

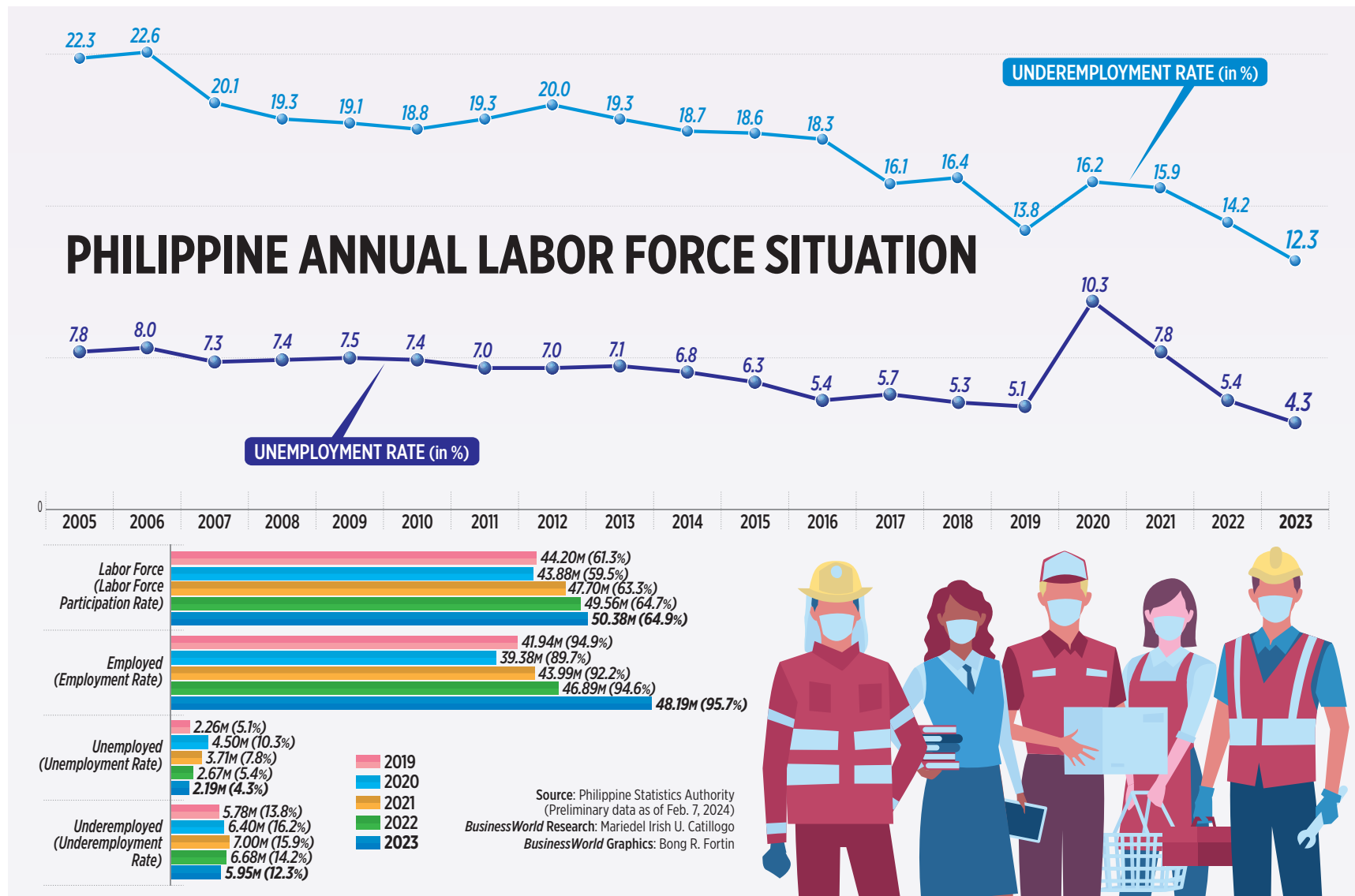
STOCK MARKET	ASIAN MARKETS	WORLD MARKETS	PESO-DOLLAR RATES	ASIAN MONIES-US\$ RATE	WORLD CURRENCIES	DUBAI CRUDE OIL
<b>PSEi</b> OPEN: 6,772.93 HIGH: 6,877.61 LOW: 6,772.93 CLOSE: 6,830.04 VOL.: 0.829 B VAL(P): 6.326 B 74.78 PTS, 1.1% 30 DAYS TO FEBRUARY 7, 2024	<b>FEBRUARY 7, 2024</b> JAPAN (NIKKEI 225) 36,119.92 ▼ -40.74 -0.11 HONG KONG (HANG SENG) 16,081.89 ▼ -54.98 -0.34 TAIWAN (WEIGHTED) * 18,096.07 ▲ 36.14 0.20 THAILAND (SET INDEX) 1,401.14 ▲ 4.18 0.30 S. KOREA (KSE COMPOSITE) 2,609.58 ▲ 33.38 1.30 SINGAPORE (STRAITS TIMES) 3,156.15 ▲ 30.47 0.97 SYDNEY (ALL ORDINARIES) 7,615.80 ▲ 34.20 0.45 MALAYSIA (KLSI COMPOSITE) 1,513.11 ▲ 0.13 0.01 <small>* CLOSING PRICE AS OF FEBRUARY 5, 2024</small>	<b>FEBRUARY 6, 2024</b> DOW JONES 38,521.360 ▲ 141.240 NASDAQ 15,608.998 ▲ 11.321 S&P 500 4,954.230 ▲ 11.420 FTSE 100 7,681.010 ▲ 68.150 EURO STOXX50 4,243.930 ▲ 27.360	<b>FX</b> OPEN P56.080 HIGH P55.950 LOW P56.120 CLOSE P55.950 W.AVE. P56.033 25.00 CTVS VOL. \$1,294.90 M 30 DAYS TO FEBRUARY 7, 2024 SOURCE: BAP	<b>FEBRUARY 7, 2024 LATEST BID (0900GMT)</b> JAPAN (YEN) 147.930 ▲ 148.610 HONG KONG (HK DOLLAR) 7.820 ▲ 7.823 TAIWAN (NT DOLLAR) 31.328 ▲ 31.330 THAILAND (BAHT) 35.590 ▲ 35.640 S. KOREA (WON) 1,327.010 ▲ 1,328.440 SINGAPORE (DOLLAR) 1.343 ▲ 1.345 INDONESIA (RUPIAH) 15,630 ▲ 15,725 MALAYSIA (RINGGIT) 4.759 ▲ 4.763	<b>FEBRUARY 7, 2024</b> US\$/UK POUND 1.2631 ▲ 1.2551 US\$/EURO 1.0766 ▲ 1.0735 US\$/AUST DOLLAR 0.6527 ▲ 0.6497 CANADA DOLLAR/US\$ 1.3473 ▼ 1.3526 SWISS FRANC/US\$ 0.8712 ▼ 0.8715	<b>FEBRUARY 7, 2024</b> FUTURES PRICE ON NEAREST MONTH OF DELIVERY <b>\$78.00/BBL</b> ▲ \$0.60 30 DAYS TO FEBRUARY 6, 2024

