P25 IN METRO MANILA, PHILIPPINES

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S1/1-12 • 2 SECTIONS, 16 PAGES

STOCK MARKET

PSEi

OPEN:	6,786.92
HIGH:	6,786.92
LOW:	6,698.79
CLOSE:	6,712.21
VOL.:	0.659 B
VAL(P):	5.982 B

ASIAN MARKETS

JUNE 1, 2022

	CLOSE		NET	%
Japan (Nikkei 225)	27,457.89	▲	178.09	0.65
Hong Kong (Hang Seng)	21,294.94	▼	-120.26	-0.56
Taiwan (Weighted)	16,675.09	▼	-132.68	-0.79
Thailand (SET Index)	1,658.22	▼	-5.19	-0.31
S.Korea (Kse Composite) *	2,685.90	▲	16.24	0.61
Singapore (Straits Times)	3,240.96	▲	8.47	0.26
Sydney (All Ordinaries)	7,234.00	▲	22.80	0.32
Malaysia (Klse Composite)	1,553.41	▼	-16.69	-1.06

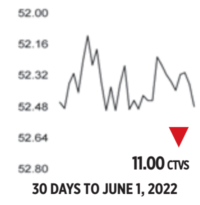
* CLOSING PRICE AS OF MAY 31, 2022

WORLD MARKETS

MAY 31, 2022

	CLOSE		NET
Dow Jones	32,990.120	▼	-222.840
NASDAQ	12,081.391	▼	-49.740
S&P 500	4,132.150	▼	-26.090
FTSE 100	7,607.660	▲	7.600
Euro Stoxx50	3,672.160	▼	-15.080

PESO-DOLLAR RATES



FX

OPEN	P52.430
HIGH	P52.420
LOW	P52.490
CLOSE	P52.480
W.AVE.	P52.461
VOL.	$724.22M

SOURCE : BAP

ASIAN MONIES-US$ RATE

JUNE 1, 2022

	LATEST BID (0900GMT)		PREVIOUS
Japan (yen)	129.400	▼	127.910
Hong Kong (HK dollar)	7.845	▲	7.848
Taiwan (NT dollar)	29.197	▼	28.994
Thailand (baht)	34.320	▼	34.200
S. Korea (won)	1,243.990	▼	1,238.230
Singapore (dollar)	1.372	▼	1.370
Indonesia (rupiah)	14,580	—	14,580
Malaysia (ringgit)	4.383	▼	4.378

WORLD CURRENCIES

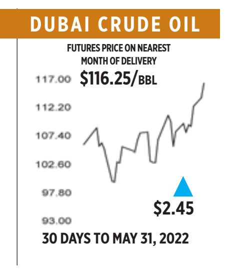
JUNE 1, 2022

	CLOSE		PREVIOUS
US$/UK pound	1.2580	▼	1.2611
US$/Euro	1.0717	▼	1.0735
$/Aust dollar	0.7186	—	0.7188
Canada dollar/US$	1.2648	▼	1.2672
Swiss Franc/US$	0.9619	▲	0.9582

DUBAI CRUDE OIL

FUTURES PRICE ON NEAREST MONTH OF DELIVERY

$116.25/BBL



PHILIPPINE STOCK EXCHANGE'S 10 MOST ACTIVE STOCKS BY VALUE TURNOVER • JUNE 1, 2022 (PSEi snapshot on *S1/5*; article on *S2/2*)

		Value			
SMPH	P37.050	P511,694,740	P0.150	▲	0.407%
SCC	P35.250	P507,643,335	P2.250	▲	6.818%
GLO	P2,404.000	P499,418,560	-P24.000	▼	-0.988%
CNVRG	P26.050	P407,957,250	-P0.450	▼	-1.698%
MONDE	P14.340	P340,911,442	-P0.460	▼	-3.108%
AC	P700.000	P315,863,180	P3.000	▲	0.430%
ALI	P29.550	P259,300,410	-P0.050	▼	-0.169%
ICT	P210.200	P256,797,110	-P6.800	▼	-3.134%
DMC	P8.990	P197,704,522	-P0.010	▼	-0.111%
BDO	P131.900	P191,751,988	-P1.500	▼	-1.124%

Manufacturing PMI slips in May

FACTORY ACTIVITY in the Philippines dipped in May, as the growth in production and new orders slightly eased, S&P Global said on Wednesday.

