▲	6.34	0.39
S.Korea (Kse Composite)	2,625.44	▼	-0.71	-0.03
Singapore (Straits Times)	3,204.38	▼	-21.42	-0.66
Sydney (All Ordinaries)	7,019.70	▼	-101.40	-1.42
Malaysia (Klse Composite)	1,509.71	▼	-14.15	-0.93

WORLD MARKETS — JUNE 8, 2022

	CLOSE		NET
Dow Jones	32,910.900	▼	-269.240
NASDAQ	12,086.271	▼	-88.961
S&P 500	4,115.770	▼	-44.910
FTSE 100	7,593.000	▼	-5.930
Euro Stoxx50	3,649.320	▼	-19.870

PESO-DOLLAR RATES



FX	
OPEN	P52.950
HIGH	P52.900
LOW	P52.970
CLOSE	P52.950
W.AVE.	P52.945
VOL.	$732.62 M

SOURCE : BAP

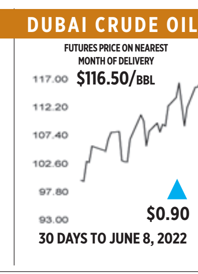
ASIAN MONIES-US$ RATE — JUNE 9, 2022

	LATEST BID (0900GMT)		PREVIOUS
Japan (yen)	133.570	▲	133.690
Hong Kong (HK dollar)	7.848	—	7.848
Taiwan (NT dollar)	29.513	▲	29.520
Thailand (baht)	34.470	▲	34.500
S. Korea (won)	1,255.480	▲	1,257.520
Singapore (dollar)	1.375	▲	1.376
Indonesia (rupiah)	14,560	▼	14,490
Malaysia (ringgit)	4.392	▲	4.393

WORLD CURRENCIES — JUNE 9, 2022

	CLOSE		PREVIOUS
US$/UK pound	1.2516	▼	1.2525
US$/Euro	1.0713	▲	1.0680
$/Aust dollar	0.7183	▲	0.7184
Canada dollar/US$	1.2562	▲	1.2550
Swiss Franc/US$	0.9783	▲	0.9784

