P25 IN METRO MANILA, PHILIPPINES

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STOCK MARKET

PSEi

OPEN:	6,702.12
HIGH:	6,760.41
LOW:	6,702.12
CLOSE:	6,728.22
VOL.:	0.425 B
VAL(P):	5.263 B

▲ 20.97 PTS. 0.31%

30 DAYS TO FEBRUARY 5, 2024

ASIAN MARKETS

FEBRUARY 5, 2024

	CLOSE		NET	%
Japan (Nikkei 225)	36,354.16	▲	196.14	0.54
Hong Kong (Hang Seng)	15,510.01	▼	-23.55	-0.15
Taiwan (Weighted)	18,096.07	▲	36.14	0.20
Thailand (SET Index)	1,385.71	▲	1.63	0.12
S.Korea (Kse Composite)	2,591.31	▼	-24.00	-0.92
Singapore (Straits Times)	3,130.88	▼	-48.89	-1.54
Sydney (All Ordinaries)	7,625.90	▼	-73.50	-0.95
Malaysia (Klse Composite)	1,511.34	▼	-5.24	-0.35

WORLD MARKETS

FEBRUARY 2, 2024

	CLOSE		NET
Dow Jones	38,654.420	▲	134.580
NASDAQ	15,628.954	▲	267.312
S&P 500	4,958.610	▲	52.420
FTSE 100	7,615.540	▼	-6.620
Euro Stoxx50	4,206.370	▲	2.600

PESO-DOLLAR RATES

FX

OPEN	P56.100
HIGH	P56.100
LOW	P56.315
CLOSE	P56.290
W.AVE.	P56.235
VOL.	$1,082.75 M

▼ 37.00 CTVS

30 DAYS TO FEBRUARY 5, 2024

SOURCE : BAP

ASIAN MONIES-US$ RATE

FEBRUARY 5, 2024

	LATEST BID (0900GMT)		PREVIOUS
Japan (yen)	148.420	▼	148.370
Hong Kong (HK dollar)	7.822	▼	7.820
Taiwan (NT dollar)	31.373	▲	31.374
Thailand (baht)	35.800	▼	35.590
S. Korea (won)	1,332.710	▲	1,337.760
Singapore (dollar)	1.345	▼	1.342
Indonesia (rupiah)	15,700	▼	15,655
Malaysia (ringgit)	4.750	▼	4.715

WORLD CURRENCIES

FEBRUARY 5, 2024

	CLOSE		PREVIOUS
US$/UK pound	1.2613	▼	1.2630
US$/Euro	1.0761	▼	1.0784
US$/Aust dollar	0.6503	▼	0.6512
Canada dollar/US$	1.3482	▲	1.3460
Swiss Franc/US$	0.8687	▲	0.8664

DUBAI CRUDE OIL

FUTURES PRICE ON NEAREST MONTH OF DELIVERY

$78.95/BBL

▼ $1.35

30 DAYS TO FEBRUARY 2, 2024

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PHILIPPINE STOCK EXCHANGE'S 10 MOST ACTIVE STOCKS BY VALUE TURNOVER • FEBRUARY 5, 2024 (PSEi snapshot on *S1/2*; article on *S2/2*)

		Value			
ICT	P255.800	P468,816,750	P7.800	▲	3.145%
BDO	P148.600	P431,465,385	P0.100	▲	0.067%
BPI	P115.000	P392,442,292	-P1.100	▼	-0.947%
SMPH	P33.900	P364,231,650	P0.300	▲	0.893%
GTCAP	P683.000	P179,537,900	P25.500	▲	3.878%
MBT	P57.700	P172,479,623	P0.650	▲	1.139%
SM	P900.000	P166,996,865	-P14.000	▼	-1.532%
AC	P671.000	P114,479,385	-P1.000	▼	-0.149%
MONDE	P9.540	P104,364,354	P0.120	▲	1.274%
CNPF	P35.200	P103,566,380	P1.100	▲	3.226%

Economy to fare better in 2nd half

THE PHILIPPINE ECONOMY is expected to fare better in the second half of the year, as easing interest rates could lift consumption and improving external climate may boost trade, according to Moody's Analytics.

"The economy will fare better this year, especially in the second half. Fading inflation will give the Bangko Sentral ng Pilipinas (BSP) confidence to lower borrowing costs," Moody's Analytics said in its weekly report released on Monday.

