

STOCK MARKET	ASIAN MARKETS	WORLD MARKETS	PESO-DOLLAR RATES	ASIAN MONIES-US\$ RATE	WORLD CURRENCIES	DUBAI CRUDE OIL																																																																				
PSEi OPEN: 6,731.17 HIGH: 6,731.17 LOW: 6,489.65 CLOSE: 6,489.65 VOL.: 0.874 B VAL(P): 6.322 B 245.34 pts, 3.64% 30 DAYS TO DECEMBER 2, 2022	DECEMBER 2, 2022 <table border="1"> <tr><th>CLOSE</th><th>NET</th><th>%</th></tr> <tr><td>JAPAN (Nikkei 225)</td><td>27,777.90</td><td>-448.18 -1.59</td></tr> <tr><td>HONG KONG (HANG SENG)</td><td>18,675.35</td><td>-61.09 -0.33</td></tr> <tr><td>TAIWAN (WEIGHTED)</td><td>14,970.68</td><td>-42.12 -0.28</td></tr> <tr><td>THAILAND (SET INDEX)</td><td>1,641.63</td><td>-6.81 -0.41</td></tr> <tr><td>S.KOREA (KSE COMPOSITE)</td><td>2,434.33</td><td>-45.51 -1.84</td></tr> <tr><td>SINGAPORE (STRAITS TIMES)</td><td>3,259.14</td><td>-33.59 -1.02</td></tr> <tr><td>SYDNEY (ALL ORDINARIES)</td><td>7,301.50</td><td>-52.90 -0.72</td></tr> <tr><td>MALAYSIA (KLSE COMPOSITE)</td><td>1,481.80</td><td>-9.71 -0.65</td></tr> </table>	CLOSE	NET	%	JAPAN (Nikkei 225)	27,777.90	-448.18 -1.59	HONG KONG (HANG SENG)	18,675.35	-61.09 -0.33	TAIWAN (WEIGHTED)	14,970.68	-42.12 -0.28	THAILAND (SET INDEX)	1,641.63	-6.81 -0.41	S.KOREA (KSE COMPOSITE)	2,434.33	-45.51 -1.84	SINGAPORE (STRAITS TIMES)	3,259.14	-33.59 -1.02	SYDNEY (ALL ORDINARIES)	7,301.50	-52.90 -0.72	MALAYSIA (KLSE COMPOSITE)	1,481.80	-9.71 -0.65	DECEMBER 2, 2022 <table border="1"> <tr><th>CLOSE</th><th>NET</th></tr> <tr><td>Dow Jones</td><td>34,429.880 ▲ 34.870</td></tr> <tr><td>NASDAQ</td><td>11,461.497 ▼ -20.952</td></tr> <tr><td>S&P 500</td><td>4,071.700 ▼ -4.870</td></tr> <tr><td>FTSE 100</td><td>7,556.230 ▼ -2.260</td></tr> <tr><td>Euro Stoxx50</td><td>3,805.460 ▼ -11.660</td></tr> </table>	CLOSE	NET	Dow Jones	34,429.880 ▲ 34.870	NASDAQ	11,461.497 ▼ -20.952	S&P 500	4,071.700 ▼ -4.870	FTSE 100	7,556.230 ▼ -2.260	Euro