

STOCK MARKET	ASIAN MARKETS	WORLD MARKETS	PESO-DOLLAR RATES	ASIAN MONIES-US\$ RATE	WORLD CURRENCIES	DUBAI CRUDE OIL
PSEi OPEN: 6,387.98 HIGH: 6,430.28 LOW: 6,385.44 CLOSE: 6,398.64 18.92 pts. 0.29% VOL.: 0.504 B VAL(P): 3.067 B 30 DAYS TO JULY 11, 2023	JULY 11, 2023 JAPAN (NIKKEI 225) 32,203.57 ▲ 13.84 0.04 HONG KONG (HANG SENG) 18,659.83 ▲ 180.11 0.97 TAIWAN (WEIGHTED) 16,898.91 ▲ 246.11 1.48 THAILAND (SET INDEX) 1,496.18 ▼ -0.71 -0.05 S.KOREA (KSE COMPOSITE) 2,562.49 ▲ 41.79 1.66 SINGAPORE (STRAITS TIMES) 3,158.33 ▲ 9.01 0.29 SYDNEY (ALL ORDINARIES) 7,108.90 ▲ 104.90 1.50 MALAYSIA (KLSE COMPOSITE) 1,391.46 ▲ 8.40 0.61	JULY 10, 2023 Dow Jones 33,944.400 ▲ 209.520 NASDAQ 13,685.481 ▲ 24.765 S&P 500 4,409.530 ▲ 10.580 FTSE 100 7,273.790 ▲ 16.850 Euro Stoxx50 3,865.290 ▲ 9.660	FX OPEN P55.580 HIGH P55.230 LOW P55.630 CLOSE P55.250 W.AVE. P55.392 VOL. \$1,262.85 M SOURCE: BAP	JULY 11, 2023 LATEST BID (0900GMT) PREVIOUS JAPAN (YEN) 140.430 ▲ 142.330 HONG KONG (HK DOLLAR) 7.828 ▲ 7.829 TAIWAN (NT DOLLAR) 31.291 ▲ 31.366 THAILAND (BAHT) 34.820 ▲ 35.140 S. KOREA (WON) 1,293.570 ▲ 1,303.890 SINGAPORE (DOLLAR) 1.342 ▲ 1.348 INDONESIA (RUPIAH) 15,135 ▲ 15,190 MALAYSIA (RINGGIT) 4.658 ▲ 4.667	JULY 11, 2023 CLOSE PREVIOUS US\$/UK POUND 1.2894 ▲ 1.2819 US\$/EURO 1.0998 ▲ 1.0970 US\$/AUSTRALIAN DOLLAR 0.6665 ▲ 0.6644 CANADA DOLLAR/US\$ 1.3274 ▼ 1.3278 SWISS FRANC/US\$ 0.8822 ▼ 0.8885	FUTURES PRICE ON NEAREST MONTH OF DELIVERY \$78.25/BBL ▲ \$0.40 30 DAYS TO JULY 10, 2023

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PHILIPPINE STOCK EXCHANGE'S 10 MOST ACTIVE STOCKS BY VALUE TURNOVER • JULY 11, 2023 (PSEi snapshot on S1/4; article on S2/2)

ALI	P24.700	BPI	P109.000	SM	P910.500	JFC	P236.000	BDO	P136.000	URC	P134.000	MPI	P4.910	AC	P603.500	ICT	P200.200	SMPH	P32.350
Value	P224,391,795	Value	P211,162,732	Value	P200,386,325	Value	P198,404,176	Value	P198,058,650	Value	P170,247,212	Value	P148,066,390	Value	P134,664,700	Value	P129,706,840	Value	P118,702,145
PO.450	▲ 1.856%	PO.400	▲ 0.368%	P2.500	▲ 0.275%	PO.000	— 0.000%	PO.400	▲ 0.295%	-P3.300	▼ -2.403%	-PO.010	▼ -0.203%	P1.500	▲ 0.249%	-PO.200	▼ -0.100%	PO.450	▲ 1.411%

Trade deficit narrows to \$4.4B in May

Philippines still projected to post fastest growth among ASEAN+3

THE ASEAN+3 Macroeconomic Research Office (AMRO) still expects the Philippines to post the fastest economic growth in the region this year, despite external headwinds.

In its latest ASEAN+3 Regional Economic Outlook Report, AMRO kept its 6.2% growth estimate for the Philippines this year, the same forecast it gave in April.