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PHILIPPINE STOCK EXCHANGE'S 10 MOST ACTIVE STOCKS BY VALUE TURNOVER • FEBRUARY 7, 2024 (PSEi snapshot on S1/2; article on S2/2)

AC	P715.000	BDO	P150.000	ICT	P270.000	BPI	P112.600	SMPH	P34.800	ALI	P34.500	URC	P111.400	SM	P910.000	GTCAP	P695.000	CNPF	P36.150
Value	P677,753,210	Value	P548,358,319	Value	P542,857,736	Value	P501,021,182	Value	P439,243,885	Value	P426,027,740	Value	P243,839,921	Value	P232,109,255	Value	P170,607,135	Value	P160,211,035
	P43.000 ▲ 6.399%		P2.000 ▲ 1.351%		P10.200 ▲ 3.926%		-P1.600 ▼ -1.401%		P0.800 ▲ 2.353%		P0.350 ▲ 1.025%		-P0.100 ▼ -0.090%		P4.000 ▲ 0.442%		P5.000 ▲ 0.725%		-P0.600 ▼ -1.633%

## Jobless rate hits record low in 2023



By Andrea C. Abestano Researcher

THE JOBLESS RATE dropped to a record low of 4.3% last year as more Filipinos became employed, the Philippine Statistics Authority (PSA) reported on Wednesday.

