

| STOCK MARKET | ASIAN MARKETS | WORLD MARKETS | PESO-DOLLAR RATES | ASIAN MONIES-US\$ RATE | WORLD CURRENCIES | DUBAI CRUDE OIL |
|---|--|---|---|---|---|--|
| PSEi OPEN: 6,783.40 HIGH: 6,783.40 LOW: 6,740.03 CLOSE: 6,756.69 VOL.: 2.514 B VAL(P): 20.637 B 33.55 pts, 0.49% 30 DAYS TO JANUARY 10, 2023 | JANUARY 10, 2023 JAPAN (NIKKEI 225) 26,175.56 ▲ 201.71 0.78 HONG KONG (HANG SENG) 21,331.46 ▼ -56.88 -0.27 TAIWAN (WEIGHTED) 14,802.96 ▲ 50.75 0.34 THAILAND (SET INDEX) 1,689.87 ▲ -1.25 -0.07 S.KOREA (KSE COMPOSITE) 2,351.31 ▲ 1.12 0.05 SINGAPORE (STRAITS TIMES) 3,262.62 ▼ -43.05 -1.30 SYDNEY (ALL ORDINARIES) 7,131.00 ▼ -20.30 -0.28 MALAYSIA (KLSE COMPOSITE) 1,485.13 ▼ -8.29 -0.56 | JANUARY 9, 2023 Dow Jones 33,517.650 ▼ -112.960 NASDAQ 10,635.649 ▲ 66.355 S&P 500 3,892.090 ▼ -2.990 FTSE 100 7,724.940 ▲ 25.450 Euro Stoxx50 3,842.540 ▲ 25.350 | FX OPEN P54.950 HIGH P54.800 LOW P54.950 CLOSE P54.870 W.AVE. P54.858 VOL. \$1,067.95 M SOURCE: BAP | JANUARY 10, 2023 LATEST BID (0900GMT) JAPAN (YEN) 131.720 ▲ 132.280 HONG KONG (HK DOLLAR) 7.808 — 7.808 TAIWAN (NT DOLLAR) 30.424 ▲ 30.532 THAILAND (BAHT) 33.530 ▲ 33.550 S. KOREA (WON) 1,243.850 ▲ 1,245.920 SINGAPORE (DOLLAR) 1.330 ▲ 1.333 INDONESIA (RUPIAH) 15,570 ▼ 15,565 MALAYSIA (RINGGIT) 4.370 ▲ 4.373 | JANUARY 10, 2023 US\$/UK POUND 1.2172 ▲ 1.2165 US\$/EURO 1.0747 ▲ 1.0675 \$/AUSTRALIAN DOLLAR 0.6899 ▼ 0.6928 CANADA DOLLAR/US\$ 1.3384 — 1.3384 SWISS FRANC/US\$ 0.9196 ▼ 0.9241 | DUBAI CRUDE OIL FUTURES PRICE ON NEAREST MONTH OF DELIVERY \$76.95/BBL ▲ \$1.80 30 DAYS TO JANUARY 9, 2023 |

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S1/1-10 • 2 SECTIONS, 14 PAGES

PHILIPPINE STOCK EXCHANGE'S 10 MOST ACTIVE STOCKS BY VALUE TURNOVER • JANUARY 10, 2023 (PSEi snapshot on S1/2; article on S2/2)

| SM | P903.500 | BDO | P110.900 | TEL | P1,433.000 | ICT | P203.000 | SMPH | P37.250 | AC | P703.000 | MPI | P3.880 | JFC | P241.000 | BPI | P104.500 | RLC | P15.000 |
|-------|-----------------|-------|-------------------|-------|------------------|-------|-----------------|-------|-------------------|-------|-------------------|-------|-----------------|-------|-------------------|-------|-------------------|-------|-------------------|
| Value | P537,147,695 | Value | P461,202,849 | Value | P417,382,425 | Value | P372,822,897 | Value | P226,042,295 | Value | P223,940,935 | Value | P218,331,370 | Value | P186,964,036 | Value | P184,252,607 | Value | P164,609,434 |
| | P3.500 ▲ 0.389% | | -P1.500 ▼ -1.335% | | P21.000 ▲ 1.487% | | P5.000 ▲ 2.525% | | -P0.250 ▼ -0.667% | | -P9.000 ▼ -1.264% | | P0.280 ▲ 7.778% | | -P1.000 ▼ -0.413% | | -P1.500 ▼ -1.415% | | -P0.080 ▼ -0.531% |

Trade deficit widens to \$3.68 billion

By Lourdes O. Pilar
Researcher

THE PHILIPPINES' trade deficit widened to a two-month high of \$3.68 billion in November, as export growth slowed while imports declined for the first time in nearly two years, the Philippine Statistics Authority (PSA) reported on Tuesday.

Preliminary data from the PSA showed the value of merchandise imports slipped by 1.9% to \$10.78 billion in November, a reversal of the revised 7.7% growth in October and the 36.8% rise in November 2021.

Imports dropped for the first time since January 2021 when it saw an 11.8% contraction. The November import bill was also the lowest in nine months or since the \$10.19 billion posted in February last year.

