

STOCK MARKET	ASIAN MARKETS	WORLD MARKETS	PESO-DOLLAR RATES	ASIAN MONIES-US\$ RATE	WORLD CURRENCIES	DUBAI CRUDE OIL																																																																					
PSEi OPEN: 6,553.67 HIGH: 6,591.28 LOW: 6,529.69 CLOSE: 6,566.39 VOL.: 1.125 B VAL(P): 6.165 B 0.15 PTS 0.002% 30 DAYS TO DECEMBER 29, 2022	DECEMBER 29, 2022 <table border="1"> <tr><th>CLOSE</th><th>NET</th><th>%</th></tr> <tr><td>JAPAN (NIKKEI 225)</td><td>26,093.67</td><td>-246.83 -0.94</td></tr> <tr><td>HONG KONG (HANG SENG)</td><td>19,741.14</td><td>-157.77 -0.79</td></tr> <tr><td>TAIWAN (WEIGHTED)</td><td>14,085.02</td><td>-88.08 -0.62</td></tr> <tr><td>THAILAND (SET INDEX)</td><td>1,661.20</td><td>13.92 0.85</td></tr> <tr><td>S.KOREA (KSE COMPOSITE)</td><td>2,236.40</td><td>-44.05 -1.93</td></tr> <tr><td>SINGAPORE (STRAITS TIMES)</td><td>3,249.24</td><td>-17.73 -0.54</td></tr> <tr><td>SYDNEY (ALL ORDINARIES)</td><td>7,020.10</td><td>-66.30 -0.94</td></tr> <tr><td>MALAYSIA (KLSE COMPOSITE)</td><td>1,491.63</td><td>11.52 0.78</td></tr> </table>	CLOSE	NET	%	JAPAN (NIKKEI 225)	26,093.67	-246.83 -0.94	HONG KONG (HANG SENG)	19,741.14	-157.77 -0.79	TAIWAN (WEIGHTED)	14,085.02	-88.08 -0.62	THAILAND (SET INDEX)	1,661.20	13.92 0.85	S.KOREA (KSE COMPOSITE)	2,236.40	-44.05 -1.93	SINGAPORE (STRAITS TIMES)	3,249.24	-17.73 -0.54	SYDNEY (ALL ORDINARIES)	7,020.10	-66.30 -0.94	MALAYSIA (KLSE COMPOSITE)	1,491.63	11.52 0.78	DECEMBER 28, 2022 <table border="1"> <tr><th>CLOSE</th><th>NET</th></tr> <tr><td>Dow Jones</td><td>32,875.710 ▼ -365.850</td></tr> <tr><td>NASDAQ</td><td>10,213.288 ▼ -139.938</td></tr> <tr><td>S&P 500</td><td>3,783.220 ▼ -46.030</td></tr> <tr><td>FTSE 100</td><td>7,497.190 ▼ 24.180</td></tr> <tr><td>Euro Stoxx50</td><td>3,677.610 ▼ -6.800</td></tr> </table>	CLOSE	NET	Dow Jones	32,875.710 ▼ -365.850	NASDAQ	10,213.288 ▼ -139.938	S&P 500	3,783.220 ▼ -46.030	FTSE 100	7,497.190 ▼ 24.180	Euro Stoxx50	3,677.610 ▼ -6.800	FX OPEN P56.170 HIGH P55.670 LOW P56.180 CLOSE P55.755 W.AVE. P55.815 VOL. \$807.80 M 44.50 CTS 30 DAYS TO DECEMBER 29, 2022 SOURCE : BAP	DECEMBER 29, 2022 <table border="1"> <tr><th>LATEST BID (0900GMT)</th><th>PREVIOUS</th></tr> <tr><td>JAPAN (YEN)</td><td>133.640 ▲ 134.140</td></tr> <tr><td>HONG KONG (HK DOLLAR)</td><td>7.797 ▲ 7.791</td></tr> <tr><td>TAIWAN (NT DOLLAR)</td><td>30.721 ▲ 30.785</td></tr> <tr><td>THAILAND (BAHT)</td><td>34.600 ▲ 34.750</td></tr> <tr><td>S. KOREA (WON)</td><td>1,265.590 ▲ 1,269.180</td></tr> <tr><td>SINGAPORE (DOLLAR)</td><td>1.348 ▲ 1.350</td></tr> <tr><td>INDONESIA (RUPIAH)</td><td>15,655 ▲ 15,700</td></tr> <tr><td>MALAYSIA (RINGGIT)</td><td>4.420 ▲ 4.420</td></tr> </table>	LATEST BID (0900GMT)	PREVIOUS	JAPAN (YEN)	133.640 ▲ 134.140	HONG KONG (HK DOLLAR)	7.797 ▲ 7.791	TAIWAN (NT DOLLAR)	30.721 ▲ 30.785	THAILAND (BAHT)	34.600 ▲ 34.750	S. KOREA (WON)	1,265.590 ▲ 1,269.180	SINGAPORE (DOLLAR)	1.348 ▲ 1.350	INDONESIA (RUPIAH)	15,655 ▲ 15,700	MALAYSIA (RINGGIT)	4.420 ▲ 4.420	DECEMBER 29, 2022 <table border="1"> <tr><th>CLOSE</th><th>PREVIOUS</th></tr> <tr><td>US\$/UK POUND</td><td>1.2047 ▲ 1.2028</td></tr> <tr><td>US\$/EURO</td><td>1.0644 ▲ 1.0629</td></tr> <tr><td>\$/AUST DOLLAR</td><td>0.6726 ▼ 0.6758</td></tr> <tr><td>CANADA DOLLAR/US\$</td><td>1.3588 ▲ 1.3534</td></tr> <tr><td>SWISS FRANC/US\$</td><td>0.9255 ▼ 0.9301</td></tr> </table>	CLOSE	PREVIOUS	US\$/UK POUND	1.2047 ▲ 1.2028	US\$/EURO	1.0644 ▲ 1.0629	\$/AUST DOLLAR	0.6726 ▼ 0.6758	CANADA DOLLAR/US\$	1.3588 ▲ 1.3534	SWISS FRANC/US\$	0.9255 ▼ 0.9301	FUTURES PRICE ON NEAREST MONTH OF DELIVERY \$79.95/BBL \$0.64 30 DAYS TO DECEMBER 28, 2022
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S1/1-12 • 1 SECTION, 12 PAGES