Preliminary results from the PSA's Labor Force Survey showed the average unemployment rate last year was lower than 5.4% logged in 2022.

This was the lowest jobless rate in almost two decades since the PSA revised the definition of unemployed in April 2005 to refer to Filipinos aged 15 years and older without a job and are available for work and actively seeking one.

This translated to 2.19 million jobless Filipinos last year, lower than 2.67 million in 2022.

"We welcome the news of a record-low unemployment rate, signifying the economy's sustained momentum and resiliency of our labor market," National Economic and Development Authority Secretary Arsenio M. Balisacan said in a statement.

"We will continue ramping up social and physical infrastructure investments and dramatically improve human capital to strengthen our people's employment prospects," he added.

In December alone, the unemployment rate fell to 3.1% from 3.6% in November and from 4.3% in the same month in 2022. This was also a record low.

That month, the ranks of unemployed Filipinos dropped to 1.6 million, more than half a million less than the 2.22 million in December 2022. This was also lower than 1.83 million in November 2023.

Meanwhile, the employment rate in December also hit a record high of 96.9%, above the 96.4% in November and 95.7% in December 2022.

In absolute terms, the country's employed Filipinos in December reached 50.52 million, up by 889,000 from the previous month. On an annual basis, the country added 1.52 million jobs from 49 million in December 2022.

PSA Undersecretary and National Statistician Claire Dennis S. Mapa said in a briefing that the record-low unemployment in December came amid the rise in available work, especially during the holiday season.

"Consumption is higher [during the holiday season] and thus we create additional jobs," he said in mixed English and Filipino.

Job quality improved last year as the underemployment rate — or the proportion of employed Filipinos but still looking for more work or longer working hours to the total employed population — fell to an all-time low of 12.3% from 14.2% in 2022.

This translated to 5.95 million underemployed Filipinos last year, down from 6.68 million in 2022.

In December alone, the underemployment rate hit 11.9%. It slightly edged up from 11.7% in November but was lower than 12.6% in December 2022.

The number of underemployed Filipinos in December reached 6.01 million. This was higher than 5.79 million in November and 6.2 million in December 2022.

The country's labor force in December was recorded at 52.13 million, 658,000 more than in November and 907,000 higher than in December 2022.

Jobless, S1/9

## Manufacturing output growth picks up in December

FACTORY OUTPUT grew at its fastest pace in three months in December, the Philippine Statistics Authority (PSA) reported on Wednesday.

Preliminary results of the PSA's latest Monthly Integrated Survey of Selected Industries (MISSD) showed factory production, as measured by the volume of production index (VoPI), grew by 2% year on year in December, the fastest pace since 9.8% in September and picking up from 1.8% in November.

However, this was slower than the 4.5% growth posted in December 2022.

This brought the average manufacturing output growth for 2023 to 4.4%, sharply slower than the 15.4% annual average growth seen in 2022.

Analysts attributed the slowdown to supply chain disruptions due to geopolitical tensions overseas.

"Disruptions in supply chain and transportation from political tensions in Eastern Europe and the Middle East affected factory output. The Philippines is reliant on imported raw materials and work-in-progress in factory production," Oikonomia Advisory & Research, Inc. President and Chief

Economist John Paolo R. Rivera said in an e-mail.

"Relatively high inflation globally and locally in 2023 also affected production costs," Mr. Rivera said.

Still, the manufacturing sector remained resilient last year, Philippine Chamber of Commerce and Industry (PCCI) President George T. Barcelon noted in a phone interview.

"The manufacturing sector has been holding up... We're gradually bouncing back. We started from a lower base, and I think it's performing quite well," he said.

"The export sector has not been as good as what was projected but it ended up fairly well... So, construction, infrastructure, and the essentials are holding up," he added.

The country's trade-in-goods deficit narrowed by 9% to \$52.42 billion in 2023 as exports and imports declined amid slowing demand.

Merchandise exports dropped by 7.6% to \$73.52 billion last year, PSA data showed. This was a reversal of the 6.5% growth in 2022.

On a monthly basis, the manufacturing sector's VoPI declined by 6.7%

in December, a turnaround from the 3% growth in the previous month. Stripping out seasonality factors, VoPI slipped by 0.8% from the 0.7% growth in November last year.