This is also the fastest gross domestic product (GDP) growth projection among the ASEAN+3 economies for 2023, followed by Cambodia (5.7%) and China (5.5%).

ASEAN+3 is composed of the 10 members of the Association of Southeast Asian Nations (ASEAN) plus China, Japan and South Korea.

AMRO's forecast for the Philippines is also above the 4.6% growth projection for ASEAN+3, and the 4.5% for ASEAN alone.

AMRO Chief Economist Hoe Ee Khor at a virtual briefing on Tuesday

said that the Philippines has done "relatively well" in sustaining its growth.

"I think that's partly because the structure of the economy is quite different from other ASEAN countries. The other economies are much more dependent on manufacturing goods export, whereas in the case of the Philippines, it's a much more service-driven economy," Mr. Khor said.

"Because of that, I think (the Philippines) has not been affected as much by the external headwinds and has benefited from the recovery of the services sector. So, we expect growth this year to remain about the same as previously, at 6.2%," he added.

The AMRO's forecast is within the government's 6-7% GDP growth target for this year. In 2022, the Philippine economy expanded by 7.6%.

AMRO also kept its Philippine growth forecast for 2024 at 6.5%.

ASEAN+3, S1/11

Vehicle sales jump 27% in June

NEW VEHICLE SALES in the Philippines increased by 27% in June as many Filipinos continued to spend on big-ticket items, an industry group said.

A joint report by the Chamber of Automotive Manufacturers of the Philippines, Inc. (CAMPI) and Truck Manufacturers Association (TMA) showed auto sales climbed to 36,311 units in June, from 28,601 units sold in the same month last year.

"The auto industry has maintained double-digit positive growth anew at 27% in June — a reflection of improved consumer spending for big-ticket items amidst the significant market for new motor vehicle sales, the main growth anchor of the industry," CAMPI President Rommel R. Gutierrez said in a statement.

Month on month, June vehicle sales fell by 4.9% from the 38,177 units sold in May.

In June, commercial vehicle sales jumped by 29.2% year on year to 27,325. Month on month, sales dipped by 3.7% from 28,385 in May.

The segment's sales were led by light commercial vehicles, which rose by 32.3% to 21,555, and Asian utility vehicles (AUV), up by 20% to 4,864.

On the other hand, passenger car sales increased by an annual 20.5% to 8,986 in June. However, this was 8.2% lower than the 9,792 units sold in May.

For the first half of the year, vehicle sales increased by 30.7% to 202,415 from 154,874 in 2022.

This was driven by the double-digit rise in sales of both passenger cars and commercial vehicles.

Commercial vehicle sales jumped by 30.8% to 151,567 in the first six months, as sales of light commercial vehicles went up by 26.8% to 117,075. AUV sales also increased by 54.8% to 29,272 during the six-month period.

Passenger vehicle sales increased by 30.4% to 50,848 units sold.

Among car brands, Toyota Motor Philippines Corp. had the highest first-half sales with 93,575 or equivalent to a 46.23% market share.

Vehicle sales, S1/11

PHL vulnerable to inflationary pressures induced by El Niño

THE PHILIPPINES is expected to be one of the most vulnerable economies to El Niño-induced inflationary pressures in Southeast Asia, according to BMI Country Risk & Industry Research.

In the BMI Southeast Asia El Niño Exposure Index, the Philippines ranked sixth most vulnerable among 13 countries after Myanmar, Cambodia, Nepal, Laos and Malaysia.

"(The Philippines is) not the most impacted, but it's certainly one of the bigger economies that will be impacted. So typically, the smaller economies are impacted more because they have a much higher share of agriculture as a share of (gross domestic product)," BMI Managing Director Cedric Chehab said in a webinar on Tuesday.

"The Philippines is a little bit more diversified than some of the smaller ones. But the Philippines also has a vulnerability (to El Niño)."