Meanwhile, exports jumped by 13.2% year on year to \$7.10 billion in November, slower than the revised 20.3% growth in October but faster than 6.6% in November 2021.

The November reading marked the third straight month of year-on-year growth in exports after the 1.7% contraction in August 2022.

Export earnings that month were also the lowest in three months or since \$6.43 billion in August 2022.

This brought the trade-in-goods deficit — the difference between exports and imports — to \$3.68 billion in November, narrower than the \$4.71-billion shortfall in the same month in 2021.

This was the widest deficit in two months after the revised \$4.83-billion gap in September.

November's total trade — the sum of exports and imports — grew by 3.6% to \$17.88 billion, slower than the 12.5% in October and the revised 24.1% in November 2021.

In the 11 months to November, exports grew by 7% year on year to \$73.17 billion. This growth rate is still above the revised 4% growth target set by the Development Budget Coordination Committee (DBCC).

Year to date, imports climbed by 20.3% to \$126.86 billion, matching the government's 20% growth target for 2022.

This brought the trade deficit to \$53.69 billion in the January-to-November period, widening from the \$37.11-billion gap in 2021.

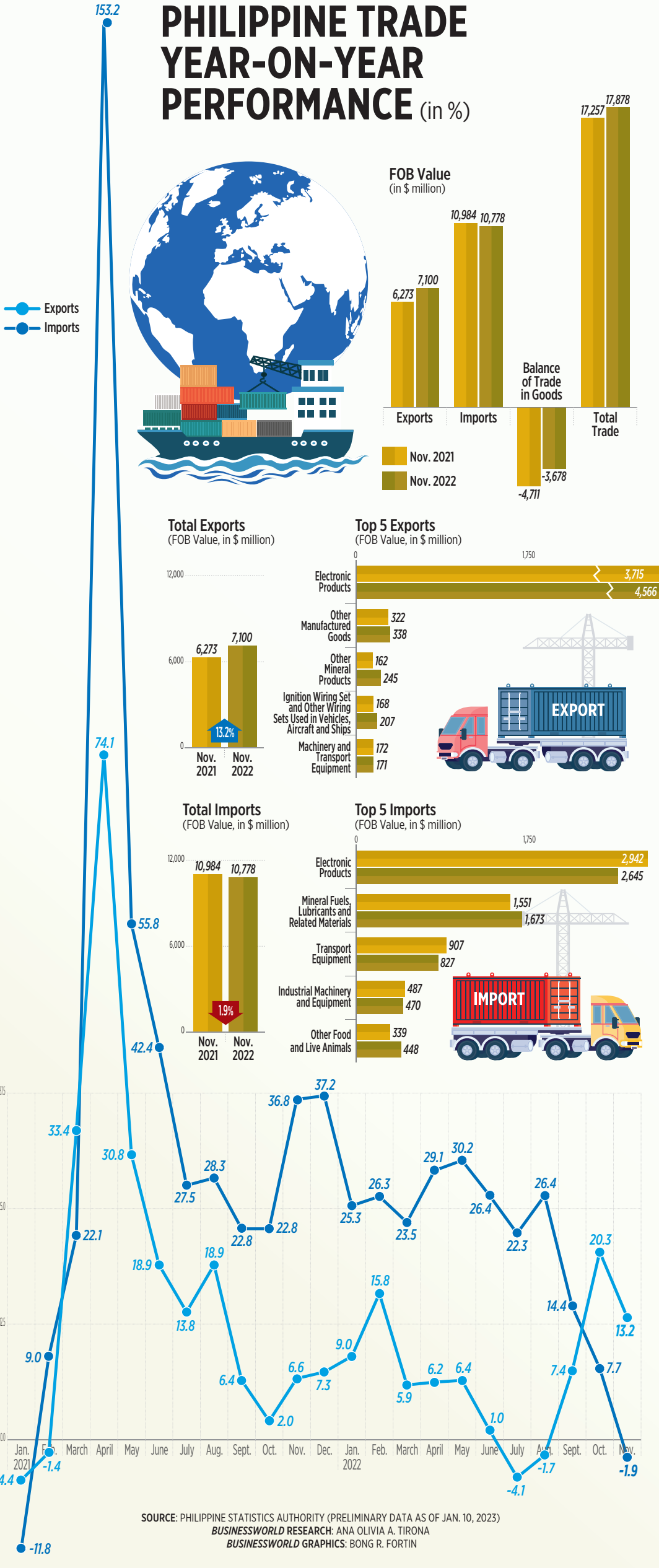
WEAK DEMAND

University of Asia and the Pacific Senior Economist Cid L. Terosa said in an e-mail that the wider trade gap reflected weaker world markets and global demand.

"The slowdown in exports shows weaker global demand for intermediate inputs for manufactured products. Meanwhile, the slowdown in imports reflects a cautious stance towards expanding domestic production given unstable and uncertain external economic conditions," Mr. Terosa said.

