

STOCK MARKET	ASIAN MARKETS	WORLD MARKETS	PESO-DOLLAR RATES	ASIAN MONIES-US\$ RATE	WORLD CURRENCIES	DUBAI CRUDE OIL																																																																					
PSEi OPEN: 6,502.76 HIGH: 6,502.76 LOW: 6,430.58 CLOSE: 6,430.58 VOL: 0.801 B VAL(P): 5.413 B 46.78 Pts. 0.72% 30 DAYS TO JUNE 1, 2023	JUNE 1, 2023 <table border="1"> <tr><th>CLOSE</th><th>NET</th><th>%</th></tr> <tr><td>JAPAN (Nikkei 225)</td><td>31,148.01</td><td>▲ 260.13 0.84</td></tr> <tr><td>HONG KONG (HANG SENG)</td><td>18,216.91</td><td>▼ -17.36 -0.10</td></tr> <tr><td>TAIWAN (WEIGHTED)</td><td>16,512.65</td><td>▼ -66.31 -0.40</td></tr> <tr><td>THAILAND (SET INDEX)</td><td>1,521.40</td><td>▼ -12.14 -0.79</td></tr> <tr><td>S. KOREA (KSE COMPOSITE)</td><td>2,569.17</td><td>▼ -7.95 -0.31</td></tr> <tr><td>SINGAPORE (STRAITS TIMES)</td><td>3,166.30</td><td>▲ 7.50 0.24</td></tr> <tr><td>SYDNEY (ALL ORDINARYS)</td><td>7,110.80</td><td>▲ 19.50 0.27</td></tr> <tr><td>MALAYSIA (KLSE COMPOSITE)</td><td>1,383.01</td><td>▼ -4.11 -0.30</td></tr> </table>	CLOSE	NET	%	JAPAN (Nikkei 225)	31,148.01	▲ 260.13 0.84	HONG KONG (HANG SENG)	18,216.91	▼ -17.36 -0.10	TAIWAN (WEIGHTED)	16,512.65	▼ -66.31 -0.40	THAILAND (SET INDEX)	1,521.40	▼ -12.14 -0.79	S. KOREA (KSE COMPOSITE)	2,569.17	▼ -7.95 -0.31	SINGAPORE (STRAITS TIMES)	3,166.30	▲ 7.50 0.24	SYDNEY (ALL ORDINARYS)	7,110.80	▲ 19.50 0.27	MALAYSIA (KLSE COMPOSITE)	1,383.01	▼ -4.11 -0.30	MAY 31, 2023 <table border="1"> <tr><th>CLOSE</th><th>NET</th></tr> <tr><td>Dow Jones</td><td>32,908.270 ▼ -134.510</td></tr> <tr><td>NASDAQ</td><td>12,935.285 ▼ -82.141</td></tr> <tr><td>S&P 500</td><td>4,179.830 ▼ -25.690</td></tr> <tr><td>FTSE 100</td><td>7,446.140 ▼ -75.930</td></tr> <tr><td>Euro Stoxx50</td><td>3,925.380 ▼ -47.060</td></tr> </table>	CLOSE	NET	Dow Jones	32,908.270 ▼ -134.510	NASDAQ	12,935.285 ▼ -82.141	S&P 500	4,179.830 ▼ -25.690	FTSE 100	7,446.140 ▼ -75.930	Euro Stoxx50	3,925.380 ▼ -47.060	FX OPEN P56.230 HIGH P56.155 LOW P56.310 CLOSE P56.260 W.AVE. P56.219 VOL. \$990.35 M SOURCE: BAP 11.00 CTVS 30 DAYS TO JUNE 1, 2023	JUNE 1, 2023 <table border="1"> <tr><th>LATEST BID (0900GMT)</th><th>PREVIOUS</th></tr> <tr><td>JAPAN (YEN)</td><td>139.810 ▲ 139.870</td></tr> <tr><td>HONG KONG (HK DOLLAR)</td><td>7.833 ▲ 7.834</td></tr> <tr><td>TAIWAN (NT DOLLAR)</td><td>30.723 ▲ 30.756</td></tr> <tr><td>THAILAND (BAHT)</td><td>34.830 ▲ 34.810</td></tr> <tr><td>S. KOREA (WON)</td><td>1,321.880 ▲ 1,327.020</td></tr> <tr><td>SINGAPORE (DOLLAR)</td><td>1.353 ▲ 1.355</td></tr> <tr><td>INDONESIA (RUPIAH)</td><td>14,985 ▲ 14,985</td></tr> <tr><td>MALAYSIA (RINGGIT)</td><td>4.614 ▼ 4.612</td></tr> </table>	LATEST BID (0900GMT)	PREVIOUS	JAPAN (YEN)	139.810 ▲ 139.870	HONG KONG (HK DOLLAR)	7.833 ▲ 7.834	TAIWAN (NT DOLLAR)	30.723 ▲ 30.756	THAILAND (BAHT)	34.830 ▲ 34.810	S. KOREA (WON)	1,321.880 ▲ 1,327.020	SINGAPORE (DOLLAR)	1.353 ▲ 1.355	INDONESIA (RUPIAH)	14,985 ▲ 14,985	MALAYSIA (RINGGIT)	4.614 ▼ 4.612	JUNE 1, 2023 <table border="1"> <tr><th>CLOSE</th><th>PREVIOUS</th></tr> <tr><td>US\$/UK POUND</td><td>1.2432 ▲ 1.2359</td></tr> <tr><td>US\$/EURO</td><td>1.0691 ▲ 1.0667</td></tr> <tr><td>\$/AUSTRALIAN DOLLAR</td><td>0.6505 ▲ 0.6480</td></tr> <tr><td>CANADA DOLLAR/US\$</td><td>1.3574 ▼ 1.3632</td></tr> <tr><td>SWISS FRANC/US\$</td><td>0.9092 ▼ 0.9104</td></tr> </table>	CLOSE	PREVIOUS	US\$/UK POUND	1.2432 ▲ 1.2359	US\$/EURO	1.0691 ▲ 1.0667	\$/AUSTRALIAN DOLLAR	0.6505 ▲ 0.6480	CANADA DOLLAR/US\$	1.3574 ▼ 1.3632	SWISS FRANC/US\$	0.9092 ▼ 0.9104	DUBAI CRUDE OIL FUTURE PRICE ON NEAREST MONTH OF DELIVERY \$72.04/BBL \$2.90 30 DAYS TO MAY 31, 2023
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S1/1-10 • 2 SECTIONS, 14 PAGES