Headline inflation is expected to cool down in the coming months due to favorable base effects. A *BusinessWorld* poll of 16 analysts last week yielded a median estimate of 3.1% for January inflation, which is within the 2.8-3.6% month-ahead forecast of the BSP.

If realized, this will be the second consecutive month that inflation will be within the BSP's 2-4% target band. It will also be slower than the 3.9% print in December and 8.7% a year ago.

However, Moody's noted that household spending will be under pressure in the first half.

"Volatile inflation prints in the first half of the year will persuade the BSP to stay on hold, leaving us to expect its first rate cut to be in June at the earliest," it said.

Economy, S1/9

Philippine short selling in short demand 3 months after its launch

By Revin Mikhael D. Ochave *Reporter*

JOHN RUSSELL DC. MANARANG, 22, is excited about finally being able to short sell on the Philippine Stock Exchange (PSE), thinking this would let him take a profit when the market is down.

"I am considering short selling because I don't like buying long," Mr. Manarang, who runs a food cart business, said in a Facebook Messenger chat. "Even when you short sell, you could still be a profitable trader."

After a nearly three-decade wait, traders have been allowed since November to short sell stocks in the Philippines after regulators approved a proposal first made by the Philippine Stock Exchange, Inc. in 1996 — five years before Mr. Manarang was born.

FOCUS

A total of 52 stocks including all shares on the Philippine Stock Exchange index (PSEi), and one exchange-traded fund, may be sold short, meaning investors can borrow a security, sell it on the open market and expect to buy it back later at a lower price.

The Philippines embraced short selling, which is limited to brokers and their clients, when its peers like China and South Korea are tightening control over it amid higher US interest rates. Aside from the Philippines, short selling is being done in Singapore, Hong Kong, Malaysia, Thailand and Indonesia.

The PSE is seeking to revive interest in a market where average daily stock transactions have slumped by about 40% in the past decade, and foreign equity investments have sunk for the past six years, according to Bloomberg data.

But not so many traders share Mr. Manarang's excitement, based on the slow adoption of the trading strategy in the country, Juan Paolo E. Colet, managing director at China Bank Capital Corp., is not surprised.

"First, the backend and client systems and processes of local brokers are configured for a long-only market, so it takes time to adopt the necessary changes," he said in a Viber message. "Second, many investors are still not knowledgeable on how short selling works and even some seasoned market participants find the setup quite complex."

Short selling is also being introduced when there is more upside rather than downside risks in the Philippine stock market, "so that premise makes short selling a challenging trading strategy to deploy," Mr. Colet said.

Still, local brokerages are planning to introduce short selling to their clients by June, he said.

Alfred Benjamin R. Garcia, senior research analyst at AP Securities, Inc., said short selling could increase market liquidity.