In comparison, IHS Markit's Philippines Manufacturing Purchasing Manager's Index (PMI) expanded by 51.5 in December, slower than the 52.7 expansion seen in November last year. A PMI reading above 50 indicates improvement in operating conditions, while a reading below 50 shows deterioration.

The PSA said the year-on-year growth seen in December was mainly driven by the slower annual decline in the manufacture of food products at 1.4% from the 4.9% drop in the previous month.

"The manufacture of food products contributed 34.5% to the uptrend of VoPI for the manufacturing section in December 2023," it said.

Mr. Barcelon said typhoons in the latter part of the year as well as geopolitical tensions likely led to slower food production.

"Other main contributors to the higher year-on-year growth of VoPI in December 2023 were the faster annual increase observed in the manufac-

ture of basic pharmaceutical products and pharmaceutical preparations at 38.2% in December 2023 from 11.1% in the previous month, and the slower annual decrement in the manufacture of fabricated metal products, except machinery and equipment at 12% during the period from 23.5% annual decrease in the previous month," the PSA added.

Of the remaining 19 industry divisions, eight posted year-on-year increases in December, led by coke and refined petroleum products (33.2% in 2023 from 20.3% in 2022), electrical equipment (25.8% from -49.9%), and transport equipment (23.4% from 6.4%).

Meanwhile, 11 industry divisions recorded annual declines.

"The highest annual drop was observed in manufacture of wood, bamboo, cane, rattan articles and related products at 55.3%," the PSA said.

December's capacity utilization rate, or the extent to which industry resources are used in producing goods, averaged 74.3%, slower than the revised 74.8% in the previous month.

Manufacturing, S1/9

## BSP unlikely to cut rates soon as inflation risks linger

THE BANGKO SENTRAL ng Pilipinas (BSP) is unlikely to start easing its policy stance anytime soon, with a robust economy giving it room to keep borrowing costs high amid lingering upside risks to inflation, analysts said.

The BSP will likely keep borrowing costs steady at its first rate-setting meeting of the year on Feb. 15 even as the consumer price index (CPI) eased to an over three-year low in January, HSBC economist for ASEAN (Association of Southeast Asian Nations) Aris D. Dacanay said in a note.

"We still do not expect the BSP to begin its much-awaited easing cycle during the Monetary Board

meeting next week," Mr. Dacanay said. "For one, we still expect headline CPI to accelerate in the coming months when unfavorable base effects kick in."

Headline inflation slowed to 2.8% in January from 3.9% in December and 8.7% a year ago, the Philippine Statistics Authority reported on Tuesday. This was the slowest pace since the 2.3% in October 2020 and marked the second consecutive month that the CPI was within the BSP's 2-4% target band.

The January CPI was also below the 3.1% median in a BusinessWorld poll last week and matched the low end of the BSP's 2.8-3.6% forecast.

After hiking borrowing costs by 350 basis points (bps) in 2022, the Monetary Board tightened by another 100 bps throughout 2023, bringing the policy rate to 6.5%, the highest in 16 years.

Keeping benchmark rates steady for now may be prudent as there is still a possibility of inflation breaching the BSP's 2-4% target in the second quarter, BPI Lead Economist Emilio S. Neri, Jr. likewise said in a statement.

"The latest GDP (gross domestic product) report has also shown that the economy remains resilient despite the aggressive rate hikes from the central bank, which means there is no urgent

need to cut interest rates soon," he said.

"Should inflation stabilize within the target range in the second half of the year, we expect the BSP to cut the policy rate by 75 bps from 6.5% to 5.75% this year," Mr. Neri said.

The Philippine economy expanded by 5.6% in the fourth quarter, bringing full-year GDP growth to 5.6% in 2023. This was lower than 7.6% in 2022 and fell short of the government's 6-7% target.

Mr. Dacanay said risks to the inflation outlook remain tilted to the upside as utility rates were recently raised and as rice prices are still high.

BSP, S1/9



### Welcome the Year of the Dragon at SM City Fairview

EXPERIENCE spectacular festivities and awe-inspiring centerpieces, and be amazed by over-the-top dragon-themed decorations and horoscope displays this Chinese New Year.