

STOCK MARKET	ASIAN MARKETS	WORLD MARKETS	PESO-DOLLAR RATES	ASIAN MONIES-US\$ RATE	WORLD CURRENCIES	DUBAI CRUDE OIL																																																																																																			
<b>PSEI</b> 7125 6970 6815 6660 6505 6350 41.19 pts, 0.59% 30 DAYS TO FEBRUARY 3, 2023 OPEN: 7,012.87 HIGH: 7,027.38 LOW: 6,901.22 CLOSE: 7,027.38 VOL.: 1.896 B VAL(P): 20,120 B	<b>FEBRUARY 3, 2023</b> <table border="1"> <thead> <tr> <th></th> <th>CLOSE</th> <th>NET</th> <th>%</th> </tr> </thead> <tbody> <tr> <td>JAPAN (NIKKEI 225)</td> <td>27,509.46</td> <td>▲ 107.41</td> <td>0.39</td> </tr> <tr> <td>HONG KONG (HANG SENG)</td> <td>21,660.47</td> <td>▼ -297.89</td> <td>-1.36</td> </tr> <tr> <td>TAIWAN (WEIGHTED)</td> <td>15,602.66</td> <td>▲ 7.50</td> <td>0.05</td> </tr> <tr> <td>THAILAND (SET INDEX)</td> <td>1,688.36</td> <td>▲ 5.78</td> <td>0.34</td> </tr> <tr> <td>S.KOREA (KSE COMPOSITE)</td> <td>2,480.40</td> <td>▲ 11.52</td> <td>0.47</td> </tr> <tr> <td>SINGAPORE (STRAITS TIMES)</td> <td>3,384.29</td> <td>▲ 20.61</td> <td>0.61</td> </tr> <tr> <td>SYDNEY (ALL ORDINARIES)</td> <td>7,558.10</td> <td>▲ 46.50</td> <td>0.62</td> </tr> <tr> <td>MALAYSIA (KLSE COMPOSITE)</td> <td>1,490.47</td> <td>▲ 0.67</td> <td>0.04</td> </tr> </tbody> </table>		CLOSE	NET	%	JAPAN (NIKKEI 225)	27,509.46	▲ 107.41	0.39	HONG KONG (HANG SENG)	21,660.47	▼ -297.89	-1.36	TAIWAN (WEIGHTED)	15,602.66	▲ 7.50	0.05	THAILAND (SET INDEX)	1,688.36	▲ 5.78	0.34	S.KOREA (KSE COMPOSITE)	2,480.40	▲ 11.52	0.47	SINGAPORE (STRAITS TIMES)	3,384.29	▲ 20.61	0.61	SYDNEY (ALL ORDINARIES)	7,558.10	▲ 46.50	0.62	MALAYSIA (KLSE COMPOSITE)	1,490.47	▲ 0.67	0.04	<b>FEBRUARY 3, 2023</b> <table border="1"> <thead> <tr> <th></th> <th>CLOSE</th> <th>NET</th> </tr> </thead> <tbody> <tr> <td>Dow Jones</td> <td>33,926.010</td> <td>▼ -127.930</td> </tr> <tr> <td>NASDAQ</td> <td>12,006.955</td> <td>▼ -193.863</td> </tr> <tr> <td>S&amp;P 500</td> <td>4,136.480</td> <td>▼ -43.280</td> </tr> <tr> <td>FTSE 100</td> <td>7,901.800</td> <td>▲ 81.640</td> </tr> <tr> <td>Euro Stoxx50</td> <td>3,879.130</td> <td>▲ 35.350</td> </tr> </tbody> </table>		CLOSE	NET	Dow Jones	33,926.010	▼ -127.930	NASDAQ	12,006.955	▼ -193.863	S&P 500	4,136.480	▼ -43.280	