Trade, S1/9

PHILIPPINE TRADE YEAR-ON-YEAR PERFORMANCE (in %)



Medalla sees 25-50 bps hike in Feb. meeting

By Keisha B. Ta-asan
Reporter

THE BANGKO SENTRAL ng Pilipinas (BSP) is likely to raise benchmark interest rates by 25 or 50 basis points (bps) at its meeting in February, its governor said, citing the need to anchor inflation expectations.

BSP Governor Felipe M. Medalla said the pressure to match the US Federal Reserve's policy tightening was waning, and the need for large policy adjustment is "no longer there."

"In that scenario, you have a weaker dollar to begin with, so the pressure on us to match US increases will be much lower," he told reporters on Tuesday.

The Monetary Board has raised rates by a total of 350 bps last year to tame inflation and slow the peso's decline. This brought the policy rate to a 14-year high of 5.5%.

Last year, the US Federal Reserve delivered 425 bps of cumulative rate

hikes, which brought its own policy rate to 4.25-4.5%.

The peso weakened against the dollar last year, closing at a low of P59 in October. The peso has since rebounded, finishing at a six-month low of P54.87 on Tuesday.

Mr. Medalla also said the BSP is "way ahead" of central banks in the region.

"We've already done more work than them, they have more work to do than us. Our main concern now is inflation and to some extent the strong dollar," he said.

Inflation rose to 8.1% in December, from 8% in November and 3.1% in December 2021. This brought the average inflation in 2022 to 5.8%, the highest in 14 years.

With the BSP set to take further steps in taming price pressures, Mr. Medalla expects inflation to be within the central bank's annual 2-4% target by the second half, falling below the midpoint of that target by late 2023 or early 2024.

Medalla, S1/9

WHAT'S INSIDE

BANKING & FINANCE
Peso climbs to over six-month high vs dollar S2/1

A NEWSPAPER IS A PUBLIC TRUST



ARTS & LEISURE
The indefinite intermission ends: The rise of the curtain, and what awaits in 2023 S2/4

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PHL raises \$3 billion from US dollar bonds

THE PHILIPPINES raised \$3 billion from its first US dollar bond issuance for the year, the Bureau of the Treasury (BTr) said on Tuesday.

The government sold \$500 million worth of the 5.5-year notes priced at 4.625% or US Treasuries plus 105 basis points (bps).

It also raised \$1.25 billion from the 10.5-year papers priced at 5% or US Treasuries plus 145 bps.

"This was 50 bps tighter than initial price guidance of US Treasury plus 155 and 195 bps, respectively," the BTr said in a press release.

The government also sold \$1.25 billion worth of the 25-year sustainability bonds with a yield of 5.5% or US Treasuries plus 180.7 bps. This was also 45 bps tighter than the initial price guidance.

The bond issuance's order book peaked at \$28.2 billion for all tranches, reflecting "strong interest across all tranches from a diverse pool of high-quality investors, showcasing investors' confidence in the republic's credit profile," the BTr said.

"Due to a strong order book, we were able to compress the price guidance while still upsizeing the trans-

action from an initial target issue size of \$2 billion," the Department of Finance (DoF) said in a statement.

The three-tranche offering, which is expected to be settled on Jan. 17, was launched on Monday at a benchmark size or at least \$500 million each.

"Despite high volatility in global credit markets amid the rate hike cycle, the republic took advantage of the improved market sentiments with economic data showing signs of slowing inflation and alleviating concern over US Federal Reserve tightening," the BTr said.

The US Federal Reserve slowed the pace of rate hikes at its meeting in December. However, two Fed officials on Monday said they see a need to raise rates above 5% and hold them for a long time.

"The robust demand for our first international bond offering in 2023 represents a strong vote of confidence by international investors. It is a testament to the republic's sound economic fundamentals and the resilience of our economy in the face of volatile global financial markets," Finance Secretary Benjamin E. Diokno said in a statement.

Dollar bonds, S1/9

Meralco customers brace for higher January bills

By Ashley Erika O. Jose
Reporter

TYPICAL HOUSEHOLDS in Metro Manila can expect their monthly electricity bills to go up by around P125 this month, after Manila Electric Co. (Meralco) said it will hike the overall rate

due to an increase in the generation charge and the completion of refunds.

In a statement on Tuesday, Meralco said the overall rate for a typical household increased by P0.6232 per kilowatt-hour (kWh) to P10.9001 per kWh in January, from P10.2769 per kWh in December.

Households that consume 200 kWh would see their monthly bills increase by around P125. Resi-

dential customers consuming 300 kWh, 400 kWh, and 500 kWh will see an increase of P187, P248, and P309, respectively, in their monthly bills.

Meralco attributed the January rate hike to the generation charge which rose by P0.3316 to P7.1291 per kWh from P6.7975 per kWh in December.

Joe R. Zaldarriaga, Meralco spokesperson and head of corporate communications, said

charges from the independent power producers (IPPs) also went up by P0.4070 per kWh as First Gas-Sta. Rita used more expensive alternative fuel due to the lack of supply of Malampaya natural gas.

However, the peso appreciation, which affected 97% of IPP costs that are dollar-denominated, tempered the further increase of power rates.

Meralco, S1/9