

STOCK MARKET	ASIAN MARKETS	WORLD MARKETS	PESO-DOLLAR RATES	ASIAN MONIES-US\$ RATE	WORLD CURRENCIES	DUBAI CRUDE OIL
<b>PSEi</b> OPEN: 6,692.30 HIGH: 6,790.24 LOW: 6,685.07 CLOSE: 6,790.24 VOL.: 2.463 B VAL(P): 6.408 B 122.27 PTS. 1.83% 30 DAYS TO JANUARY 9, 2023	<b>JANUARY 9, 2023</b> JAPAN (NIKKEI 225)* 25,973.85 ▲ 153.05 0.59 HONG KONG (HANG SENG) 21,388.34 ▲ 396.70 1.89 TAIWAN (WEIGHTED) 14,752.21 ▲ 378.87 2.64 THAILAND (SET INDEX) 1,690.11 ▲ 16.25 0.97 S.KOREA (KSE COMPOSITE) 2,350.19 ▲ 60.22 2.63 SINGAPORE (STRAITS TIMES) 3,299.97 ▲ 23.25 0.71 SYDNEY (ALL ORDINARIES) 7,151.30 ▲ 41.70 0.59 MALAYSIA (KLSE COMPOSITE) 1,493.42 ▲ 12.87 0.87 <small>* CLOSING PRICE AS OF JANUARY 6, 2023</small>	<b>JANUARY 6, 2023</b> Dow Jones 33,630.610 ▲ 700.530 NASDAQ 10,569.294 ▲ 264.053 S&P 500 3,895.080 ▲ 86.980 FTSE 100 7,699.490 ▲ 66.040 Euro Stoxx50 3,817.190 ▲ 50.990	<b>FX</b> OPEN P55.300 HIGH P55.090 LOW P55.320 CLOSE P55.110 W.AVE. P55.164 VOL. \$1,219.55 M SOURCE: BAP	<b>JANUARY 9, 2023</b> LATEST BID (0900GMT) PREVIOUS JAPAN (YEN) 132.280 132.070 HONG KONG (HK DOLLAR) 7.808 7.806 TAIWAN (NT DOLLAR) 30.532 30.562 THAILAND (BAHT) 33.550 33.790 S. KOREA (WON) 1,245.920 1,253.500 SINGAPORE (DOLLAR) 1.333 1.335 INDONESIA (RUPIAH) 15,565 15,630 MALAYSIA (RINGGIT) 4.373 4.401	<b>JANUARY 9, 2023</b> US\$/UK POUND 1.2165 ▲ 1.2092 US\$/EURO 1.0675 ▲ 1.0644 \$/AUSTRALIAN DOLLAR 0.6928 ▲ 0.6875 CANADA DOLLAR/US\$ 1.3384 ▲ 1.3442 SWISS FRANC/US\$ 0.9241 ▼ 0.9273	<b>FUTURES PRICE ON NEAREST MONTH OF DELIVERY</b> \$75.15/BBL 30 DAYS TO JANUARY 6, 2023

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PHILIPPINE STOCK EXCHANGE'S 10 MOST ACTIVE STOCKS BY VALUE TURNOVER • JANUARY 9, 2023 (PSEi snapshot on S1/4; article on S2/2)

SM	P900.000	TEL	P1,412.000	ACEN	P7.600	BPI	P106.000	BDO	P112.400	BLOOM	P9.000	ICT	P198.000	SMPH	P37.500	CNVRG	P18.000	AC	P712.000
Value	P675,900,720	Value	P492,550,390	Value	P334,059,395	Value	P291,607,175	Value	P265,985,348	Value	P244,567,336	Value	P217,965,465	Value	P212,109,070	Value	P199,435,942	Value	P197,612,685
PO.000	0.000%	P27.000	▲ 1.949%	PO.110	▲ 1.469%	P5.400	▲ 5.368%	P1.400	▲ 1.261%	PO.100	▲ 1.124%	P2.000	▲ 1.020%	PO.750	▲ 2.041%	PO.500	▲ 2.857%	P28.000	▲ 4.094%

## PHL offers at least \$1.5B in dollar bonds

### DoE expects 12 yellow alerts in Luzon grid

LUZON'S POWER GRID is likely to experience deficient reserves for seven months this year which may result in 12 yellow alerts, the Department of Energy (DoE) said on Monday, as it ruled out red alerts that lead to rotating brownouts.