FTSE 100	7,901.800	▲ 81.640	Euro Stoxx50	3,879.130	▲ 35.350	<b>FX</b> 53.90 54.12 54.74 55.36 55.98 56.60 16.50 cms 30 DAYS TO FEBRUARY 3, 2023 SOURCE: BAP OPEN P53.930 HIGH P53.630 LOW P53.930 CLOSE P53.680 W.AVE. P53.772 VOL. \$1,165.27 M	<b>FEBRUARY 3, 2023 LATEST BID (0900GMT)</b> <table border="1"> <thead> <tr> <th></th> <th>LATEST BID</th> <th>PREVIOUS</th> </tr> </thead> <tbody> <tr> <td>JAPAN (YEN)</td> <td>131.170</td> <td>128.940</td> </tr> <tr> <td>HONG KONG (HK DOLLAR)</td> <td>7.847</td> <td>7.844</td> </tr> <tr> <td>TAIWAN (NT DOLLAR)</td> <td>29.966</td> <td>29.730</td> </tr> <tr> <td>THAILAND (BAHT)</td> <td>33.390</td> <td>32.800</td> </tr> <tr> <td>S. KOREA (WON)</td> <td>1,247.460</td> <td>1,224.540</td> </tr> <tr> <td>SINGAPORE (DOLLAR)</td> <td>1.323</td> <td>1.306</td> </tr> <tr> <td>INDONESIA (RUPIAH)</td> <td>14,890</td> <td>14,875</td> </tr> <tr> <td>MALAYSIA (RINGGIT)</td> <td>4.256</td> <td>4.243</td> </tr> </tbody> </table>		LATEST BID	PREVIOUS	JAPAN (YEN)	131.170	128.940	HONG KONG (HK DOLLAR)	7.847	7.844	TAIWAN (NT DOLLAR)	29.966	29.730	THAILAND (BAHT)	33.390	32.800	S. KOREA (WON)	1,247.460	1,224.540	SINGAPORE (DOLLAR)	1.323	1.306	INDONESIA (RUPIAH)	14,890	14,875	MALAYSIA (RINGGIT)	4.256	4.243	<b>FEBRUARY 3, 2023</b> <table border="1"> <thead> <tr> <th></th> <th>CLOSE</th> <th>PREVIOUS</th> </tr> </thead> <tbody> <tr> <td>US\$/UK POUND</td> <td>1.2051</td> <td>1.2334</td> </tr> <tr> <td>US\$/EURO</td> <td>1.0793</td> <td>1.1001</td> </tr> <tr> <td>\$/AUSTRALIAN DOLLAR</td> <td>0.6919</td> <td>0.7126</td> </tr> <tr> <td>CANADA DOLLAR/US\$</td> <td>1.3396</td> <td>1.3283</td> </tr> <tr> <td>SWISS FRANC/US\$</td> <td>0.9258</td> <td>0.9080</td> </tr> </tbody> </table>		CLOSE	PREVIOUS	US\$/UK POUND	1.2051	1.2334	US\$/EURO	1.0793	1.1001	\$/AUSTRALIAN DOLLAR	0.6919	0.7126	CANADA DOLLAR/US\$	1.3396	1.3283	SWISS FRANC/US\$	0.9258	0.9080	<b>FEBRUARY 3, 2023</b> 86.00 82.80 79.60 76.40 73.20 70.00 \$1.14 30 DAYS TO FEBRUARY 3, 2023 FUTURES PRICE ON NEAREST MONTHLY DELIVERY <b>\$79.75/BBL</b>
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PHILIPPINE STOCK EXCHANGE'S 10 MOST ACTIVE STOCKS BY VALUE TURNOVER • FEBRUARY 3, 2023 (PSEI snapshot on S1/3; article on S2/4)

