

STOCK MARKET	ASIAN MARKETS	WORLD MARKETS	PESO-DOLLAR RATES	ASIAN MONIES-US\$ RATE	WORLD CURRENCIES	DUBAI CRUDE OIL
<b>PSEi</b> OPEN: 6,654.97 HIGH: 6,679.50 LOW: 6,634.84 CLOSE: 6,646.55 VOL: 0.501 B VAL(P): 4.775 B 53.94 pts. 0.8% 30 DAYS TO MAY 2, 2024	<b>MAY 2, 2024</b> JAPAN (NIKKEI 225) 38,236.07 ▲ -37.98 -0.10 HONG KONG (HANG SENG) 18,207.13 ▲ 444.10 2.50 TAIWAN (WEIGHTED) 20,222.44 ▲ -174.16 -0.85 THAILAND (SET INDEX) 1,364.44 ▲ -3.51 -0.26 S.KOREA (KSE COMPOSITE) 2,683.65 ▲ -8.41 -0.31 SINGAPORE (STRAITS TIMES) 3,294.87 ▲ 2.18 0.07 SYDNEY (ALL ORDINARYS) 7,587.00 ▲ 17.10 0.23 MALAYSIA (KLSX COMPOSITE) 1,580.30 ▲ 4.33 0.27	<b>MAY 1, 2024</b> Dow Jones 37,903.290 ▲ 87.370 NASDAQ 15,605.481 ▼ -52.34 S&P 500 5,018.390 ▼ -17.300 FTSE 100 8,121.240 ▼ -22.89 Euro Stoxx50 4,391.410 ▼ -3.89	<b>FX</b> OPEN P57.700 HIGH P57.435 LOW P57.740 CLOSE P57.535 W.AVE. P57.584 VOL. \$1,542.70 M SOURCE: BAP 22.50 ctyvs 30 DAYS TO MAY 2, 2024	<b>MAY 2, 2024</b> LATEST BID (0900GMT) PREVIOUS JAPAN (YEN) 155.120 ▲ 157.940 HONG KONG (HK DOLLAR) 7.816 ▲ 7.824 TAIWAN (NT DOLLAR) 32.503 ▲ 32.590 THAILAND (BAHT) 36.940 ▲ 37.160 S. KOREA (WON) 1,375.710 ▲ 1,385.590 SINGAPORE (DOLLAR) 1.359 ▲ 1.364 INDONESIA (RUPIAH) 16,180 ▲ 16,255 MALAYSIA (RINGGIT) 4.751 ▲ 4.770	<b>MAY 2, 2024</b> CLOSE PREVIOUS US\$/UK POUND 1.2515 ▲ 1.2490 US\$/EURO 1.0704 ▲ 1.0669 US\$/AUST DOLLAR 0.6536 ▲ 0.6480 CANADA DOLLAR/US\$ 1.3712 ▲ 1.3722 SWISS FRANC/US\$ 0.9123 ▼ 0.9206	<b>DUBAI CRUDE OIL</b> FUTURES PRICE ON NEAREST MONTH OF DELIVERY \$88.54/BBL ▼ \$0.35 30 DAYS TO APRIL 30, 2024

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

ICT P348.000 Value P635,911,800 P17.000 ▲ 5.136%	MBT P71.900 Value P474,653,415 P1.900 ▲ 2.714%	SM P936.000 Value P378,906,170 -P14.000 ▼ -1.474%	ALI P27.700 Value P374,909,065 -P1.050 ▼ -3.652%	BDO P146.100 Value P243,387,987 -P2.100 ▼ -1.417%	SMPH P27.950 Value P213,530,285 P0.000 — 0.000%	PLUS P12.340 Value P184,234,588 P1.560 ▲ 14.471%	MER P365.000 Value P131,618,778 -P4.000 ▼ -1.084%	JFC P226.000 Value P120,683,992 -P9.400 ▼ -3.993%	AC P601.000 Value P113,765,910 -P14.000 ▼ -2.276%
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## Inflation likely quickened in April

By **Luisa Maria Jacinta C. Jocson** Reporter

HEADLINE INFLATION may have quickened for a third

straight month in April and possibly breached the Philippine central bank's 2-4% target range, analysts said.