Stoxx50	3,805.460 ▼ -11.660	FX OPEN P56.200 HIGH P55.710 LOW P56.200 CLOSE P55.740 W.AVE. P55.983 VOL. \$1,284.36 M 48.00 cvs 30 DAYS TO DECEMBER 2, 2022 SOURCE: BAP	DECEMBER 2, 2022 LATEST BID (0900GMT) <table border="1"> <tr><th>PREVIOUS</th></tr> <tr><td>JAPAN (YEN)</td><td>134.300 ▲ 136.440</td></tr> <tr><td>HONG KONG (HK DOLLAR)</td><td>7.789 ▲ 7.783</td></tr> <tr><td>TAIWAN (NT DOLLAR)</td><td>30.538 ▲ 30.617</td></tr> <tr><td>THAILAND (BAHT)</td><td>34.660 ▲ 34.970</td></tr> <tr><td>S. KOREA (WON)</td><td>1,297.890 ▲ 1,304.670</td></tr> <tr><td>SINGAPORE (DOLLAR)</td><td>1.352 ▲ 1.358</td></tr> <tr><td>INDONESIA (RUPIAH)</td><td>15,425 ▲ 15,560</td></tr> <tr><td>MALAYSIA (RINGGIT)</td><td>4.383 ▲ 4.405</td></tr> </table>	PREVIOUS	JAPAN (YEN)	134.300 ▲ 136.440	HONG KONG (HK DOLLAR)	7.789 ▲ 7.783	TAIWAN (NT DOLLAR)	30.538 ▲ 30.617	THAILAND (BAHT)	34.660 ▲ 34.970	S. KOREA (WON)	1,297.890 ▲ 1,304.670	SINGAPORE (DOLLAR)	1.352 ▲ 1.358	INDONESIA (RUPIAH)	15,425 ▲ 15,560	MALAYSIA (RINGGIT)	4.383 ▲ 4.405	DECEMBER 2, 2022 <table border="1"> <tr><th>CLOSE</th><th>PREVIOUS</th></tr> <tr><td>US\$/UK POUND</td><td>1.2287 ▲ 1.2132</td></tr> <tr><td>US\$/EURO</td><td>1.0538 ▲ 1.0433</td></tr> <tr><td>\$/AUSTRALIAN DOLLAR</td><td>0.6789 ▼ 0.6801</td></tr> <tr><td>CANADA DOLLAR/US\$</td><td>1.3468 ▲ 1.3429</td></tr> <tr><td>SWISS FRANC/US\$</td><td>0.9367 ▼ 0.9437</td></tr> </table>	CLOSE	PREVIOUS	US\$/UK POUND	1.2287 ▲ 1.2132	US\$/EURO	1.0538 ▲ 1.0433	\$/AUSTRALIAN DOLLAR	0.6789 ▼ 0.6801	CANADA DOLLAR/US\$	1.3468 ▲ 1.3429	SWISS FRANC/US\$	0.9367 ▼ 0.9437	FUTURES PRICE ON NEAREST MONTH OF DELIVERY \$81.00/BBL 98.00 96.00 94.00 92.00 90.00 88.00 86.00 84.00 82.00 80.00 \$0.35 30 DAYS TO DECEMBER 2, 2022
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PHILIPPINE STOCK EXCHANGE'S 10 MOST ACTIVE STOCKS BY VALUE TURNOVER • DECEMBER 2, 2022 (PSEi snapshot on S1/4; article on S2/2)