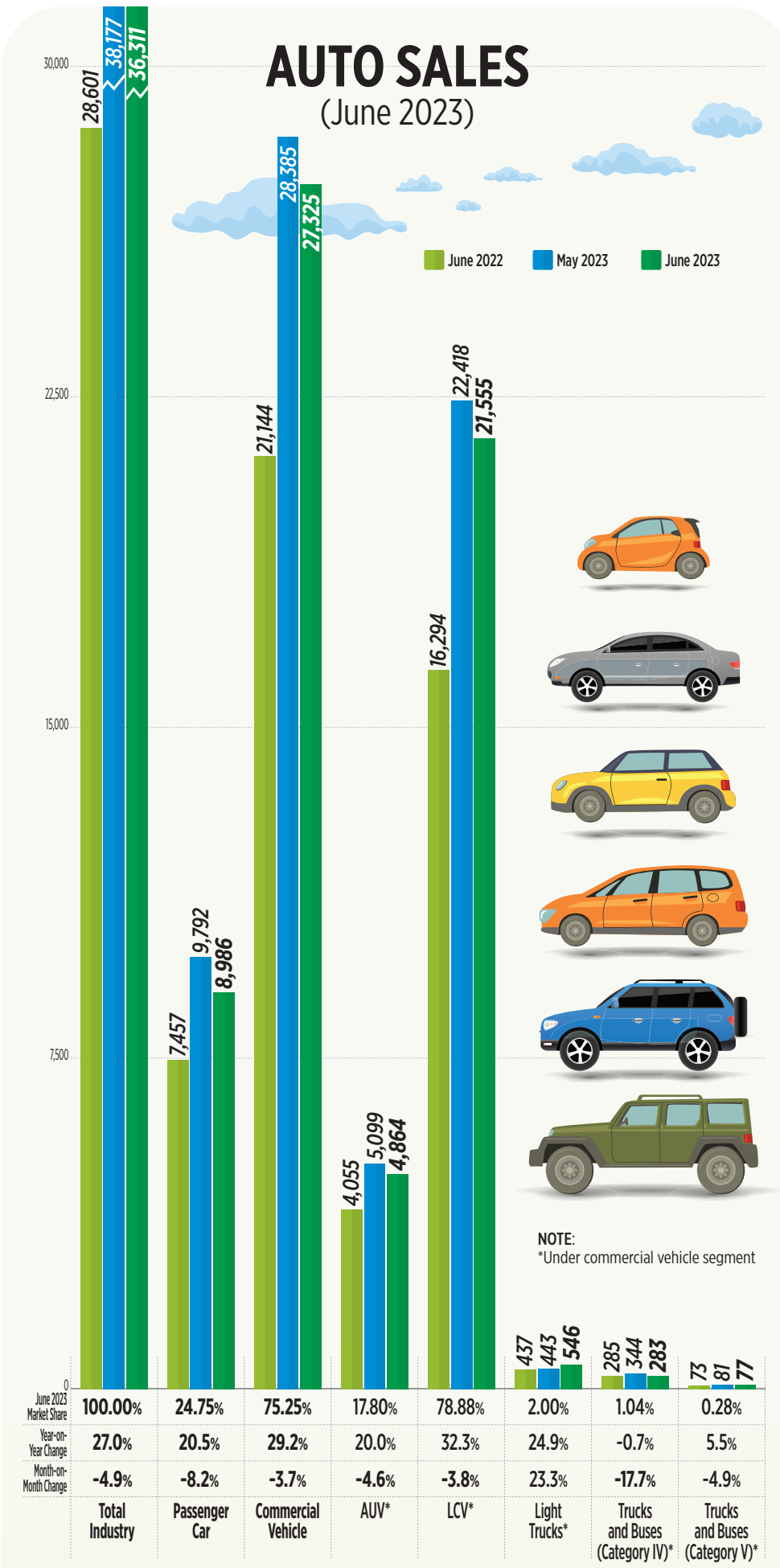
The BMI index analyzes the impact of El Niño on agriculture, rice production, consumption and imports, among others, based on previous El Niño events.

Myanmar (0.67), Cambodia (0.61), and Nepal (0.60) were the top three markets most exposed to El Niño-induced inflationary pressures and were subjected to upside interest rate risks.

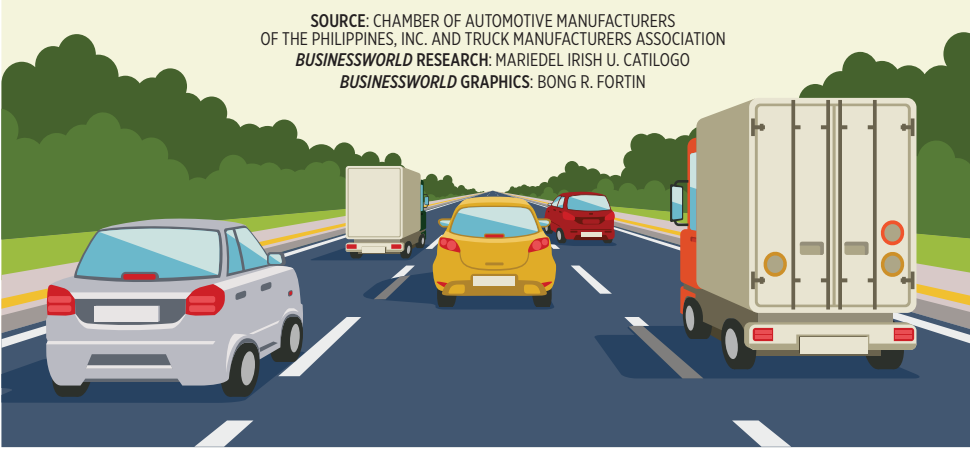
On the other hand, China, Vietnam and Thailand appeared the most resilient to the potential agricultural impact of El Niño.