UBP	P96.000	DMC	P11.440	ALI	P29.400	RLC	P15.740	MEG	P2.260	BDO	P126.000	SMPH	P38.900	SM	P919.000	ICT	P218.000	EMI	P20.700
Value	P2,667,146,407	Value	P1,782,310,282	Value	P1,643,440,710	Value	P1,333,705,696	Value	P1,117,118,640	Value	P1,029,680,338	Value	P829,764,045	Value	P786,379,850	Value	P677,423,696	Value	P627,292,600
	-P1.000 ▼ -1.031%		-P0.260 ▼ -2.222%		-P0.350 ▼ -1.176%		-P0.460 ▼ -2.840%		P0.030 ▲ 1.345%		P0.500 ▲ 0.398%		P2.000 ▲ 5.420%		-P11.000 ▼ -1.183%		P0.000 — 0.000%		P0.300 ▲ 1.471%

## Inflation likely cooled in Jan. — poll

HEADLINE INFLATION likely cooled in January as weaker demand, the peso's appreciation against the US dollar, and slower growth in food prices offset the rise in utility rates and pump prices. A *BusinessWorld* poll of 15 economists last week yielded a median estimate of 7.6%, closer to the lower end of the 7.5% to 8.3% forecast range given by the Bangko Sentral ng Pilipinas (BSP) for January.

If realized, the median estimate will be slower than the 14-year high print of 8.1% in December, but much faster than the 3% print in January 2022.

January would also mark the 10<sup>th</sup> straight month that inflation surpassed the BSP's 2-4% target range. The Philippine Statistics Authority (PSA) will release January consumer price index (CPI) data on Feb. 7 (Tuesday). Analysts said consumer demand likely fell after the holidays, which would have been a factor in the quarter-on-quarter easing of inflation in January.

"We believe that the end of the 'ber' months, peso appreciation and lower LPG (liquefied petroleum gas) prices have likely offset price gains in other items," ANZ Research economist Debalka Sarkar said in an e-mail.

The local currency rebounded to the P54-a-dollar mark in January, closing the month at P54.64 on Jan. 31, up by P1.115 or 2.04% from its P55.755 finish on Dec. 29, 2022.

Cooking gas prices also declined by P4.20 per kilogram last month after two straight months of price hikes. "Inflation remained elevated in January due to additional emerging price pressures such as the approved water tariffs of MWC (Manila Water Co., Inc.) and Maynilad in addition to higher electricity rates and another consecutive round of fuel price increases," Domini S. Velasquez, chief economist at China Banking Corp., said.

Metro Manila's two main water concessionaires began implementing higher rates in January. Manila Water raised rates by P8.04 per cubic meter, while Maynilad hiked rates by P3.29 per cubic meter.

Manila Electric Co. (Meralco) earlier said the overall rate for a typical household went up P0.6232 to P10.9001 per kilowatt-hour (kWh) in January.