SM	P901.500	GTCAP	P438.000	SMPH	P34.050	BDO	P128.200	ALI	P29.000	ICT	P193.500	BPI	P99.000	JFC	P237.000	GLO	P2,280.000	CNVRG	P15.300
Value	P593,883,875	Value	P364,188,220	Value	P264,154,925	Value	P246,169,238	Value	P245,523,105	Value	P222,500,763	Value	P211,299,313	Value	P191,813,262	Value	P191,022,330	Value	P189,458,180
	-P78.500 ▼ -8.010%		-P12.000 ▼ -2.667%		-P1.150 ▼ -3.267%		-P1.800 ▼ -1.385%		-P0.600 ▼ -2.027%		-P3.300 ▼ -1.677%		-P5.000 ▼ -4.808%		-P3.600 ▼ -1.496%		-P70.000 ▼ -2.979%		-P0.700 ▼ -4.375%

Nov. inflation likely at 7.8% — poll

By Keisha B. Ta-asan
Reporter

INFLATION likely quickened beyond the Bangko Sentral ng Pilipinas' (BSP) target for an eighth straight month in November, mainly due to costlier food items and higher electricity rates, analysts said.

A *BusinessWorld* poll of 15 analysts last week yielded a median estimate of 7.8% for the consumer price index (CPI) in November, faster

than the 3.7% print a year earlier and the 7.7% print in October.

If realized, November would mark eight straight months that inflation has breached the BSP's 2-4% annual target range, and the fastest in 14 years or since the 9.1% print in November 2008.

The headline inflation figure will also match the 7.8% midpoint of the BSP's 7.4-8.2% forecast for the month. The Philippine Statistics Authority will release inflation data on Dec. 6.

"For November, our inflation view is 7.8% as we still see elevated food price levels owing to the food supply tightness stemming from the weather disturbances

in October and early November," Sun Life Investment Management and Trust Corp. economist Patrick M. Ella said in an e-mail.

The agriculture sector bore the brunt of several weather disturbances this year. Severe Tropical Storm Paeng (international name: Nalgae) caused over P6.4 billion in agricultural damage, and prompting the declaration of a six-month "state of calamity" in Calabarzon, Bicol, Western Visayas and the Bangsamoro Autonomous Region in Muslim Mindanao.

Philippine National Bank economist Alvin Joseph A. Arago, who gave a 7.9% forecast, noted these four regions contribute a combined

27% to the country's agriculture, forestry, and fishing industry.

"As such, we budgeted for higher food and non-alcoholic beverages price growth in November and December. Meanwhile, we continue to reflect in our forecasts our view that the second-round impact of the global commodities spike and impact of peso depreciation will likely still be felt in the near term," Mr. Arago said.

Standard Chartered Bank economist Jonathan Koh said in an e-mail that utilities inflation likely went up in November after Manila Electric Co. (Meralco) raised electricity rates.

Meralco raised the overall rate for a typical household by

P0.0844 to P9.8628 per kilowatt-hour (kWh) in November.

"Offsetting these upward pressures are the reduction in petroleum and pork prices, the peso appreciation, and base effects," Security Bank Corp. Chief Economist Robert Dan J. Roces said in an e-mail.

In November alone, pump price adjustments stood at a net decrease of P7.5 a liter for diesel and P4 a liter for kerosene. Meanwhile, gasoline prices had a net increase of P0.8 per liter for the month.

The peso also rebounded to the P56-a-dollar mark in November, closing the month at P56.56 on Nov. 29, up by P1.41 or 2.5% from its P57.97 finish on Oct. 28.

However, China Banking Corp. Chief Economist Domini S. Velasquez said that core inflation is still on an uptrend, and may peak in the first quarter of 2023.

"Our latest estimate shows core inflation might have jumped to 6.1% in November from 5.9% in October. This means that secondary round effects continue to drive higher prices overall," she said.