A *BusinessWorld* poll of 16 analysts yielded a median estimate of 4.1% for the consumer price index (CPI) in April, within the 3.5-4.3% forecast of the Bangko Sentral ng Pilipinas (BSP).

If realized, April inflation would be faster than 3.7% in

March but slower than the 6.6% print a year ago.

This would also surpass the 2-4% target band for the first time since the 4.1% print in November 2023.

April would also mark the third straight month that inflation picked up on a month-on-month basis.

The Philippine Statistics Authority (PSA) will release April CPI data on May 7.

"I'm expecting a further rise in inflation in April to 4.1%, breaching the 4% upper bound of the first time in five months," Pantheon Chief Emerging Asia Economist Miguel Chanco said.

"The silver lining, though, is that this further upshift should be down mainly to adverse food price base effects — a technicality — rather than a real intensifica-

tion of food price pressures," he added.

Bank of the Philippine Islands Lead Economist Emilio S. Neri, Jr. said the monthly change in food prices appear to have "stabilized" in April.

"But a noticeable uptick of the year-on-year headline print in April from March is likely to emanate more from unfavorable base effects, something we expect

to persist in May and June," Mr. Neri said.

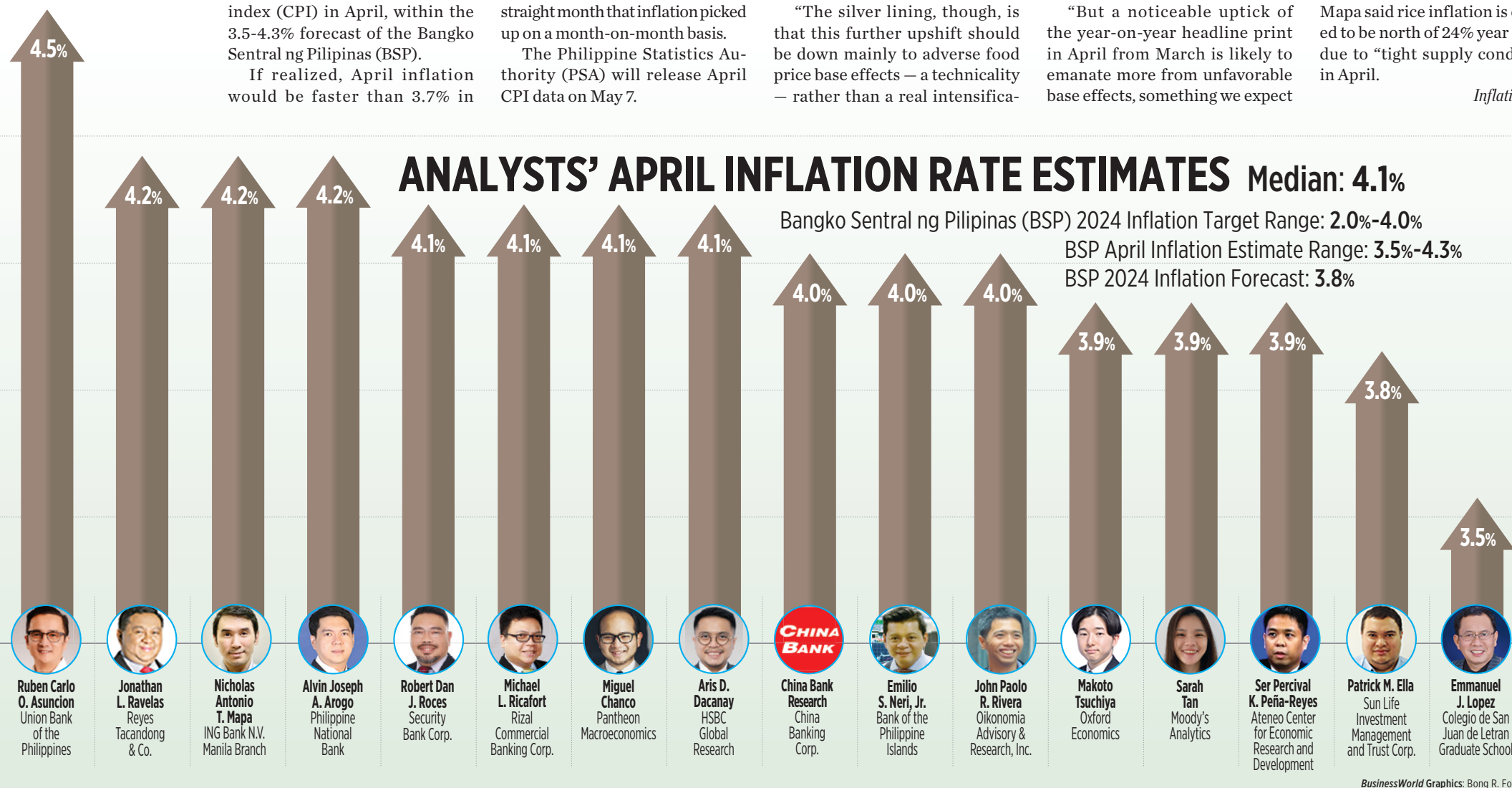
Analysts noted that food inflation continued to be the main driver of inflation.