PHILIPPINE STOCK EXCHANGE'S 10 MOST ACTIVE STOCKS BY VALUE TURNOVER • JUNE 1, 2023 (PSEi snapshot on S1/4; article on S2/2)

BDO	P137.000	AC	P645.000	SMPH	P32.500	MONDE	P7.980	ALI	P25.850	ICT	P201.000	SM	P910.000	JGS	P48.000	GLO	P1,700.000	TEL	P1,209.000
Value	P549,724,910	Value	P449,245,010	Value	P433,535,100	Value	P371,435,973	Value	P229,991,240	Value	P200,488,387	Value	P167,564,830	Value	P115,866,160	Value	P110,131,350	Value	P92,010,275
P1.000	▲ 0.735%	P1.000	▼ -2.273%	P1.000	▼ -0.612%	P1.000	▼ -1.481%	P1.000	▼ -1.711%	P1.000	▲ 3.077%	P1.000	▼ -2.045%	P1.000	— 0.000%	P1.000	— 0.000%	P1.000	▲ 0.750%

Manufacturing activity expands in May

Economists still skeptical about Maharlika fund after Congress approval

By Kyle Aristophere T. Atienza Reporter

ECONOMISTS remain skeptical about the newly passed Maharlika Investment Fund (MIF) bill, saying it still contains provisions that could affect the independence of government financial institutions (GFIs) and the central bank.

Filomeno S. Sta Ana III, coordinator of the Action for Economic Reforms, said it is "redundant" to call the fund an investment mechanism to finance development programs because even without it, "GFIs that are ordered to contribute to Maharlika are using their funds to contribute to Philippine development in different ways."

"The problem with Maharlika is it doesn't really know what it wants to do," he said in a Facebook Messenger chat.

Congress approved on Wednesday the bill creating the country's first sovereign wealth fund.