The S&P Global Philippines Manufacturing Purchasing Managers' Index (PMI) stood at 54.1 in May, slightly down from 54.3 in April.

"The latest headline index reading signaled a further expansion across the manufacturing sector, and one that was the second-fastest since November 2018," it said.

May marked the fourth consecutive month that the PMI was above the 50 mark, which separates growth from contraction.

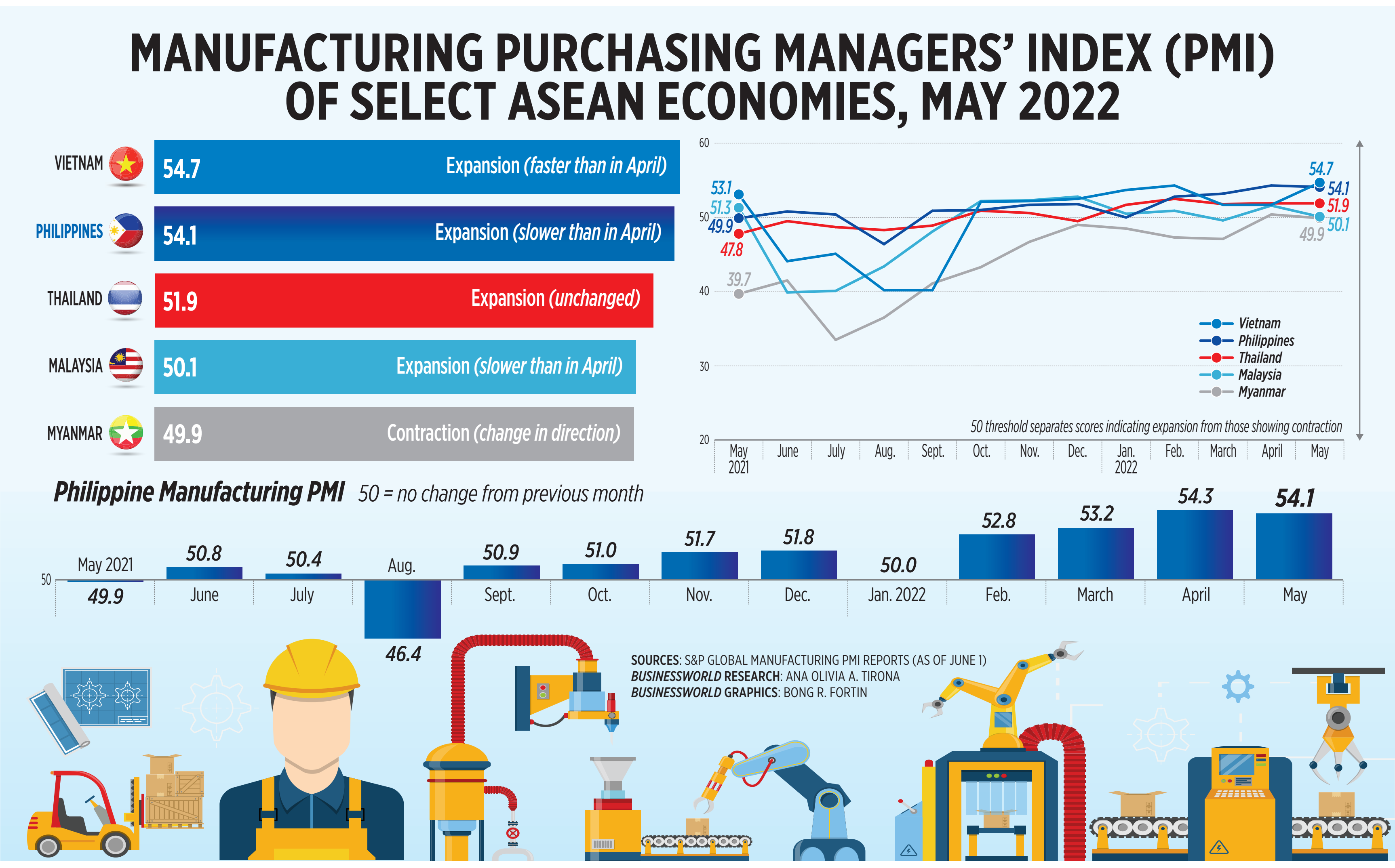
The headline PMI measures manufacturing conditions through the weighted average of five indices: new orders (30%), output (25%), employment (20%), suppliers' delivery times (15%) and stocks of purchases (10%).