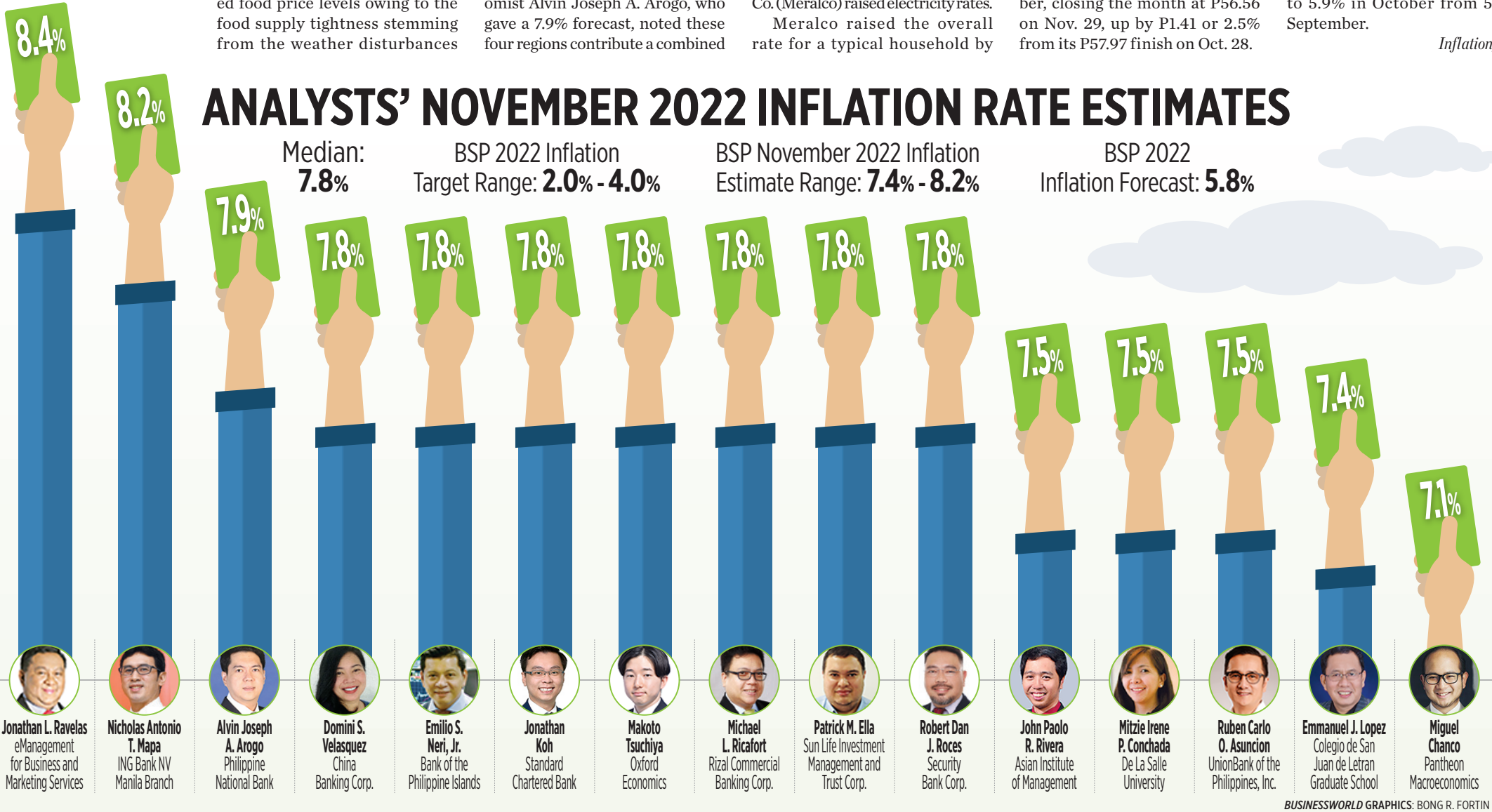
Mr. Roces also said strong local consumption may have pushed core inflation higher in November.

Core inflation, which excludes food and fuel prices, quickened to 5.9% in October from 5% in September.

Inflation, SI/9

ANALYSTS' NOVEMBER 2022 INFLATION RATE ESTIMATES

Median: **7.8%** BSP 2022 Inflation Target Range: **2.0% - 4.0%** BSP November 2022 Inflation Estimate Range: **7.4% - 8.2%** BSP 2022 Inflation Forecast: **5.8%**



BUSINESSWORLD GRAPHICS: BONG R. FORTIN

Gross borrowings drop 33% as of end-October

GROSS BORROWINGS by the National Government (NG) declined by 32.7% year on year as of end-October, preliminary data from the Bureau of the Treasury (BTr) showed.

According to the BTr, total gross borrowings in the 10-month period stood at P1.85 trillion, lower than the P2.75 trillion seen in the same period last year.

For October alone, gross borrowings increased by 25.4% to P176.56 billion year on year.

For the first 10 months of the year, gross domestic borrowings dropped by 31% to P1.58 trillion from P2.29 trillion a year ago.