Under the bill, the Land Bank of the Philippines and the Development Bank of the Philippines are mandated to contribute P50 billion and P25 billion, respectively, to the Maharlika Investment Corp. (MIC), which has the control over the fund. The National Government is also required to contribute P50 billion to the MIC.

Funds from the Philippine Amusement and Gaming Corp. and proceeds from privatization and transfer of government funds may also be used for the MIF.

"As a consequence of diverting capital from GFIs, Maharlika impinges on integrity and independence of decision making of these GFIs," Mr. Sta. Ana said.

The Bangko Sentral ng Pilipinas (BSP) is also asked to contribute 100% of its dividends to MIC in its first two years. After the two-year period, the BSP's contribution drops to 50% of its dividends, with the remaining 50% to be deposited into a special account holding its capital build-up funds.

Former central bank deputy governor Diwa C. Guinigundo warned that using BSP dividends as seed capital for the MIF would further delay the central bank's capital buildup.

"Now you have the Maharlika Investment Fund. So instead of the initial estimate that it would

take eight years to recapitalize the central bank fully, P200 billion out of its own dividends, it will now be extended to about 17 years," Mr. Guinigundo said in an interview with One News Channel's *The Chiefs*. "Now, anything can happen."

The former BSP official said that to replenish public money that will be used for the Maharlika fund, the government would be forced to either increase taxes or borrow money domestically or abroad — or do both.

Leonardo A. Lanzona, who teaches economics at the Ateneo de Manila University, said the use of BSP dividends for the MIF "could mean lower revenues for the government and thus can result in higher taxes."

"Trading off the government's limited funds from one use to another obviously carries with it significant opportunity costs along with conflicts of interest to its proposed board members," he said via Messenger chat.

"The speed with which the MIF has been passed is a clear sign that not all concerns have been addressed."

Mr. Sta. Ana also questioned the MIF bill's objective, which is to promote socioeconomic development by making "strategic and profitable investments in key sectors to preserve and enhance long-term value of the Fund," obtaining "the optimal absolute return and achievable financial gains on its investments," and satisfying "the requirements of liquidity, safety/security, and yield in order to ensure profitability."

"But this contradicts the objective of growing the funds, because financing development like infrastructure projects is not exactly about growing money or earning high financial return," Mr. Sta. Ana said.

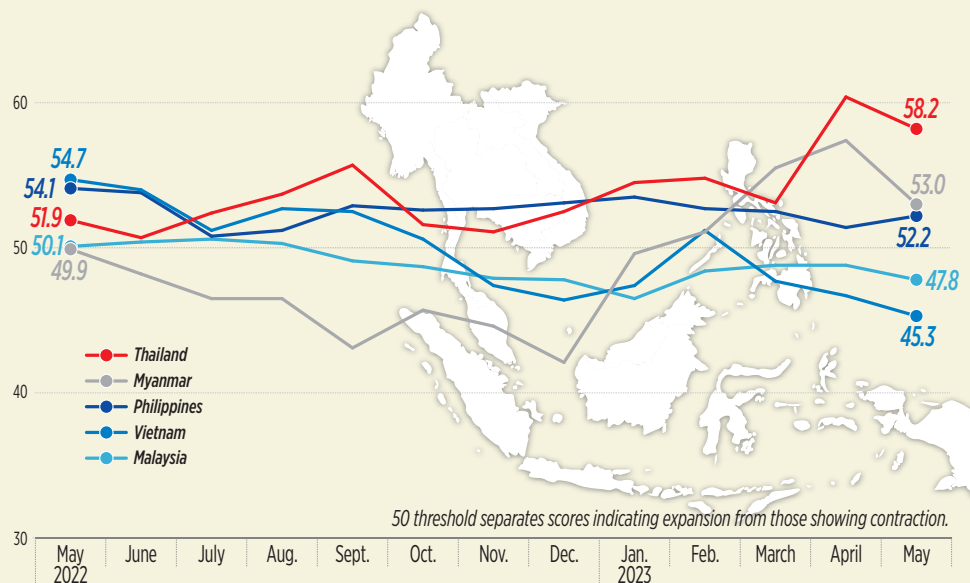
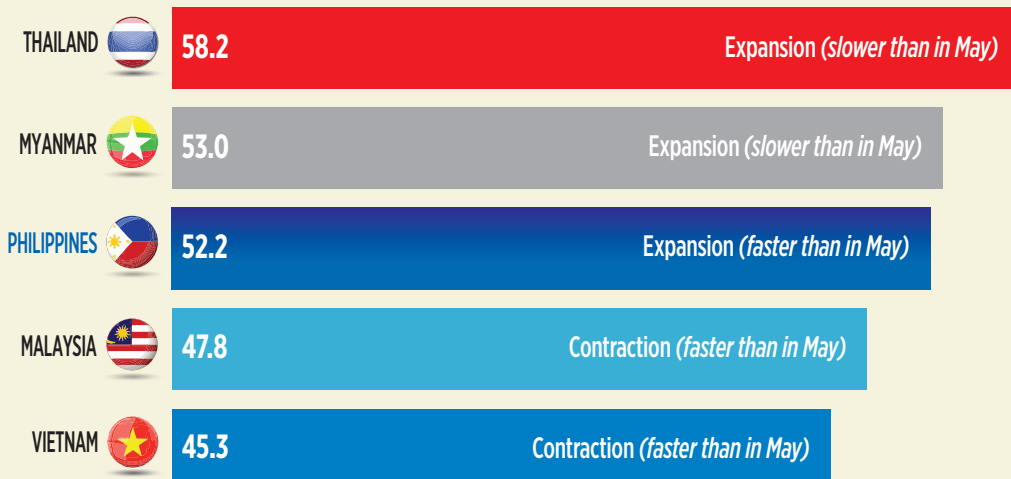
INVESTMENTS

