

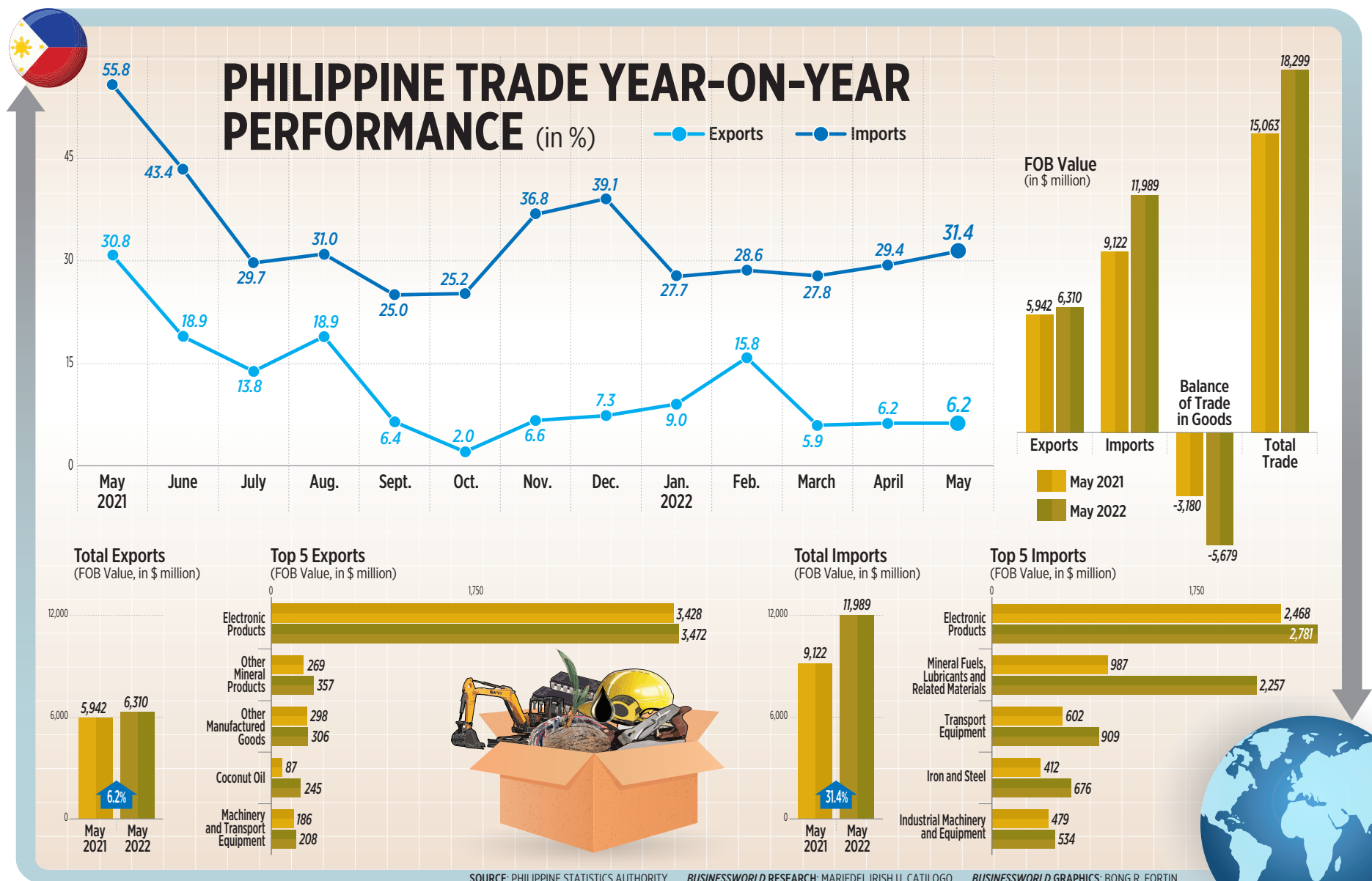
STOCK MARKET	ASIAN MARKETS	WORLD MARKETS	PESO-DOLLAR RATES	ASIAN MONIES-US\$ RATE	WORLD CURRENCIES	DUBAI CRUDE OIL
PSEi OPEN: 6,378.34 HIGH: 6,393.68 LOW: 6,349.94 CLOSE: 6,349.94 VOL.: 0.956 B VAL(P): 4,188 B 38.70 PTS. 0.60% 30 DAYS TO JULY 12, 2022	JULY 12, 2022 JAPAN (NIKKEI 225) 26,336.66 ▼ -475.64 -1.77 HONG KONG (HANG SENG) 20,844.74 ▼ -279.46 -1.32 TAIWAN (WEIGHTED) 13,950.62 ▼ -389.91 -2.72 THAILAND (SET INDEX) 1,546.15 ▼ -11.25 -0.72 S.KOREA (KSE COMPOSITE) 2,317.76 ▼ -22.51 -0.96 SINGAPORE (STRAITS TIMES) 3,142.37 ▲ 11.11 0.35 SYDNEY (ALL ORDINARIES) 6,606.30 ▲ 4.10 0.06 MALAYSIA (KLSE COMPOSITE) 1,426.08 ▲ 0.29 0.02	JULY 11, 2022 Dow Jones 31,173.840 ▼ -164.310 NASDAQ 11,372.599 ▼ -262.709 S&P 500 3,854.430 ▼ -44.950 FTSE 100 7,196.590 ▼ 0.350 Euro Stoxx50 3,499.380 ▼ -5.450	FX OPEN P56.130 HIGH P56.130 LOW P56.450 CLOSE P56.370 W.AVE. P56.318 VOL. \$1,388.40 M SOURCE : BAP 39.10 CYS 30 DAYS TO JULY 12, 2022	JULY 12, 2022 LATEST BID (0900GMT) JAPAN (YEN) 137.150 ▼ 136.970 HONG KONG (HK DOLLAR) 7.850 ▼ 7.850 TAIWAN (NT DOLLAR) 29.897 ▼ 29.831 THAILAND (BAHT) 36.330 ▼ 36.090 S. KOREA (WON) 1,311.910 ▼ 1,305.820 SINGAPORE (DOLLAR) 1.407 ▼ 1.401 INDONESIA (RUPIAH) 14,985 ▼ 14,970 MALAYSIA (RINGGIT) 4.435 ▼ 4.425	WORLD CURRENCIES JULY 12, 2022 US\$/UK POUND 1.1829 ▼ 1.1958 US\$/EURO 1.0003 ▼ 1.0117 \$/AUSTRALIAN DOLLAR 0.6716 ▼ 0.6802 CANADA DOLLAR/US\$ 1.3042 ▲ 1.2986 SWISS FRANC/US\$ 0.9848 ▲ 0.9793	DUBAI CRUDE OIL FUTURES PRICE ON NEAREST MONTH OF DELIVERY \$104.05/BBL 122.00 115.00 108.00 101.00 94.00 87.00 30 DAYS TO JULY 8, 2022 \$5.85