The Philippines' PMI reading was the second fastest among five Association of Southeast Asian Nations (ASEAN) countries in May, behind only Vietnam's reading of 54.7.

S&P Global said that production and new orders grew at "solid" rates in the Philippines last month, although the pace of growth softened from April.

However, foreign demand for Philippine goods contracted for a third straight month, which S&P Global attributed to the strict lockdowns in China that caused shipment delays.

PMI, S1/4



Asia's factory activity slows in May as China COVID curbs weigh

TOKYO — Asia's factory activity slowed in May as China's heavy-handed coronavirus curbs continued to disrupt supply chains and dampen demand, adding to woes for some of the region's economies that are already under strain from surging raw material costs.

Manufacturers slowed activity last month in countries ranging from Japan to Taiwan and Malaysia, business surveys showed on Wednesday, a sign of the challenge policymakers face in combatting inflation with tighter monetary policy — without crippling growth.

China's Caixin/Markit Manufacturing Purchasing Managers' Index (PMI) stood at 48.1 in May, improving slightly from 46.0 the previous month but staying below the 50-point threshold that separates contraction from expansion, a private survey showed.

The outcome was in line with Tuesday's official data that showed China's factory activity fell at a slower pace in May. While coronavirus disease 2019 (COVID-19) curbs are being rolled back in some cities, they continue to weigh heavily on confidence and demand.

"Disruptions to supply chains and goods distribution may gradually ease as Shanghai's lockdown ends. But we're not out of the woods as China hasn't abandoned its zero-COVID policy altogether," said Toru Nishihama, chief economist at Dai-ichi Life Research Institute in Tokyo.

"Rising inflation is forcing some Asian central banks to tighten monetary policy. There's also the risk of market volatility from US interest rate hikes. Given such layers of risks, Asia's economy may remain weak for most of this year."

CHINA SPILLOVER

Lockdowns in China have snarled regional and global logistics and supply chains, with both Japan and South Korea reporting sharp declines in output.

Japan's manufacturing activity grew at the weakest pace in three months in May and manufacturers reported a renewed rise in input costs, the PMI survey showed, as the fallout from China's lockdowns and the Ukraine conflict pressured the economy.

Factory, S1/4

Local airlines optimistic on travel demand despite spike in fuel surcharge

By Arjay L. Balinbin
Senior Reporter

LOCAL AIRLINES are optimistic that travel demand will be sustained in the next few months, even as airfares may rise due to the spike in jet fuel prices.

"While the remaining months of June to November are our traditional lean season, we remain confident that more passengers will fly in the coming months as travel restrictions have eased. We continue to see an uptrend in bookings as passengers show high interest in our seat sales," Cebu Pacific Chief Commercial Officer Xander Lao said in a statement to *BusinessWorld* on Tuesday.

Philippines AirAsia, Inc. said the adjustment in the fuel surcharges will help cushion the impact of volatile global oil prices on airlines.

"AirAsia remains committed to offering best value for money deals for flights, SNAP (flight + hotel bundle) and other products housed on the AirAsia Super App to provide our guests with affordable options during their travels. We are optimistic that the adjustments in fuel surcharges will not affect the booking behavior of our guests who have been wanting to rediscover the Philippines and key destinations in ASEAN (Association of Southeast Asian Nations)," a company representative said in an e-mailed statement.

Starting this month, airlines are allowed to collect fuel surcharge under Level 7 or the highest level in a fuel surcharge matrix approved by the Civil Aeronautics Board (CAB).

Under Level 7, the fuel surcharge per passenger will range from P201 to P769 for domestic flights in June. This is higher than the P108 to P411 fuel surcharge for domestic flights in May.

For international flights originating from the Philippines, the fuel surcharge per passenger will range from P1,035 to P9,892 in June. This compares with the P543 to P5,026 rate in Philippine Airlines. The company has yet to respond to a request for comment as of press time.