ING Bank N.V. Manila Senior Economist Nicholas Antonio T. Mapa said rice inflation is expected to be north of 24% year on year due to "tight supply conditions" in April.

*Inflation, SI/3*

### ANALYSTS' APRIL INFLATION RATE ESTIMATES Median: 4.1%

Bangko Sentral ng Pilipinas (BSP) 2024 Inflation Target Range: 2.0%-4.0%  
BSP April Inflation Estimate Range: 3.5%-4.3%  
BSP 2024 Inflation Forecast: 3.8%



*BusinessWorld Graphics: Bong R. Fortin*

## NG debt slips to P14.93 trillion as of end-March

THE NATIONAL GOVERNMENT'S (NG) outstanding debt slipped to P14.93 trillion as of end-March, the Bureau of the Treasury (BTr) reported.

Data from the BTr on Wednesday showed that NG debt stock dipped by 1.67% from the record-high P15.18 trillion as of end-February due to the net redemption of government securities.

However, outstanding debt rose by 7.71% from P13.86 trillion in the same period a year ago.

Year to date, the debt portfolio went up by 2.12% from P14.62 trillion as of end-December 2023.

As of end-March, more than two-thirds or 68.86% of debt came from domestic sources.

Domestic debt declined by 2.83% to P10.28 trillion as of end-March from P10.58

trillion in the previous month. However, it increased by 8.03% from P9.51 trillion a year ago.

Government securities accounted for nearly all domestic debt as of end-March.

"The decline (in domestic debt) resulted from the P299.45-billion net redemption of government securities offsetting the P0.24-billion effect of peso depreciation on foreign currency domestic debt," the BTr said in a statement.

Data from the BTr showed the peso weakened by 8.6 centavos to P56.26 against the dollar at end-March from P56.174 at end-February.

Meanwhile, external debt inched up by 1% to P4.65 trillion as of end-March from P4.6 trillion as of end-February. Year on

year, it went up by 7.01% from P4.34 trillion.

"The increase resulted from the net availing of foreign loans amounting to P44.01 billion, as well as local currency depreciation which added to the valuation of US dollar-denominated debt by P7.05 billion. This more than offset the P4.83-billion impact of the appreciation in third currencies against the dollar," the BTr said.

External debt was composed of P2.22 trillion in loans and P2.43 trillion in global bonds.

The NG's guaranteed obligations inched up by 0.3% to P346.04 billion as of end-March from P344.93 billion in the previous month.

*NG debt, SI/3*

## Manufacturing expands at fastest clip in 5 months

By **Beatriz Marie D. Cruz** Reporter

PHILIPPINE MANUFACTURING activity in April expanded at its fastest pace in five months amid an increase in output and new orders, S&P Global said on Thursday.

The S&P Global Philippines Manufacturing Purchasing Managers' Index (PMI) rose to 52.2 in April from 50.9 in March, marking the strongest improvement in five months or since the 52.7 reading in November 2023.