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PHILIPPINE STOCK EXCHANGE'S TO MOST ACTIVE STOCKS BY VALUE TURNOVER • JULY 12, 2022 (PSEi snapshot on S1/2; article on S2/2)

ALI P25.250 Value P493,435,980 -P0.200 ▼ -0.786%	SCC P38.000 Value P374,954,750 P1.100 ▲ 2.981%	ICT P184.000 Value P356,673,496 -P5.400 ▼ -2.851%	SM P813.000 Value P338,886,845 -P25.000 ▼ -2.983%	BDO P122.000 Value P221,376,801 P2.200 ▲ 1.836%	AC P620.000 Value P208,229,445 -P24.000 ▼ -3.727%	CNVRG P21.550 Value P165,598,020 P0.150 ▲ 0.701%	JGS P50.800 Value P139,487,765 P0.850 ▲ 1.702%	MONDE P13.520 Value P135,464,936 P0.140 ▲ 1.046%	BPI P89.000 Value P120,707,511 P0.200 ▲ 0.225%
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Trade gap widens in May as imports rise



THE PHILIPPINES' trade deficit widened to \$5.7 billion in May as imports rose by the fastest pace in five months, according to data from the Philippine Statistics Authority (PSA).

Imports climbed by 31.4% annually to \$11.989 billion in May, which reflected the higher prices of goods, including oil.

This was faster than the upwardly revised 29.4% in April, but eased from the 55.8% growth in May 2021.

May's import growth was the highest in five months or since the 39.1% growth in December 2021. It also marked the 15th straight month of double-digit growth.

On the other hand, exports jumped by 6.2% year on year to \$6.310 billion in May, steady from April's upwardly revised 6.2% but lower than 30.8% in May last year.

The balance of trade in goods — the difference between exports and imports — stood at a record monthly deficit of \$5.679-billion in May. It was wider than the \$3.180-billion gap a year ago and the revised \$5.349-billion deficit in April.

Meanwhile, total trade — the sum of exports and imports — jumped by 21.5% to \$18.299 billion. The pace of growth was a tad higher than the 20.3% in April, but lower than 44.9% in the same month last year.

Trade, S1/9

White-collar Filipino workers feel pinch of price increases

By Kyle Aristophere T. Atienza
Reporter

SOARING PRICES of food and fuel are now forcing many white-collar Filipino workers to cut back on nonessential spending, which some experts say may affect businesses focused on leisure and recreational services.

Marhiel Sofia D. Garrote, a 24-year-old content editor for a lifestyle magazine, recently ended her subscriptions to some digital platforms and reduced purchases of milk tea and coffee drinks.

"I even had to stop my subscription to a video streaming platform for a time," she said in a Messenger chat.

John (not his real name), who works for a research center, said he has been cutting back on using transport network vehicle services (TNVS) and stopped buying collectible items, such as action figures and vinyl records.

"I have started eating cheaper meals with less quality and avoid having afternoon snacks just to mitigate the impact of rising basic goods prices," he said in a Messenger chat.