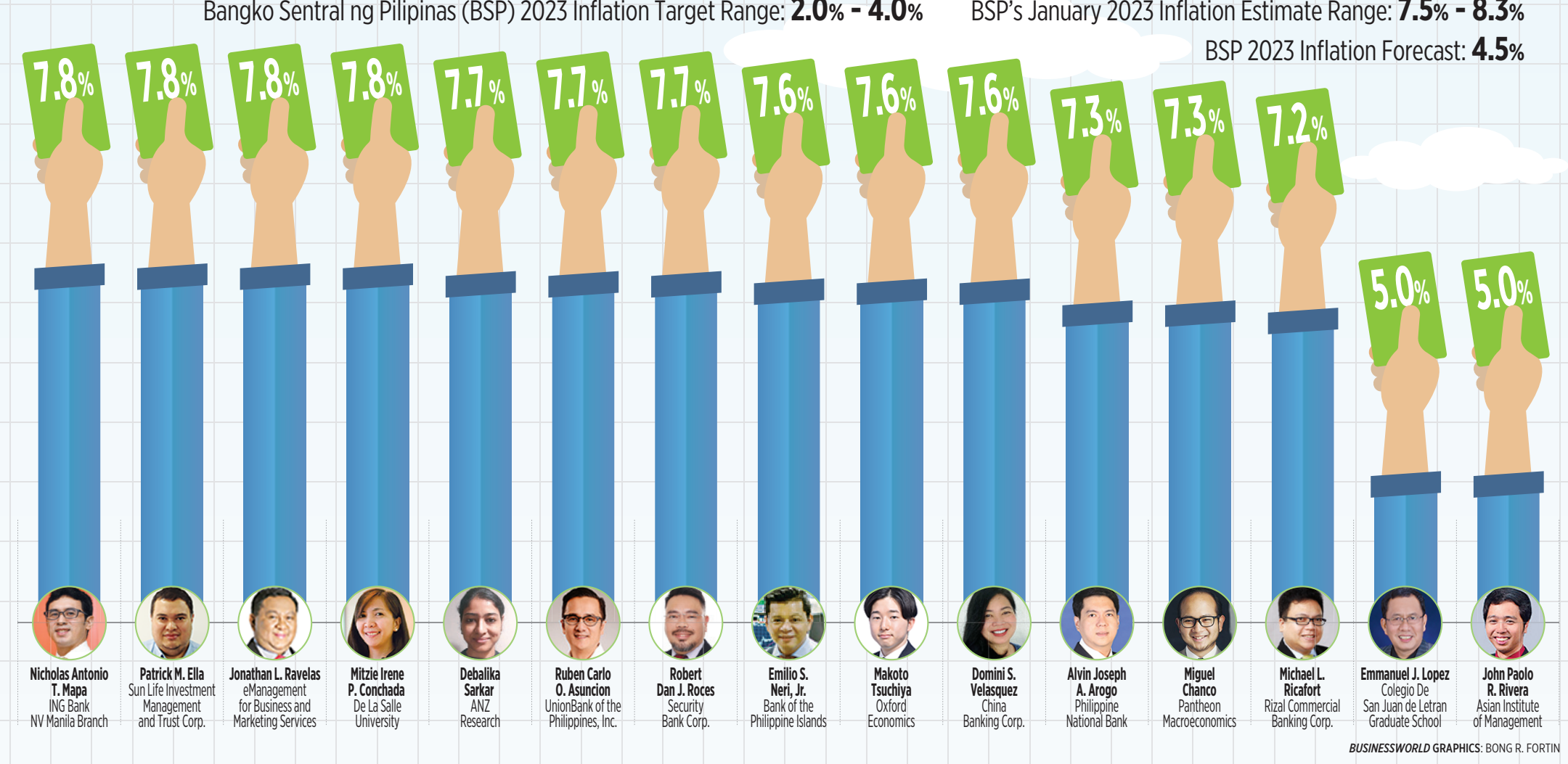
Fuel retailers also continued to hike pump prices in January. For the month, pump price adjustments stood at a net increase of P7.2 a liter for gasoline, P3.05 a liter for diesel, and P4.55 a liter for kerosene.

Michael L. Ricafort, chief economist at Rizal Commercial Banking Corp., said January inflation likely saw easing prices in some goods and services.

"For instance, prices of onions already started to go down after the holiday season in December 2022; also in view of harvest season and some importation in January 2023 that fundamentally led to higher supply and lower prices," Mr. Ricafort said.

*Inflation, S1/9*

### ANALYSTS' JANUARY 2023 INFLATION RATE ESTIMATES



## Senate to ratify RCEP within Q1, says Zubiri

THE SENATE is working to ratify the Regional Comprehensive Economic Partnership (RCEP) trade agreement within the first quarter, Senate President Juan Miguel F. Zubiri said.

"The RCEP ratification is a priority of our Senate," Mr. Zubiri said in an ambush interview on the sidelines of a forum organized by the Department of Environment and Natural Resources in Cagayan de Oro City on Feb. 4.

"Within the first quarter, *kaya siya* (ratification is possible)," he added.

The Senate Committee on Foreign Relations is holding a hearing on the RCEP on Feb. 7 (Tuesday) which will be attended by stakeholders. Mr. Zubiri said there are plans to hold another hearing for opposition groups.

"Eventually, I'll hopefully be able to get 16 votes to ratify that. We need it," he added.

Last month, the Trade department pressed the Senate to ratify the RCEP before end-March, saying the Philippines is missing out on the trade deal's benefits.

Billed as the world's largest free trade agreement, the RCEP entered into force for Australia, Brunei Darussalam, Cambodia, China, Japan, Laos, New Zealand, Singapore, Thailand and Vietnam on Jan. 1, 2022. South Korea, Malaysia and Indonesia have also ratified the RCEP.