Under the bill, the MIC board can approve the fund's investments in commodities, fixed-income instruments, corporate bonds, equities, Islamic investments, joint ventures, mergers and acquisitions, as well as real estate and infrastructure projects.

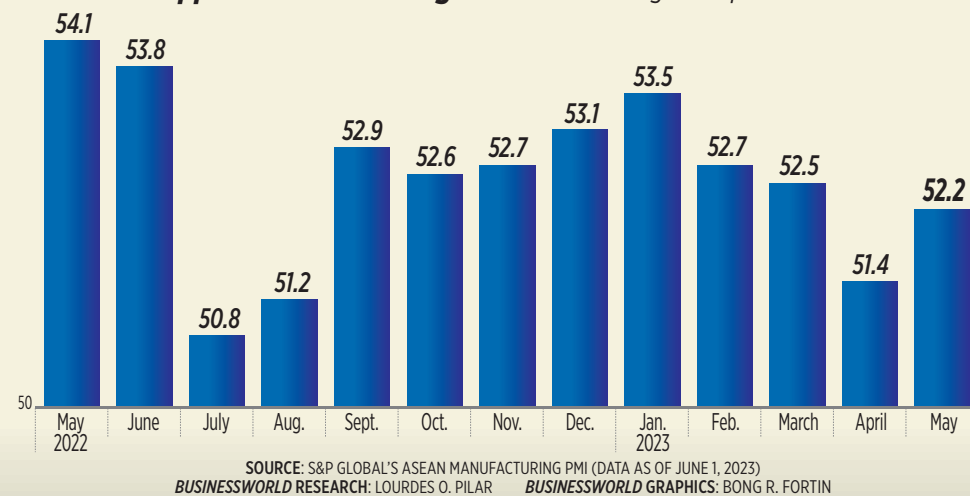
The fund can also invest in projects that "contribute to sustainable development" and "with sustainable and developmental impact."

Maharlika, S1/9

MANUFACTURING PURCHASING MANAGERS' INDEX (PMI) OF SELECT ASEAN ECONOMIES, MAY 2023



Philippines' Manufacturing PMI 50 = no change from previous month



SOURCE: S&P GLOBAL'S ASEAN MANUFACTURING PMI (DATA AS OF JUNE 1, 2023)
BUSINESSWORLD RESEARCH: LOURDES O. PILAR BUSINESSWORLD GRAPHICS: BONG R. FORTIN



MANUFACTURING ACTIVITY in the Philippines further expanded in May as new orders and production grew at a faster clip, S&P Global said.