Inflation is the most urgent national concern that President Ferdinand R. Marcos, Jr. should prioritize, according to 57% of Filipinos surveyed by Pulse Asia from June 24 to 27. (Related story on S1/10)

Inflation rose to its highest level in nearly four years, driven by higher prices of food, transport and utilities. The consumer price index hit 6.1% year on year in June, bringing the average to 4.4% in the first half.

"The rising commodity prices will temper the demand for leisure services during this period of recovery and revenge spending compared to last year," Trade Secretary Alfredo E. Pascual told *BusinessWorld* via Viber.

The middle class would be affected, he said, noting that food and non-alcoholic beverages



PHILIPPINE STAR / MIGUEL DE GUZMAN
PEOPLE head to restaurants at a mall in Quezon City.

account for 36.2% of an average Filipino household's total spending based on data from the Philippine Statistics Authority (PSA). Restaurants and hotels account for 20.4% of total household spending, while transport makes up 16.5%.

In June, food inflation rose by 6%, while transport surged by 17.1% and restaurants and hotels went up by 2.8%.

"The rise in food and transport prices is expected to trigger a temporary cutback in leisure spending," Mr. Pascual said.

Antonio A. Ligon, a business professor at the De La Salle University, said a significant decline in demand for nonessential services, including recreational activities, is expected because "many will resort to being prudent" amid the tough times.

Filipinos, S1/9

Peso touches record low against US dollar

THE PHILIPPINE peso on Tuesday fell to its weakest level against the US dollar since November 2004, amid the widening trade deficit and market jitters over more aggressive US Federal Reserve rate hikes.

The local unit closed at P56.37 versus the greenback, the weakest since Nov. 5, 2004 when it closed at P56.38.

The peso shed 39.1 centavos from its P55.979 finish on Monday, data from the Bankers Association of the Philippines showed.

It opened Tuesday's session at P56.13 against the dollar, which was also its intraday best.

The peso touched its record low of P56.45 during intraday trading, a level last seen on Oct. 14, 2004.

The local currency is down 10.5% or P5.37 from its P51-per-dollar close on Dec. 31, 2021.

Dollars exchanged went up to \$1.38 billion on Tuesday from \$804 million on Monday.

Rizal Commercial Banking Corp. Chief Economist Michael L. Ricafort said the peso's weaker performance was amid the record trade deficit on a monthly basis of \$5.7 billion and the stronger US dollar against other major currencies such as the euro and Japanese yen.

Mr. Ricafort also cited the recent hawkish signals from the US Federal Reserve officials.

Atlanta Fed President Raphael W. Bostic said on Monday the lack of month-on-month improvement in inflation increases the possibility of another 75-basis-point (bp) hike in the US Federal Funds Rate later this month.

"The peso depreciated due to global growth concerns following reports of new lockdowns in China," a trader said.

The Bangko Sentral ng Pilipinas (BSP) is facing pressure to accelerate monetary policy tightening to curb inflation, which neared a four-year high in June.

Inflation rose by 6.1% year on year in June, exceeding the central bank's 2-4 target band for a third straight month. The average inflation rate in the first six months is 4.4%, still below the BSP's full-year forecast of 5%.

"If you look at Asia-Pacific in general, currencies that have been the weakest are those where policy rates have not closed the gap with inflation," Robert Carnell, head of research for Asia-Pacific at ING, was quoted as saying by Reuters.

The Monetary Board has raised benchmark interest rates by a total of 50 bps so far this year via 25-bp hikes at its May 19 and June 23 meetings, which brought the policy rate to 2.5%.

Marco Giubin, senior portfolio manager for equities at Manulife Investment Management, said with inflation rising, the country's real interest rate is negative, which has added to currency pressures.

"I guess from a monetary standpoint, they might be a little bit behind the curve... The inflation print in the Philippines is higher so it's definitely on a negative rate path," Mr. Giubin said.

"Philippine peso, we think, will remain under pressure given the continuing US dollar strength coupled with a widening trade deficit... The twin deficit situation, not to

mention the recent change in government, there's been a whole range of issues as to why the currency has performed the way it's performed relative to other ASEAN (Association of Southeast Asian Nations) currencies," he added.

For Wednesday, the trader said the local currency may weaken ahead of the US consumer inflation report.

Both Mr. Ricafort and the trader gave a forecast range of P56.25 to P56.45 per dollar.

VOLATILITY

The Bangko Sentral ng Pilipinas (BSP) on Tuesday assured financial markets that appropriate policy action "will be taken when needed in a preemptive fashion," as the Philippines continues to face external headwinds.

BSP Governor Felipe M. Medalla said the markets should accept volatility and "live with it."

"People don't want to hear that our tools are not very good in addressing supply shocks... They, or at least the noisier part of the gallery, also want us to raise interest rates much more in response to what was initially unanticipated US monetary policy hawkishness," he said in his opening remarks during the 2022 BSP International Research Fair.

Mr. Medalla last week said they are ready to take more aggressive policy action amid rising inflation and currency pressures.

The Monetary Board's next meeting is on Aug. 18. — **Keisha B. Ta-asan with Reuters**