Short selling, S1/9

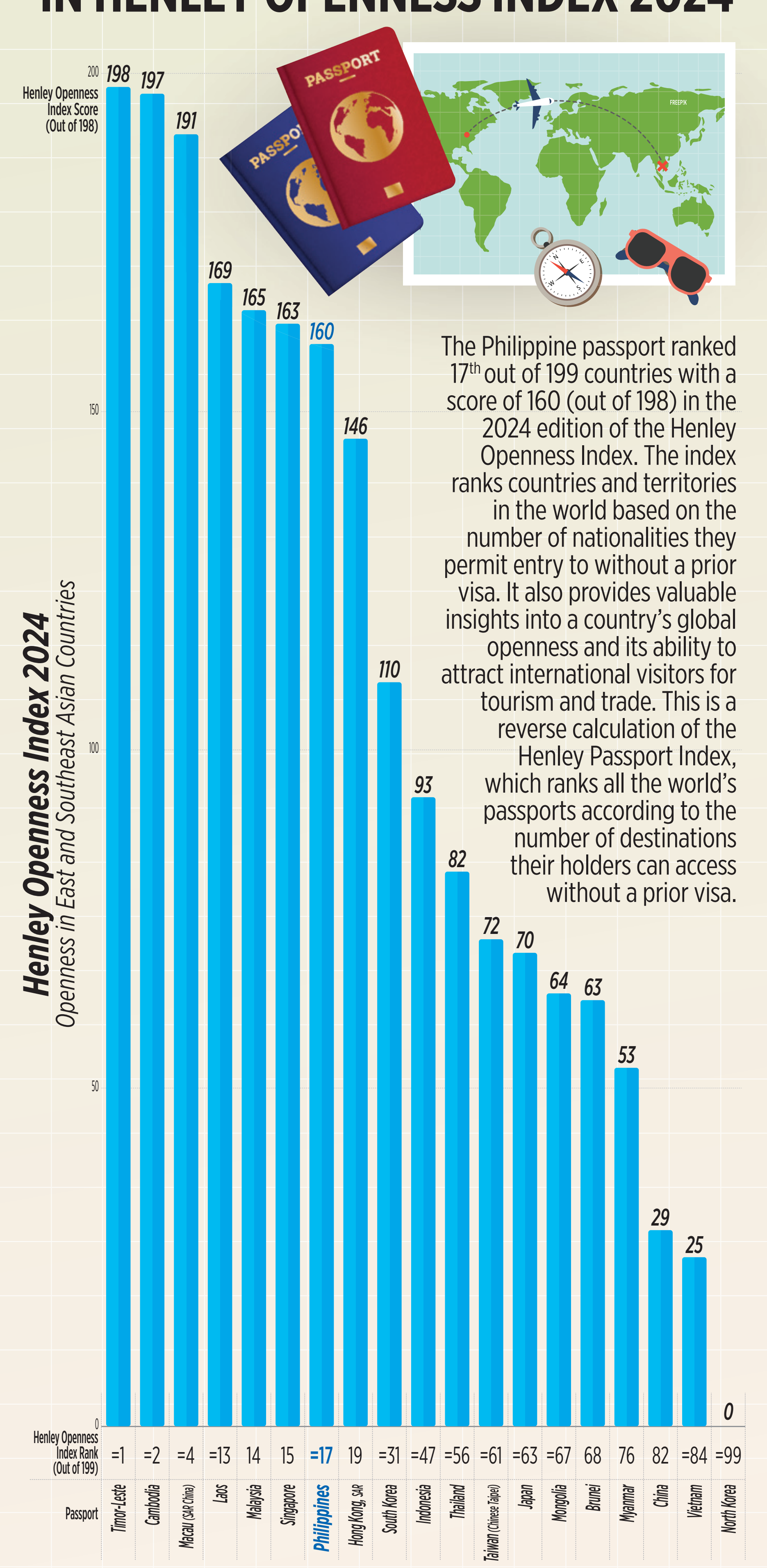
FUEL PRICE TRACKER

(week-on-week change)

GASOLINE		
Jan. 23	▲	P1.30
Jan. 30	▲	P2.80
Feb. 6	▲	P0.75
DIESEL		
Jan. 23	▲	P0.95
Jan. 30	▲	P1.30
Feb. 6	▲	P1.50
KEROSENE		
Jan. 23	▲	P0.00
Jan. 30	—	P0.45
Feb. 6	▲	P0.80

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

PHILIPPINES RANKS 17TH IN HENLEY OPENNESS INDEX 2024



The Philippine passport ranked 17th out of 199 countries with a score of 160 (out of 198) in the 2024 edition of the Henley Openness Index. The index ranks countries and territories in the world based on the number of nationalities they permit entry to without a prior visa. It also provides valuable insights into a country's global openness and its ability to attract international visitors for tourism and trade. This is a reverse calculation of the Henley Passport Index, which ranks all the world's passports according to the number of destinations their holders can access without a prior visa.

Top Open Passports

Passport	Henley Openness Index Rank (Out of 199)	Henley Openness Index Score (Out of 198)
Burundi	=1	198
Cape Verde Islands	=1	198
Comoro Islands	=1	198
Djibouti	=1	198
Guinea-Bissau	=1	198
Kenya	=1	198
Maldives	=1	198
Micronesia	=1	198
Mozambique	=1	198
Rwanda	=1	198
Samoa	=1	198
Timor-Leste	=1	198
Tuvalu	=1	198

Least Open Passports

Passport	Henley Openness Index Rank (Out of 199)	Henley Openness Index Score (Out of 198)
Afghanistan	=99	0
North Korea	=99	0
Turkmenistan	=99	0
Libya	98	2
Bhutan	97	3
Equatorial Guinea	=96	4
Eritrea	=96	4
India	95	5

NOTE: The total Openness Score for each country/territory is equal to the number of countries/territories with visa-free access. If passport holders from a particular country/territory can enter without requiring a visa in advance or if holders can obtain a visa on arrival, a visitor's permit, or an electronic travel authority upon entry, a score of 1 is assigned. Meanwhile, if passport holders require government-approved electronic visa before departure or predeparture government approval for a visa on arrival, a score of 0 is assigned.