A PMI reading above 50 means improved operating conditions from the previous month, while a reading below 50 shows deterioration.

The Philippines' PMI reading remained the second fastest among six Association of Southeast Asian Nations (ASEAN) member countries in April, just behind Indonesia (52.9) and ahead of Vietnam (50.3).

Myanmar (49.9), Malaysia (49), and Thailand (48.6) all saw a contraction in manufacturing activity in April.

The Philippines' PMI reading was above the ASEAN average of 51.

"Building on growth seen in the first quarter of the year, the Filipino manufacturing sector showcased further gains in April," Maryam Baluch, economist at S&P Global Market Intelligence said in the report. "A quicker rate of expansion was observed for new orders, which in turn triggered a renewed and solid rise in production."

According to S&P Global, new orders in April increased at the fastest pace since November 2023.

*Luzon corridor, SI/9*

"Export market conditions also improved in April, with new export orders rising for the third month running and at the quickest pace in five months," it said.

S&P Global said the rate of growth in goods production was "solid" and the "most pronounced" in four months.

"With production requirements rising, hiring and purchasing activity remained in growth territory. Moreover, stockpiling became more widespread in anticipation of greater future output," Ms. Baluch said.

Manufacturers ramped up purchasing in April, the fastest pace in nine months, due to improved demand and increased production requirements.

"Stronger rates of stockpiling were also recorded at Filipino manufacturing firms, with pre- and post-production stocks accumulated at fastest paces in 12 and 17 months," it said.

S&P Global noted that manufacturing jobs increased for a third month in a row in April, although easing from March.

"However, the accelerated growth in new orders meant that pressure on capacity had intensified, with some firms struggling to complete work in hand. As a result, the latest rate of backlog depletion was marginal overall and the weakest since August 2023," it said.

S&P noted that a slower-than-average increase in cost burden meant most manufacturers kept their charges unchanged month on month.

*Manufacturing, SI/9*

## Proposed Luzon corridor expected to attract more investments from businesses de-risking from China

By **Kyle Aristophere T. Atienza** Reporter

AN ECONOMIC CORRIDOR that the United States proposes to put up in the Philippine main island of Luzon would help the country attract American and Japanese companies seeking to reduce dependence on China, according to trade experts.

Through the ambitious project that aims to focus on high-impact infrastructure, the Philippines can offer itself as an "alternative investment location" for US and Japanese investments leaving China for friendlier shores, said George N. Manzano, a trade expert

at the University of Asia and the Pacific.

"The corridor will likely enhance the ability of the Philippines to participate in the global supply chain by increasing efficiency through better logistics, as well as opening business opportunities for supplier industries," he said in an e-mail.

The proposed Luzon Economic Corridor is the latest under the US-led G7 Partnership for Global Infrastructure and Investment (PGI) and the first of its kind in the Indo-Pacific region, according to a statement from the US State department, which will oversee the project's implementation.

The Group of Seven (G7) is a grouping of some of the world's

advanced economies such as the US, Canada, France, Germany, Italy, the United Kingdom, and Japan, with a combined economic output of \$46.3 trillion last year.

The proposed corridor seeks to boost connectivity between the capital Manila, the southern Luzon province of Batangas, and two former US military bases Subic Bay and Clark, with a focus on "high-impact" infrastructure such as rails and ports and strategic investments involving semiconductors, clean energy, and supply chains.

The project, which is considered a "key deliverable" under the PGI component of the US-led Indo-Pacific Economic Framework, will be pursued by Washington

with the help of Japan, Manila's largest source of overseas development assistance.

US President Joseph R. Biden, Jr., Philippine President Ferdinand R. Marcos, Jr., and Japanese Prime Minister Fumio Kishida announced the planned Luzon corridor following their trilateral summit, which was held earlier this month in Washington, D.C. amid worsening tensions with China.

China claims the South China Sea almost in its entirety, including areas that are well within the Philippines' exclusive economic zone, doing dangerous maneuvers and deploying water cannons to block Philippine resupply and rotation missions.