"For most markets, El Niño, via the causal channel of commodity prices, is associated with short-run inflationary pressures. For Southeast Asia, the heating associated with El Niño events is accompanied by reduced rainfall, relative to normal conditions, which has particular implications for the water-intensive cultivation of rice, the staple food item across much of the region," BMI said.

El Niño, S1/11



	Jan.-June 2023 Market Share (%)	Jan.-June 2022 Units Sold	Year-on-Year Change (%)	Jan.-June 2023 Units Sold
Total Industry	100.00%	154,874	30.7%	202,415
Passenger Car	25.12%	39,003	30.4%	50,848
Commercial Vehicle	74.88%	115,871	30.8%	151,567
AUV*	19.31%	18,910	54.8%	29,272
LCV*	77.24%	92,366	26.8%	117,075
Light Trucks*	1.95%	2,348	25.6%	2,948
Trucks and Buses (Category IV)*	1.19%	1,808	0.0%	1,808
Trucks and Buses (Category V)*	0.31%	439	5.7%	464



By Lourdes O. Pilar
Researcher

THE PHILIPPINES' trade deficit narrowed to a three-month low in May as exports expanded for the first time in six months while the decline in imports slowed, data from the Philippine Statistics Authority (PSA) showed.

According to PSA data, the country's balance of trade in goods stood at a \$4.4-billion deficit in May, slimmer than the revised \$4.84-billion gap in April and \$5.56-billion deficit in May 2022.

This was the smallest trade deficit in three months or since the \$3.91-billion deficit in February.

The Philippines has incurred a trade deficit for the last eight years or since the trade surplus of \$64.95 million in May 2015.

Merchandise exports grew by 1.9% to \$6.44 billion in May, ending five straight months of decline and recording the fastest growth since the 13.1% logged in November 2022. This was a reversal of the revised 20.2% drop in April but still lower than 6.3% growth in May last year.

May's export level was the highest in two months or since the \$6.53 billion in March.

Meanwhile, imports fell by 8.8% to \$10.84 billion in May, slower than the revised 15% decline in April and a reversal of the 30.2% growth in May 2022.

While May marked the fourth straight month of decline, the value of imports was the biggest in two months or since the \$11.63 billion in March.

In the first five months of the year, exports fell by 11.5% to \$28.21 billion, while imports slipped by 6.6% to \$52.2 billion. This was below the government's 1% and 2% growth targets for exports and imports, respectively, for this year.

This brought the trade deficit to \$23.99 billion in the January-to-May period, nearly flat from the \$23.96-billion gap in the same period last year.

"Exports managed to surprise on the upside with a sharp recovery in electronics shipments. Meanwhile, imports remained in contraction with almost all subsectors in the red, save for consumer imports," ING Bank NV Manila Senior Economist Nicholas Antonio T. Mapa said in an e-mail.

Mr. Mapa noted that the narrower trade deficit "suggests that there will be less pressure on the Philippine peso to weaken as demand for foreign currency dips relative to last year."

Manufactured goods, which accounted for 81% of the country's total export receipts, rose by 4.5% year on year to \$5.2 billion in May.

Electronic products, which made up nearly three-fourths of manufactured goods and more than a half of total exports in May, grew by 6.7% to \$3.7 billion. Almost half of total exports came from semiconductors, which jumped by 15.9% to \$3.12 billion.

Meanwhile, orders of raw materials and intermediate goods in May fell by 12.3% to \$4.05 billion. These accounted for nearly 40% of the total May import bill.

In May, imports of capital goods declined by 5.9% to \$3.16 billion, while the imports of consumer goods grew by 24.7% to \$2.13 billion.

Deficit, S1/11



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