"We're the only non-signatory to this economic partnership," Mr. Zubiri said, warning that failure to ratify the deal will affect trade with other countries.

"If we get steel imports from China, they could charge us higher tariffs coming here because we are not a part of the RCEP. When we want to export bananas and pineapple from say Bukidnon to Japan and Korea, they will take our products but at a higher tariff rate," he added.

The RCEP was ratified by Former President Rodrigo R. Duterte in September 2021, but the previous Senate did not give its concurrence due to concerns over the free trade deal's impact on the agriculture sector.

*RCEP, S1/8*

## BSP to prioritize inflation outlook over Fed rate hike

By Keisha B. Ta-asan  
Reporter

THE BANGKO SENTRAL ng Pilipinas (BSP) will focus on managing inflation expectations in its policy review this month, even as the US Federal Reserve delivered a smaller rate hike at its own meeting last week.

"Next meeting will focus on inflationary expectations in the Philippines), not the Fed's 25-bp (basis point) rate increase," BSP Governor Felipe M. Medalla said in a Viber message to reporters late Friday evening.

The Monetary Board (MB) will hold its first policy review meeting this year on Feb. 16.

The BSP earlier gave a 7.5-8.3% forecast range for January inflation. This means January would mark the 10<sup>th</sup> straight month that inflation surpassed the BSP's 2-4% target range.

A *BusinessWorld* poll of 15 economists last week yielded a median estimate of 7.6% for January, which if realized would be slower than the 14-year high of 8.1% in December.

January inflation data is scheduled to be released on Feb. 7.

The US central bank hiked its own policy rate by 25 bps last week. The rate hikes delivered by the Fed since March 2022 have now totaled 450 bps, bringing its own policy rate to a range between 4.5% and 4.75%, the highest since 2007.

"It's good news as far as we're concerned, instead of (Fed hiking by) 50 bps it's 25 bps," Finance Secretary Benjamin E. Diokno, who is also a member of the Monetary Board, told reporters on Friday.

"The BSP is data dependent, we'll look at data and inflation. We have a strong growth rate. So it will be decided upon by the MB," he added.

*Fed rate, S1/8*

## PHL to see limited impact from China's reopening

CHINA'S REOPENING may bring a surge in tourists to Southeast Asia, but this may not have a big impact on the Philippine economy, analysts said.

"Though China's reopening will bring more tourists to Southeast Asia in general, this will likely have only second-order impacts on the Philippine economy overall," Vincent Conti, senior economist at S&P Global Ratings, said in an e-mail.

The reopening of China's borders last month lifted hopes of many Southeast Asian countries, including the Philippines, that Chinese visitors will flock to tourists spots once again.

In a separate report, S&P said emerging markets (EMs) that have previously received significant numbers of Chinese tourists "could benefit significantly as travel picks up after a couple years of virtually no outbound Chinese tourism."

"The EMs that will benefit the most from China's lifting of COVID-19 restrictions are those that are exposed to China's consumption, especially tourism-related. These are mostly EMs in Asia, and include Thailand and Vietnam," S&P said in a Feb. 1 report titled "Which Emerging Markets Benefit the Most From a Reopening in China."

In the case of Vietnam, Thailand, and the Philippines, S&P said that at least one in every five tourist arrivals came from China before the coronavirus pandemic.

Tourists from China accounted for 21.1% or 1.74 million of the 8.26 million total arrivals in the Philippines in 2019 or before the pandemic. In 2022, there were only 39,627 Chinese visitors to the Philippines, making up 1.49% of the 2.65 million total arrivals.

Unlike other tourism-driven economies, Mr. Conti noted the Philippines is "more domestically driven," particularly by household consumption. In terms of demand, household consumption was the biggest contributor to GDP last year, driven by restaurant and hotel spending.

Tourism contributed 12.7% to Philippine GDP in 2019, based on data from the local statistics authority. This shrank to 5.2% of GDP in 2021, reflecting the impact of the pandemic.

*China, S1/8*