DoE Undersecretary Rowena Cristina L. Guevara said at a virtual press briefing on Monday that some power plants in Luzon may experience forced outages that would reduce available capacity by 500-600 megawatts (MW) this year.

The yellow alerts are anticipated to take place during the summer months — April to June, as well as during the September-to-November period.

Data provided by the DoE showed that one yellow alert is expected to be raised in March, two in April, four in May, two in June, one in September, one in October and one in November.

The DoE noted the Luzon grid is expected to experience peak demand of 13,125 MW in May. The entire month of May is considered a critical period due to a likely surge in power demand as the country experiences higher temperatures.

Ms. Guevara said the Visayas is likely to experience five yellow alerts, mostly in the evening, by the second half of the year. The Visayas is unlikely to see red alerts or rotating brownouts, she added.

The Mindanao grid will have sufficient power reserves for this year, Ms. Guevara said.

Yellow alerts are issued when reserves fall below a designated safety margin. Red alerts are raised when the supply-demand balance deteriorates further, signaling the possibility of rotational brownouts.

DoE, S1/5

### Philippines to see decline in debt burden in 2023

THE PHILIPPINES will likely see its debt decline this year amid continued economic growth, Moody's Investors Service said on Monday.

"For only a few sovereigns, including Fiji, Maldives and the Philippines, debt burdens will decline by several percentage points in 2023, driven by high nominal GDP (gross domestic product) growth," Moody's said in a Jan. 9 report.

"But their debt burdens will still hover far above pre-pandemic levels."

The National Government's outstanding debt rose by an annual 14% to a record-high of P13.644 trillion as of end-November.

However, the end-November debt inched up by only 0.02% month on month "primarily due to the effect of local currency appreciation against the US dollar on foreign currency loans."

The debt-to-GDP ratio stood at 63.7% as of the end of the third quarter, which is above the 60% threshold prescribed by multilateral lenders. This is the highest debt-to-GDP ratio in 17 years, and significantly higher than the 39.6% seen in 2019.

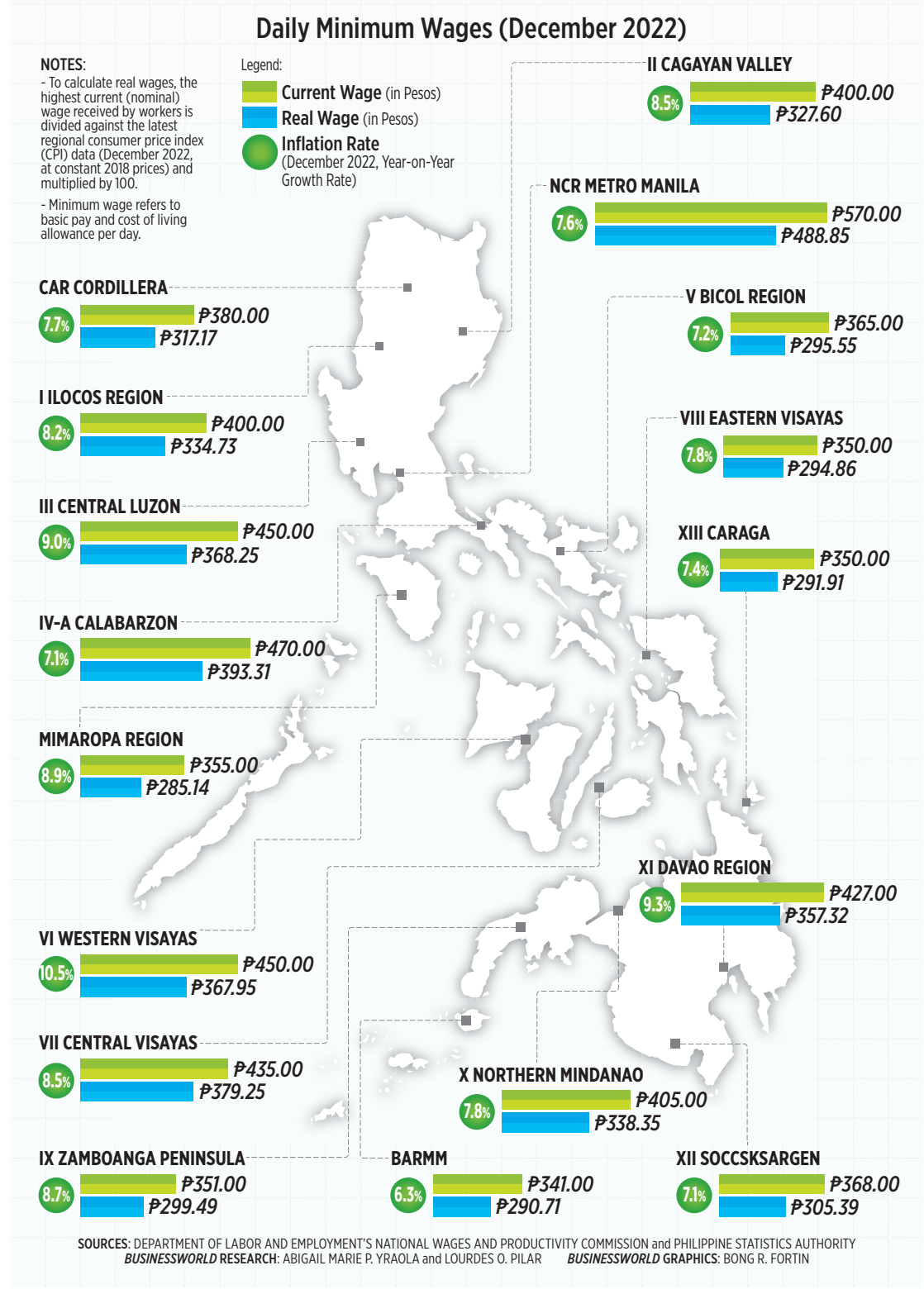
This year, economic managers are aiming to bring down the debt-to-GDP ratio to 60-62%, as the Philippine economy is expected to expand by 6-7%.