In October, gross domestic borrowings plunged by 57.6% to P56.73 billion from P133.73 billion a year ago. The month saw a net redemption of Treasury bills (T-bills) amounting to P51.38 billion, which was offset by the P108.11 billion raised through fixed-rate Treasury bonds (T-bonds).

Meanwhile, external gross borrowings fell by 9.07% to P471.66 billion

in the 10-month period from P518.71 billion a year earlier.

Foreign gross borrowings surged by 943.2% to P125.7 billion for the month of October from P12.049 billion posted last year.

This included global bonds, which amounted to P116.93 billion, and project loans, which totaled P8.76 billion.

In October, the Marcos administration raised \$2 billion (P118 billion) from its first dollar bond issuance, reflecting "strong investor appetite globally for the republic."

The government also repaid P5.74 billion to foreign creditors in October.

The government borrows from domestic and foreign sources in order to fund a budget deficit capped at P1.65 trillion this year, equivalent to 7.6% of gross domestic product (GDP).

The NG outstanding debt hit a record P13.52 trillion as of end-September.

As a share of GDP, outstanding debt rose to 63.7% at the end of September, the highest in 17 years. — **Luisa Maria Jacinta C. Jocsos**

PHL not ready for sovereign wealth fund — analysts

By Luisa Maria Jacinta C. Jocsos
Reporter

THE PHILIPPINES is not ready for a sovereign wealth fund amid the lack of fiscal space and high debt levels, as well as concerns over possible mishandling of public funds, analysts said.

"At this point in time, the country is not in a position to set up a sovereign wealth fund given the government's tight fiscal position and large debt-to-gross-domestic product (GDP) ratio. Furthermore, the government doesn't enjoy any fiscal bonanza from a commodity price boom, such as minerals or oil," Calixto V. Chikiamco, Foundation for Economic Freedom (FEF) president, said in a Viber message.

Several lawmakers led by House Speaker Ferdinand Martin G. Romualdez, a cousin of President Ferdinand R. Marcos, Jr., and Deputy Majority Leader Ferdinand Alexander Marcos, the President's son, recently filed a bill seeking to create a sovereign wealth fund.

The proposed Maharlika Wealth Fund will make investments by utilizing funds from the Government Service Insurance System (GSIS), the Social Security Sys-



tem (SSS), Land Bank of the Philippines (LANDBANK) and Development Bank of the Philippines (DBP).

The sovereign wealth fund will get an initial investment of P250 billion from these state pension funds and banks.

Mr. Chikiamco said it will be risky to use pension funds, which are typically managed conservatively, for a sovereign wealth fund.

"There is no value added to create another separate entity to invest the funds of SSS and GSIS. The pension funds have investment committees that invest the money prudently on behalf of its members. If the idea is to generate higher returns, it may come at higher risk, which is not within the investment guidelines for the investment of pension funds," he said.

"It may also be politically reckless for them to touch SSS funds, which are owned by its members and not the government," he added.

Terry L. Ridon, a public investment analyst and convener of think tank InfraWatch PH, said in an e-mail that pension funds are held in trust for the benefit of its members, not the government.

"Relying mainly on pension funds and government banks which already have their own investment objectives, timelines and risk tolerances subjects the pensions and deposits of ordinary families to extraordinary risk. Retirees and depositors did not sign up to subject their money to this new type of risk," he added.

A sovereign wealth fund is typically funded by a government's oil or other commodity export revenue or excess foreign exchange reserves.

"We have no oil, we have limited natural gas and the current revenue-sharing framework on mining does not favor the government," Mr. Ridon said, adding that the Philippines does not have any surplus government funds.

The National Government's (NG) budget deficit stood at P1.11 trillion in the January-to-October period, accounting for just 67% of the P1.7-trillion deficit program for the full year. The government borrows from local and external sources to help fund a budget deficit.

Wealth fund, SI/3



THE ECONOMY
Mindanao railway attracting interest from 'other countries' SI/2

CORPORATE NEWS
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THE NATION
Senate told to rein in parochial interest in 2023 budget measure SI/10



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