The S&P Global Philippines Manufacturing Purchasing Managers' Index (PMI) rose to 52.2 in May from an eight-month low of 51.4 in April, signaling "further improvement in operating conditions."

"The upturn was supported by a solid rise in both output and factory orders, with firms also expanding their workforce numbers for the first time in four months. More encouragingly, vendor performance improved in May for the first time in almost four years. Companies reported that improved logistics routes helped shorten delivery times," Maryam Baluch, economist at S&P Global Market Intelligence, said in a report released on Thursday.

May marked the 16th straight month that the PMI reading stood above the 50 mark which denotes improvement in operating conditions. A reading below 50 signals deterioration.

The headline PMI measures manufacturing conditions through the weighted average of five indices: new orders (30%), output (25%), employment (20%), suppliers' delivery times (15%), and stocks of purchases (10%).

The Philippines had the third-highest PMI reading among five Association of Southeast Asian Nations (ASEAN) member countries, behind Thailand (58.2) and Myanmar (53). On the other hand, factory output activity contracted in Malaysia (47.8) and Vietnam (45.3).

"The improvement in the health of the Filipino manufacturing sector during May was driven by quicker expansions in both factory orders and manufacturing output, which have now risen each month since September 2022," S&P Global said.

The rise in new orders was driven by "stronger demand conditions and the acquisition of new clients," it added.

"Demand from foreign markets also fared well in the latest survey period, with export volumes growing solidly, albeit at a slightly softer pace compared to April," S&P Global said.

After three months of decline, manufacturing firms resumed expanding their workforce in May "at the strongest pace since October last year."

"Businesses expanded their hiring activity for the first time in four months, and at the strongest pace since October last year," it added.

Increased demand also prompted firms to boost buying activity in May.

"In anticipation of future demand, manufacturing firms were keen to raise their inventory levels. Stocks of pre-production items rose further, thereby extending the current sequence of growth seen since September 2021, while manufacturers also raised their holdings of finished items following back-to-back months of depletion," S&P said.

Manufacturing, S1/9

Many Filipino parents go through pains of lengthy adoption process

By Luisa Maria Jacinta C. Jacson Reporter

IDA MARIE M. CASTRO, a 57-year-old mother, described the process of adoption in the Philippines as "heartbreaking."

"My heart was breaking just going through the extent of the process," the sales director said in a Facebook Messenger chat. "Every time there was an interview, I felt my son Paulo was in danger of being pulled away from us."

At one point, she thought about going somewhere the adoption officers wouldn't find them.

"My entire experience in the adoption process was horrible," Ms. Castro said. "It was so unfair for strangers to look into our lives and take a snapshot of one afternoon and make a report about it."

In 2015, the Social Welfare department accredited the Castros to become foster parents of a founding, pending the adoption process.

It has been eight years of home visits, paperwork, fees and waiting since the Castros started the whole thing, and it has yet to be completed.

There are about 1.8 million orphaned and abandoned children in the Philippines, according to data from Philippines Without Orphans. From 2009 to 2021, there were 8,258 children declared legally available for adoption, government data showed.

The adoption process is expensive, long and known for its bureaucratic bottlenecks.

Declaring a child available for adoption is a stringent process, Arlyne A. Fernandez, executive director at Virlian Foundation, Inc. said via Zoom.

"It's the role of the social worker to exert all efforts to locate the family and see why they were abandoned," she said. "It takes us six months to a year, at most three years, before we can make sure that this child has no family."

Announcements on the radio, television and social media have to be made. If a child is found abandoned, the government starts the process of declaring the child legally available for adoption.

Esther Elizabeth Suson, content manager at Generations—Home, noted that since the process of searching for the child's biological family could take years, they encourage families to also consider foster care, not just adoption.

"While these children wait for their certification declaring a child legally available for adoption or to be reunified with their biological families, they can experience the love, safety and care of a family," she said.

Ms. Fernandez said time is one of the biggest challenges during the adoption process.

"We are happy when a child can get adopted in two years," she said. "Some get older and are never adopted. There's a different process for children with special needs. Some children with past trauma and abuse must be processed before they are considered for adoption."

Once approved for adoption, the child is then set up to be matched with their potential parents. The matching committee is composed of a panel of experts that include psychologists, pediatricians, lawyers, and government officials.

Adoption, S1/3