"While debt burdens have peaked, scope for significant reduction is limited. Although deficits are likely to decline, debt reduction will be modest and burdens will remain close to 2022 levels. Fiscal deficits for most governments are likely to be equivalent to or near their debt-stabilizing fiscal balance," Moody's said.

Debt, S1/5

### HOW MINIMUM WAGES COMPARED ACROSS REGIONS IN DECEMBER (AFTER ACCOUNTING FOR INFLATION THAT MONTH)

Inflation-adjusted wages in December were 12.8% to 19.7% lower than the current daily minimum wages across the regions in the country. In peso terms, real wages were lower by around P50.29 to P82.05 in December from the current daily minimum wages set by Regional Tripartite Wages and Productivity Board.



THE PHILIPPINE government started the new year with a return to the global bond market via a benchmark-sized US dollar-denominated bond offering.

Documents from the Bureau of the Treasury (BTr) showed the Philippines is looking to raise at least \$1.5 billion from the three-tranche offering.

The offering consists of dollar bonds with tenors of 5.5 years, 10.5 years, and 25-year "green" or sustainability bonds of at least \$500 million each.

This is the second global bond offering under the Marcos administration, which took office in the middle of 2022. In October 2022, the government raised \$2 billion from the three-tranche US dollar bond offering.

The BTr document showed the initial price guidance for the 5.5-year and 10.5-year tenors are set around the level of Treasuries plus 155 basis points (bps) and 195 bps, respectively.

The price guidance for the 25-year sustainability bonds is set around the 5.95% area.

The Treasury said proceeds of the bonds will be used for general budget financing, as well as the financing or refinancing of assets in line with the government's sustainable finance framework.

The joint lead managers and bookrunners of the offering are BofA Securities, Deutsche Bank, Goldman Sachs, HSBC (B&D), Morgan Stanley, Standard Chartered Bank and UBS.

UBS and Standard Chartered are both designated as sustainability structuring banks.

The 5.5-year papers will mature in July 2028, the 10.5-year notes in July 2033, and the 25-year sustainability bonds in January 2048.

Moody's Investors Service assigned the latest dollar bond offering a senior unsecured rating of "Baa2," which mirrors the Philippine government's issuer rating.