DUBAI CRUDE OIL

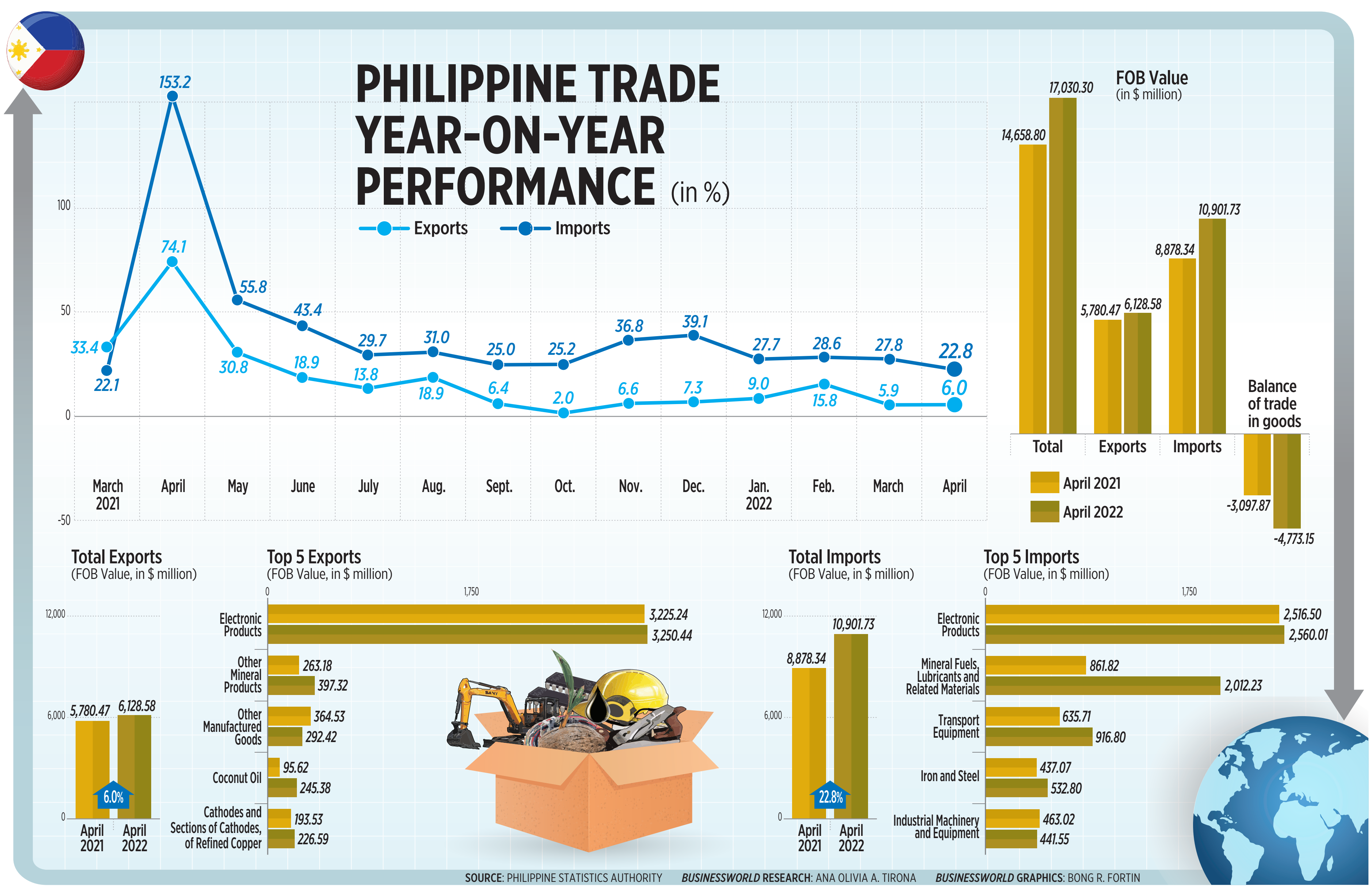


VOL. XXXV • ISSUE 227 FRIDAY • JUNE 10, 2022 • www.bworldonline.com S1/1-12 • 3 SECTIONS, 24 PAGES

PHILIPPINE STOCK EXCHANGE'S 10 MOST ACTIVE STOCKS BY VALUE TURNOVER • JUNE 9, 2022 (PSEi snapshot on *S1/2*; article on *S2/2*)

		Value			
ICT	P203.000	P667,386,302	-P8.000	▼	-3.791%
SMPH	P38.600	P515,691,995	P0.250	▲	0.652%
CNVRG	P24.000	P435,987,795	-P0.150	▼	-0.621%
ALI	P31.700	P349,481,180	-P0.300	▼	-0.938%
SM	P862.000	P258,201,385	P10.000	▲	1.174%
MBT	P51.800	P182,184,200	-P2.000	▼	-3.717%
BDO	P129.800	P157,440,363	P0.800	▲	0.620%
AC	P671.000	P156,664,960	-P23.000	▼	-3.314%
TEL	P1,920.000	P132,722,835	P5.000	▲	0.261%
MONDE	P15.000	P117,255,024	P1.000	▲	7.143%

Philippine April trade gap narrows



SOURCE: PHILIPPINE STATISTICS AUTHORITY *BUSINESSWORLD* RESEARCH: ANA OLIVIA A. TIRONA *BUSINESSWORLD* GRAPHICS: BONG R. FORTIN

THE PHILIPPINES' April trade deficit narrowed month on month to $4.8 billion, as exports slightly picked up and imports grew at their slowest pace in 13 months amid the Russia-Ukraine war and supply chain disruptions.