Transportation expert Rene S. Santiago said the higher fuel surcharge will definitely affect passenger demand.

"Those who are in the margins (low to middle income) will opt out... Those in Class A won't cancel or postpone their travel plans. Airlines will see how this would affect their load factors, and may adjust downwards if the load factors fall below breakeven," he said in a phone message.

Airlines, S1/4

PHL Senate fails to ratify RCEP

By Alyssa Nicole O. Tan
Reporter

THE PHILIPPINE Senate deferred the ratification of the Regional Comprehensive Economic Partnership (RCEP), after some senators voiced concern over the lack of safeguards for the agriculture sector.

Senators on Wednesday adjourned its last session without taking a vote on the RCEP, touted as the world's biggest trade agreement since it represents 30% of the global gross domestic product (GDP).

RCEP, which entered into force on Jan. 1, is a trade agreement involving Australia, China, Japan, South Korea, New Zealand and the 10 members of the Association of Southeast Asian Nations (ASEAN).

Aside from the Philippines, only two other countries have not yet ratified the RCEP — Indonesia and Myanmar.

It will now be up to the 19th Congress to tackle the RCEP when the session opens in late July.

Earlier on Wednesday, the Financial Executives Institute of the Philippines (FINEX), the Makati Business Club (MBC), and the Management Association of the Philippines (MAP) once again appealed to the Senate to ratify the Philippines' membership in the RCEP.

"Exclusion from RCEP would be immensely costly to our economy and our people. We can anticipate a significant decline in our exports to RCEP countries, which now account for nearly two-thirds (64%) of our total exports, as trade with us will logically be diverted to fellow members," the business groups said.

Without RCEP membership, the business groups said the Philippines would become "even more unattractive to job-creating investments than we already are."

"Our membership could attract more foreign investments into the country from firms wishing to produce and sell to the large RCEP market," they added.

President-elect Ferdinand R. Marcos, Jr. earlier said he wants a review of the RCEP to determine whether the agriculture sector is adequately protected.

Some senators had raised concerns over the RCEP, citing the lack of safeguards for the agriculture sector.

"We have an incoming government who has expressed his concern about being able to review RCEP. We believe that government intervention for the agriculture sector is critical for us to be able to ensure that our entry into RCEP will not undermine our agriculture sector and will not further weaken our local manufacturers, produces, our farmers, and our fisherfolk," Senator Francis N. Pangilinan said during plenary debates late Tuesday.

RCEP, S1/4

Marcoleta among Marcos' picks for Energy chief

PRESIDENT-ELECT Ferdinand "Bongbong" R. Marcos, Jr. is eyeing Party-list Rep. Rodante D. Marcoleta to become the next Energy chief.

Mr. Marcoleta, who is also House deputy speaker, is being considered to head the Department of Energy (DoE), incoming press secretary Rose Beatrix "Trixie" Cruz-Angeles told a televised news briefing on Wednesday.

Ms. Cruz-Angeles said that aside from Mr. Marcoleta, Rigoberto D. Tiglao and lawyer Karen Jimeno are also being considered for Cabinet positions.

"We can confirm that those names are being talked about but there are no decisions made yet as of now," Ms. Cruz-Angeles said.

Mr. Marcoleta was elected to the 18th Congress as the representative of the Social Amelioration and Genuine Intervention on Poverty (SAGIP) party-list organization.

He ran for senator under Mr. Marcos' ticket, but withdrew his candidacy just a few weeks before the May 9 elections.

In 2021, Mr. Marcoleta called for an early review of the law that gave Manila Electric Co. (Meralco) a legislative franchise, which expires in 2028. He alleged that Meralco overcharged its customers when the country was placed under one of the world's longest and strictest lockdowns in 2020.

Mr. Marcoleta was also one of the lawmakers who opposed the franchise renewal bid of ABS-CBN Corp. in 2020.

Mr. Tiglao and Ms. Jimeno are reportedly among Mr. Marcos' choices for presidential spokesperson.

Mr. Tiglao is currently a columnist for *The Manila Times*. He was the presidential spokesperson and chief of staff under President Gloria Macapagal-Arroyo.

Ms. Jimeno has served as undersecretary of the Department of Public Works and Highways. — **Kyle Aristophere T. Atienza**