S&P Global Ratings also assigned a rating of "BBB+" while Fitch Ratings gave it a "BBB" rating.

Aside from the bond offering in October, the government also raised \$559 million from a yen-denominated Samurai bond issue in April and sold \$2.25 billion worth of dollar-denominated notes in March.

Bonds, S1/5

### OUTLOOK 2023

## Philippine wages, skill gaps remain top concerns this year

By John Victor D. Ordoñez  
Reporter

JANNELLE MICA D. VIDEZ plans to leave her job as a business analyst in the Philippine capital and move to Australia to work in public relations.

"While it's true that the cost of living is also more expensive there, workers are paid better than in Manila," the 22-year-old Filipina said in a Facebook Messenger chat. "Price tags only keep getting higher here, but the quality of life remains stagnant."

Josua T. Mata, a Filipino labor activist, said the government of President Ferdinand R. Marcos, Jr. should boost its public employment program this year.

"Given the lingering effects of the coronavirus pandemic, skyrocketing inflation and a recession that many fear is inevitable,

it is unrealistic to count on the private sector to generate all the jobs that we need," the secretary-general of the Sentro ng mga Nagkakaisa at Progresibong Manggagawa said in a Viber message.

The Labor department's emergency employment program is inadequate because beneficiaries don't get permanent jobs, he said. It should instead push green jobs in the renewable energy sector and rehabilitation of coastal areas where workers are badly needed to ease the effects of climate change, he added.

Mr. Mata dismissed the claim of Mr. Marcos, who has said the Philippines is unlikely to experience a recession given the country's improving jobless rate. "Rather than make baseless conclusions that completely deny our exposure to the global economy, we should be preparing our society to weather a possible economic storm."

Philippine unemployment eased to 4.2% in November, the lowest in over 17

years, as firms hired more workers ahead of the holiday season.

However, job quality deteriorated as underemployment, which shows Filipinos seeking more work, slightly rose to 14.4% in November from 14.2% in October.

The government seeks to deploy more Filipino workers overseas as it explores more labor markets, said Migrant Workers Undersecretary Hans Leo J. Cacadac.

"We are optimistic about next year since the number of deployments increased by 320% in 2022 compared with 2021," he said in an interview on Zoom. His agency plans to set up more offices in China, Thailand and Eastern Europe to help Filipinos find work, he added.

Land- and sea-based overseas Filipino workers fell to 1.77 million in 2020 from 2.18 million a year earlier amid a coronavirus pandemic, according to data from the local statistics agency.

Cash remittances from migrant workers, a major dollar source for the Philippines, rose to \$2.91 billion in October from \$2.84 billion a month earlier, according to the Philippine central bank.

Julius H. Cainglet, vice-president of the Federation of Free Workers, urged the government to review its regional wage-setting mechanism.

"The current wages are not enough to deal with inflation, and workers are not getting an adequate slice of the pie to enjoy the fruits of their labor," he said by telephone.

Labor Secretary Bienvenido E. Laguesma earlier said the National Wages and Productivity Commission and Regional Tripartite Wages and Productivity Board were closely monitoring spiraling prices of basic goods, as labor groups continue to ask for higher pay.

Inflation quickened to a 14-year record of 8.1% in December from 8% in November.

Wages, S1/4

### FUEL PRICE TRACKER (week-on-week change)

Fuel Type	Dec. 27	Jan. 3	Jan. 10
<b>GASOLINE</b>	P0.95	P2.90	P0.75
<b>DIESEL</b>	P0.20	P2.10	P2.80
<b>KEROSENE</b>	P0.50	P3.05	P2.10

• Jan. 10, 12:01 a.m. — Caltex Philippines  
 • Jan. 10, 6 a.m. — Petron Corp.; Phoenix Petroleum; Pilipinas Shell Petroleum Corp.; PTT Philippines Corp.; Seaoil Philippines, Inc.  
 • Jan. 10, 8:01 a.m. — Cleanfuel (Shaw Autogas, Inc.)



PROPERTY & INFRASTRUCTURE  
Why widening highways won't fix traffic problem S1/5

THE NATION  
Marcos appoints new DND secretary amid coup rumors S1/10

BANKING & FINANCE  
IC to conduct study on impact of COVID-19 on mortality trends S2/1



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