Preliminary Philippine Statistics Authority data showed the value of merchandise exports grew by 6% year on year to $6.129 billion in April, the fastest since 15.8% recorded in February.

The export expansion was slightly up from 5.9% in March, but slower than 74.1% a year ago.

"Based on the PSA's preliminary data, April 2022 was estimated to be 14.5% higher than the pre-pandemic average from 2017 to 2019," the Department of Trade and Industry (DTI) said in a separate statement.

The country's merchandise imports rose by 22.8% to $10.902 billion in April, the slowest since 22.1% in March 2021.

Import growth eased from 153.2% in the same month last year and 27.7% in March.

The trade-in-goods deficit narrowed to $4.773 billion, from the record $5.007-billion gap in March. However, it was wider than the $3.098-billion shortfall a year ago.

For the first four months, exports jumped by 8.9% year on year to $25.551 billion, above

Trade, S1/9

BSP plans to launch news sentiment index by 2023

THE BANGKO Sentral ng Pilipinas (BSP) is targeting to launch a news sentiment index (NSI) by 2023, as it seeks to ramp up the use of big data in its monitoring activities.

BSP Governor Benjamin E. Diokno on Thursday said the NSI would "capture relevant views or sentiment on key macroeconomic events that may affect the current and emerging economic and financial environment."

"The NSI will leverage on big data, machine learning and artificial intelligence to enhance the BSP's monitoring activities for policy development and macrofinancial surveillance," he said.

The NSI project involves the development of software that will instantly gather information on consumer and business sentiment from online news sources.

The information will then be processed using algorithms to derive the general sentiment on the economic and financial fronts. This sentiment can either be positive, neutral or negative.

"As news covers a wide range of subjects, we further take advantage of the rich information available in the news data by categorizing news articles by topic. Through topic modeling techniques, we will be able to extract sentiment data on key themes relevant to our policy decisions," Mr. Diokno said.

The BSP said the NSI would be a "cost-effective and efficient data-gathering solution" for monitoring economic developments.

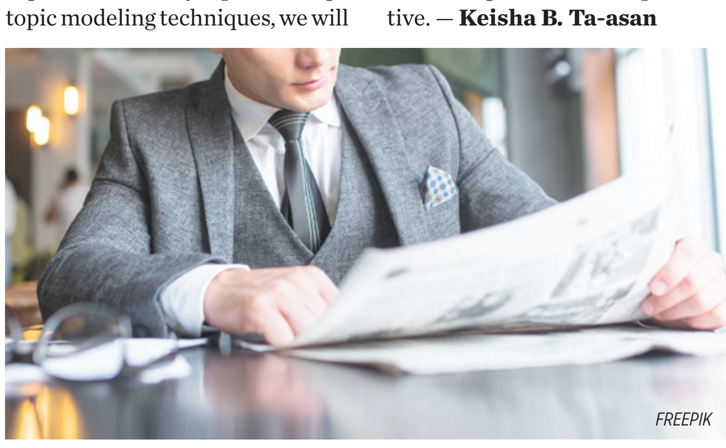
"The sentiment index that we are developing is based on most recognized and reputable media outlets in the Philippines only. We define recognized and reputable media outlets as those that have garnered awards or citations and are recognized by other members of the press or organizations," Mr. Diokno said.

To ensure that the index accurately captures the overall economic sentiment, only news from financial and business sections of media outlets will be included, the BSP chief said.

"The BSP ensures it only uses truthful and fact-checked data in its decisions and policies," Mr. Diokno said.

The NSI will complement the respondent-based sentiment surveys, such as the business and consumer expectations surveys that the BSP releases every quarter.

The NSI is part of the central bank's big data roadmap initiative. — **Keisha B. Ta-asan**



FREEPIK

Wage hikes, fare increases likely to push inflation beyond target

By Keisha B. Ta-asan

HIGHER daily minimum wages and jeepney fares will likely drive inflation beyond the central bank's target this year, analysts said.