PHILIPPINE STOCK EXCHANGE'S 10 MOST ACTIVE STOCKS BY VALUE TURNOVER • DECEMBER 29, 2022 (PSEi snapshot on S1/2; article on S1/6)

SM	P35.500	SM	P900.000	ALI	P30.800	TEL	P1,317.000	BDO	P105.700	ICT	P200.000	CNVRG	P15.880	DMC	P12.000	MONDE	P11.080	ACEN	P7.620
Value	P1,332,747,740	Value	P563,146,580	Value	P310,850,835	Value	P290,977,700	Value	P268,152,889	Value	P223,217,766	Value	P188,032,638	Value	P185,052,382	Value	P172,037,162	Value	P148,034,141
PO.600	▲ 1.719%	-P10.000	▼ -1.099%	PO.750	▲ 2.496%	P4.000	▲ 0.305%	-P0.200	▼ -0.189%	P2.000	▲ 1.010%	PO.220	▲ 1.405%	PO.580	▲ 5.079%	-P0.240	▼ -2.120%	-P0.020	▼ -0.262%

BSP sees Dec. inflation up to 8.6%

HEADLINE INFLATION likely settled within the 7.8% to 8.6% range in December due to higher electricity rates and rising food prices, the Bangko Sentral ng Pilipinas (BSP) said on Thursday. "Upward price pressures for the month are expected to emanate from higher electricity rates, uptick in the prices of agricultural

commodities, elevated meat and fish products, and higher LPG (liquefied petroleum gas) prices," the BSP said in a statement. The BSP's month-ahead forecast range indicates that inflation may have been faster than the 14-year high of 8% in November. The upper end of the forecast or the 8.6% would also be the fast-

est pace since the 9.1% print during the Global Financial Crisis in November 2008. If the 8.6% forecast is realized, this would bring the full-year average inflation to 5.9% or slightly above the BSP's 5.8% average forecast for 2022. December would be the ninth straight month that infla-

tion surpassed the BSP's 2-4% target range. BSP Governor Felipe M. Medalla earlier this month said inflation may peak in December, before tapering off in January. Electricity rates and LPG prices rose in December, adding to upward inflationary pressures. Manila Electric Co. (Meralco)

raised the overall rate for a typical household by P0.3297 to P10.2769 per kilowatt-hour in December. The price of LPG products also went up by P2.25 per kilogram and AutoLPG by P1.26 per liter in December, marking the second straight month of price hikes. Vegetable, meat and fish prices continued to go up due to rising

input costs and agricultural damage caused by recent weather disturbances. Supply shortages have driven up the price of red onions to as much as P600 per kilo this month, prompting the Agriculture department to implement a suggested retail price of P250 per kilo of red onions. *Inflation, S1/10*

PHILIPPINE ECONOMY AT A GLANCE: LOOKING BACK ON 2022

The Philippine economy continued its recovery from the coronavirus pandemic this year, as evidenced by the improvement in economic indicators. However, elevated inflation and the Russia-Ukraine war may have dented the Philippines' recovery momentum. The infographic shows the Philippines' economic performance based on select indicators obtained from latest government data.