Source: Henley & Partners' Henley Openness Index 2024 *(https://www.henleyglobal.com/publications/henley-openness-index)*
***BusinessWorld* Research**: Abigail Marie P. Yraola ***BusinessWorld* Graphics**: Bong R. Fortin

Infrastructure spending may slow as gov't pursues fiscal consolidation

By Luisa Maria Jacinta C. Jocson *Reporter*

THE NATIONAL GOVERNMENT (NG) may struggle with expediting infrastructure spending as it pursues fiscal consolidation, analysts said.

"The decline in infrastructure (in November) is an indication of the government's problems with its fiscal consolidation. This means that the government's policy to reduce fiscal deficit and debt accumulation has not been working as expected," Ateneo de Manila University economics professor Leonardo A. Lanzona said in an e-mail.

"In the process, funds that should be used for infrastructure are delayed to meet these objectives. As fiscal consolidation remains uncertain, it is unlikely that infrastructure spending will be higher this year," he added.

Latest data from the Department of Budget and Management (DBM) showed that infrastructure and other capital outlays declined by 29.4% to P56.7 billion in November from P80.2 billion in the same month a year ago.

Month on month, infrastructure spending slumped by 47.2% from P107.3 billion in October.

"This was mainly due to the different timing of big-ticket disbursements in the Department of Public Works and Highways (DPWH), with the ongoing processing of payments for approved billings and disbursement vouchers for civil works, supplies, and equipment, as well as right-of-way claims," the DBM said.

"Actual payments for these were expected to be taken up in December 2023 following the release of additional cash allocations in the same month," it added.

Bienvenido S. Oplas, Jr., president of a research consultancy and of the Minimal Government Thinkers think tank, noted that the decline in infrastructure spending in November was due to timing of the release of funds.

"In the third quarter, there was a ramped up funding release for infrastructure (which) normalized or 'slowed down' in the fourth quarter. Overall, infrastructure spending is still higher than 2022," Mr. Oplas said in a Viber message.

In the January-November period, infrastructure spending rose by 18.5% to P1.02 trillion from P861.8 billion in the same period in 2022.

Infrastructure, S1/9

Philippines among top 3 favorable markets for established brands

THE PHILIPPINES is among the top three most favorable markets for established consumer brands as traditional trade dominates the retail space, according to a report by Bain & Co.

In a report, the consultancy firm said Malaysia, India, and the Philippines were the top three most favorable markets for incumbent consumer product brands. Meanwhile, South Korea, Singapore, and China were most favorable for rising consumer brands.

"The trend could be linked to the channel dynamics across markets. For example, the thriving e-commerce sector and well-established networks of third-party suppliers are making countries like South Korea particularly conducive for emerging consumer brands' growth," said Jichul Kang, head of Bain's consumer products practice in South Korea, in a statement.

"On the other hand, the dominance of traditional trade and relatively low penetration of e-commerce make countries like the Philippines more favorable markets for established brands," Mr. Kang added.

In the Philippines, incumbent brands got a bigger market share in eight out of 23 consumer product goods (CPG) categories which are spirits, wine, bath and shower, oral care, confectionery, edible oils, laundry care, and bottled water.

Meanwhile, incumbent brands in the Philippines only lost in seven categories which are color cosmetics, fragrances, hair care, skincare, pet food, sweet biscuits, and drinking milk products, which Bain said still indicates incumbent brands' dominance.

Market share of the remaining eight categories studied by Bain was stable or had little to no change as "the complex channel dynamics" in the Philippine market makes it challenging for new entrants to come in.

The report studied incumbent brands' market share in 23 CPG categories from 2018 to 2022.

Traditional trade still dominates the retail market in the Philippines. Bain said traditional trade accounted for around 53% of the retail value across the 23 categories it studied in the Philippines, while retail e-commerce sales penetration is seen at 2%. — **Justine Irish D. Tabile**

FULL STORY
Read the full story by scanning the QR code <tinyurl.com/2bnnrx6m>