The Bangko Sentral ng Pilipinas (BSP) reiterated it is keeping a close eye on the inflation spike's second-round effects such as wage and transport fare increases.

"The BSP is prepared to respond to a sustained buildup of inflation pressures and second-round effects that can disanchor inflation expectations," BSP Governor Benjamin E. Diokno said at the launch of the World Bank Philippines Economic Update June 2022 report on Thursday.

Inflation jumped to 5.4% in May, faster than 4.9% in April and 4.1% a year ago, as food and fuel prices continued to climb amid the prolonged Russia-Ukraine war.

The BSP last month raised its average inflation forecast for 2022 to 4.6% from 4.3%, exceeding the 2%-4% target.

The implementation of a daily minimum wage hike in 14 regions and a P1 increase in fares for public utility jeepneys in Metro Manila, Central Luzon, Calabarzon and Mimaropa this month will likely add to inflationary pressures.

Starting June 4, the new minimum wage in Metro Manila increased by P33 to P570 for non-agricultural workers and P533 for agricultural workers.

These hikes will further accelerate inflation this month, UnionBank of the Philippines, Inc. Chief Economist Ruben Carlo O. Asuncion said in a Viber message

"I am pretty sure this contributes to headline inflation's rise for this June and the coming months. We still expect average 2022 inflation at 4.7% and 4% in 2023... How June inflation looks like, I believe, will definitely make a re-think possible. At this point, we expect June inflation at 5.8%," Mr. Asuncion said.

The National Economic and Development Authority (NEDA)

Wage, S1/5

April manufacturing growth slowest in 13 months

APRIL FACTORY ACTIVITY eased to its slowest pace in 13 months, as factories grappled with higher production costs due to supply chain issues and soaring fuel prices.

Preliminary data from the Philippine Statistics Authority's Monthly Integrated Survey of Selected Industries showed manufacturing, as measured by the volume of production index (VoPI), inched up by 3.4% year on year in April.

This was significantly slower than the revised 352.3% growth in March and 157.8% a year earlier.

The April result was the slowest uptick in 13 months, or since the 73.1% contraction in March last year.

Manufacturing growth averaged 54.8% in the four months to April, a turnaround from the 19.4% average decline a year earlier.

"Factory output eased because of the high cost of production driven by a surge in fuel prices coupled by supply chain constraints," Asian Institute of Management economist John Paolo R. Rivera said in an e-mail.

Mr. Rivera noted that some manufacturers might have limited production to deal with rising prices of raw materials, when they are unable to pass these costs to consumers.

In a separate e-mail, UnionBank of the Philippines, Inc. Chief Economist Ruben Carlo O. Asuncion said manufacturing's slower reading in April was due to base effects.

"It's clearly coming from a very high base year on year. We also have to consider the continuing impact of the supply-chain challenges due to geopolitical risks, not to mention the China slowdown impact," he said.

S&P Global's Philippines Manufacturing Purchasing Managers' Index (PMI) rose to over four-year high of 54.3 in April from 53.2 in March. The 50 mark separates manufacturing expansion from contraction.

The sector's recovery has been hampered by the Russia-Ukraine war, which sent global prices of oil and commodities to multi-year highs. Russia is the second-largest producer of crude oil while Ukraine is one of the top exporters of crop and wheat.

Meanwhile, China's strict lockdowns stalled production in major hubs and disrupted global logistics and supply chains.

PSA data also showed 14 out of 22 industry divisions recorded expansions in April. Manufacture of textiles surged by 45.6% during the month, faster than the previous month's record of 24%. It was followed by machinery and equipment except electrical (39.2% in April from 48.4% in March) and chemical and chemical products (33.7% from 28.3%).

On the other hand, declines were recorded for eight industry divisions led by electrical equipment (28.1% in April from 30.5% in March), printing and reproduction of recorded media (17.3% from 11.8%), and furniture (14.5% from 1.6%).

Manufacturing, S1/5