Year to date 2021 vs. 2022 (unless stated otherwise)

2022	7.7%	6.3%	22.7%	5.6%	5.1%	P1.236 trillion	P2.960 trillion	P13.641 trillion	63.7%	49.348 million (64.2%)	2.241 million (4.5%)	6.673 million (14.2%)	\$26.736 billion (3.1%)	P55.755	6,566.39
2021	4.9%	16.1%	28.6%	4.0%	4.8%	P1.332 trillion	P2.519 trillion	P11.972 trillion	60.4%	47.325 million (62.6%)	3.504 million (7.4%)	7.044 million (16.1%)	\$25.929 billion (5.3%)	P51.000	7,122.63
Indicator	Gross Domestic Product (GDP) Growth (at constant 2018 prices) ^a	Growth in Export of Goods (in %) ^b	Growth in Import of Goods (in %) ^b	Headline Inflation Rate (at constant 2018 prices) ^c	Bottom 30% Inflation Rate (at constant 2012 prices) ^c	National Government (NG) Fiscal Deficit ^{***}	Total Tax Revenues ^{***c}	NG Debt ^b	NG Debt-to-GDP Ratio ^d	Population in the Labor Force (Labor Force Participation Rate) ^e	Unemployed Population (Unemployment Rate) ^e	Underemployed Population (Underemployment Rate) ^e	Cash remittances in US Dollars (Year-on-Year Growth, in %) ^b	Foreign Exchange Rate (US\$ vs. PHP) ^f	Philippine Stock Exchange index ^f

NOTES:
^a The inflation rate for the bottom 30% (2012-based prices) income households in the Philippines puts a heavier weight in necessities such as food and beverages to account for their spending patterns. On the other hand, the headline inflation (2018-based prices) rate is based on the average Filipino household.
^b Fiscal balance refers to the difference between government revenues and expenditures. Surplus means revenues exceed expenditures. The opposite is true for a deficit.
^c Tax revenues include those collected by the Bureau of Internal Revenue, the Bureau of Customs, and other offices.
^d Jan.-Sept. 2021 vs. Jan.-Sept. 2022 ^e Jan.-Oct. 2021 vs. Jan.-Oct. 2022 ^f Jan.-Nov. 2021 vs. Jan.-Nov. 2022 ^g End-2021 vs. End-Sept. 2022 ^h Oct. 2021 vs. Oct. 2022 ⁱ End-2021 vs. end-2022

SOURCES: BANGKO SENTRAL NG PILIPINAS, BUREAU OF THE TREASURY, and PHILIPPINE STATISTICS AUTHORITY
 BUSINESSWORLD RESEARCH: ANA OLIVIA A. TIRONA and BERNADETTE THERESA M. GADON
 BUSINESSWORLD GRAPHICS: BONG R. FORTIN

OUTLOOK 2023:

Finding unicorns gets harder amid tough times

By Brontë H. Lacsamana Reporter

STARTUPS may have to consider rightsizing and conserving cash in order to attract investors, who are expected to be more cautious in 2023 amid increasingly gloomy economic predictions.

Venture capitalists, meanwhile, are expected to remain very conservative with their investments, focusing primarily on proven companies with resilient business models and those able to show profitability, according to a report by global professional services firm KPMG.

With Bangko Sentral ng Pilipinas (BSP) raising interest rates to contain inflation, a decrease in startup valuation is on the horizon, putting pressure on startups and small- and medium-sized enterprises (SMEs).

"It's been really hard and I can't downplay the outlook. Yes, things have been picking up on the macro level in terms of demand, but the question is, until when will this pent-up demand last?" said Ruben Carlo O. Asuncion, chief economist at UnionBank of the Philippines.

The anticipated global economic downturn has several layers, he added: uneven pandemic recovery; rising supply chain costs due to the on-going Russia-Ukraine war; and surging inflation.

Anthony Ison, country manager of logistics management system Zhenhub, said that as cost pressure increases and supply chain disruptions become the norm, startups should look to technology solutions to maximize stretched resources.

"It may sound counterintuitive, but shifting their attention to improving processes and implementing technology can actually enable them to become more efficient and prepare them for the future," he said.

The startup ecosystem in Metro Manila alone is valued at \$2 billion, according to the Department of Trade and Industry (DTI).

"In 2015, only 100 Philippine startups were reported to be active, with just \$40 million in investment. Today, individual startups can raise \$30 million in one round alone. The ecosystem has grown to more than 1,000 active startups nationwide," Trade Undersecretary Rafaelita M. Aldaba said at a Nov. 15 conference during Philippine Startup Week.

The DTI has recorded more than 35 incubators and accelerators, more than 50 investors, more than 200 coworking spaces, and more than 40 venture capitalists nationwide.

BRIGHT SPOTS

E-commerce continues to show promise, evidenced by online payments firm PayMongo and automation tech firm StoreHub securing Series B funding before investments waned toward the end of the year.

Web3 startups in decentralized finance and cryptocurrencies — despite being rocked by the collapse of crypto exchange FTX — have staunch defenders and champions who point out the superiority of the user experience of crypto remittances.

"We have to make a distinction between the state of the markets and of bitcoin. Markets fluctuate all the time and we still see a lot of Web3 apps being built," said Philippine Digital Asset

Exchange (PDAX) founder and chief executive officer Nichel O. Gaba. Archipelago Labs, a startup accelerator launched by PDAX in November, will invest in Web3 startups beginning with Playdex, a building infrastructure for Web3 gaming.

Healthtech is also expected to grow as the coronavirus disease 2019 (COVID-19) pandemic exposed gaps in healthcare delivery. Empath, a social enterprise that provides online mental health services, received a P500,000 grant from the Insular Foundation and participated in a 14-week accelerator program funded by the European Union and the government.

"Both government and private institutions provided a plethora of initiatives to further help small businesses, social enterprises, and rising Filipino startups," said Stephanie Angelica S. Naval, founder of Empath.

Despite the gloomy outlook, Ms. Naval is optimistic about funding opportunities in 2023, citing Microsoft, Uber, Pinterest, Mailchimp, WhatsApp, and Slack as examples of successful startups that managed to raise funds in uncertain times.

BETTER SUPPORT

Banks are better prepared to support the SME and startup sector today as compared to the Asian financial crisis in 1997 and the global financial crisis in 2008.

"One big lesson is that we now have to utilize technology in reaching out to SMEs in terms of financing and in terms of improving our credit ratings or credit appraisal processes, to give chances to many more people," said UnionBank's Mr. Asuncion in a Zoom interview. *Unicorns, S1/10*

Housing prices jump in Q3

By Luisa Maria Jacinta C. Jocsion Reporter

HOUSING PRICES nationwide posted a faster annual growth in the third quarter, driven by sustained demand for condominium units, particularly in the Philippine capital region.

The Bangko Sentral ng Pilipinas (BSP) said the Residential Real Estate Price Index (RREPI) rose 6.5% year on year in the third quarter. This is faster than the 2.6% growth in the second quarter, and the 6.3% expansion in July to September period in 2021.

On a quarterly basis, nationwide home prices rose 4.6%.

BSP data showed the rise in residential property prices was due to higher demand for condominium units, duplex housing units and single-detached/attached houses, which offset the drop in townhouse prices.

In the third quarter, prices of duplex units surged 26.7%, quicker than the 11.3% growth in the previous quarter and a turnaround from the 0.2% decline a year ago.

Condominium unit prices jumped 19.2% in the July to September period, faster than the 8.6% in the previous quarter and 13.6% seen a year ago.

Prices of single-detached/attached houses rose 9.8%, versus the 0.8% growth in the previous quarter and reversing the 4.2% decline a year ago.

Joey Roi Bondoc, associate director and head of research at Colliers Philippines,

said that the demand for condominium units is mainly seen in Metro Manila.

"In fact, for the first nine months of 2022, about 15,000 condominium units were already sold in the pre-selling market in Metro Manila, already higher than the 13,000 units sold for the entire 2021," he said.

Single detached and attached houses will also remain popular, Mr. Bondoc said. "The overseas Filipino workers (OFW) market as well as local employees will continue to fuel take up for these units over the next 12 months and we expect a continued rise in prices for these developments," he added.

On the other hand, townhouse prices dropped 16.3% in the July-August period, a reversal of the 4.1% growth in the second quarter and the 37.1% increase a year ago.

The RREPI tracks the average change in prices of residential properties across housing types and locations, which gives the BSP insights into the property market where bank exposure is regulated.

STRONG DEMAND

In the National Capital Region (NCR), home prices posted an annual increase of 17.5% while those outside the NCR inched up 2.3%.

On a quarterly basis, residential property prices went up 14.6% in NCR, but shrank 0.4% in the areas outside NCR.

BSP data also showed the number of housing loans fell by 4.2% year on year. Quarter on quarter, housing loans rose by 19%. *Housing, S1/10*



CORPORATE NEWS
PSE projects market rebound after decline in 2022 S1/2

THE WORLD
Asia's tourist hotspots prepare for boom as China relaxes rules S1/4

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