P25
IN METRO MANILA, PHILIPPINES

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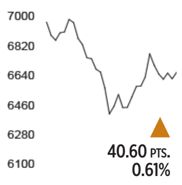
STOCK MARKET



PSEi	
OPEN:	6,620.35
HIGH:	6,659.18
LOW:	6,571.62
CLOSE:	6,659.18
VOL.:	0.434 B
VAL(P):	5.983 B

ASIAN MARKETS

MAY 8, 2024

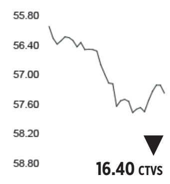
	CLOSE		NET	%
Japan (Nikkei 225)	38,202.37	▼	-632.73	-1.63
Hong Kong (Hang Seng)	18,313.86	▼	-165.51	-0.90
Taiwan (Weighted)	20,700.51	▲	46.98	0.23
Thailand (SET Index)	1,375.92	▼	-0.45	-0.03
S.Korea (Kse Composite)	2,745.05	▲	10.69	0.39
Singapore (Straits Times)	3,262.65	▼	-37.39	-1.13
Sydney (All Ordinaries)	7,804.50	▲	11.20	0.14
Malaysia (Klse Composite)	1,604.75	▼	-0.93	-0.06

WORLD MARKETS

MAY 7, 2024

	CLOSE		NET
Dow Jones	38,884.260	▲	31.990
NASDAQ	16,332.555	▼	-16.69
S&P 500	5,187.700	▲	6.960
FTSE 100	8,313.670	▲	100.18
Euro Stoxx50	4,455.920	▲	55.73

PESO-DOLLAR RATES



FX	
OPEN	P57.350
HIGH	P57.350
LOW	P57.475
CLOSE	P57.385
W.AVE.	P57.407
VOL.	$1,158.20 M

SOURCE : BAP

ASIAN MONIES-US$ RATE

MAY 8, 2024

	LATEST BID (0900GMT)		PREVIOUS
Japan (yen)	155.420	▼	154.430
Hong Kong (HK dollar)	7.818	▲	7.819
Taiwan (NT dollar)	32.386	▼	32.378
Thailand (baht)	36.960	▼	36.830
S. Korea (won)	1,363.200	▼	1,359.170
Singapore (dollar)	1.356	▼	1.353
Indonesia (rupiah)	16,040	—	16,040
Malaysia (ringgit)	4.744	▼	4.736

WORLD CURRENCIES

MAY 8, 2024

	CLOSE		PREVIOUS
US$/UK pound	1.2481	▼	1.2539
US$/Euro	1.0745	▼	1.0758
US$/Aust dollar	0.6567	▼	0.6597
Canada dollar/US$	1.3754	▲	1.3680
Swiss Franc/US$	0.9086	▲	0.9078

DUBAI CRUDE OIL

FUTURES PRICE ON NEAREST MONTH OF DELIVERY

$84.14/BBL

VOL. XXXVII • 201 THURSDAY • MAY 9, 2024 • www.bworldonline.com S1/1-12 • 2 SECTIONS, 18 PAGES

PHILIPPINE STOCK EXCHANGE'S 10 MOST ACTIVE STOCKS BY VALUE TURNOVER • MAY 8, 2024 (PSEi snapshot on *S1/2*; article on *S2/2*)

		Value			
ICT	P359.000	P891,882,738	P8.800	▲	2.513%
AGI	P9.700	P345,107,707	-P0.200	▼	-2.020%
ALI	P27.800	P325,775,480	P1.300	▲	4.906%
URC	P110.500	P314,250,111	P0.500	▲	0.455%
SM	P921.000	P313,707,605	-P26.500	▼	-2.797%
SMPH	P27.850	P309,354,690	P1.850	▲	7.115%
AC	P584.500	P309,312,355	-P0.500	▼	-0.085%
AP	P35.300	P306,923,250	-P1.750	▼	-4.723%
BDO	P146.200	P300,120,055	-P2.100	▼	-1.416%
MBT	P70.600	P205,471,987	P0.600	▲	0.857%

PHL jobless rate at two-month high

By Karis Kasarinlan Paolo D. Mendoza

THE PHILIPPINE jobless rate jumped to a two-month high in March as inflation and an El Niño-induced dry spell limited economic output, according to the local statistics agency.

The national unemployment rate rose to 3.9%, equivalent to two million jobless Filipinos, the Philippine Statistics Authority (PSA) said in a report. The rate was 3.5% in February or 1.8 million jobless people, and 4.7% or 2.42 million a year earlier.

The jobless rate averaged 4% last quarter compared with 4.8% a year earlier.

PSA Undersecretary and National Statistician Claire Dennis S. Mapa blamed lower farm output for increased joblessness.

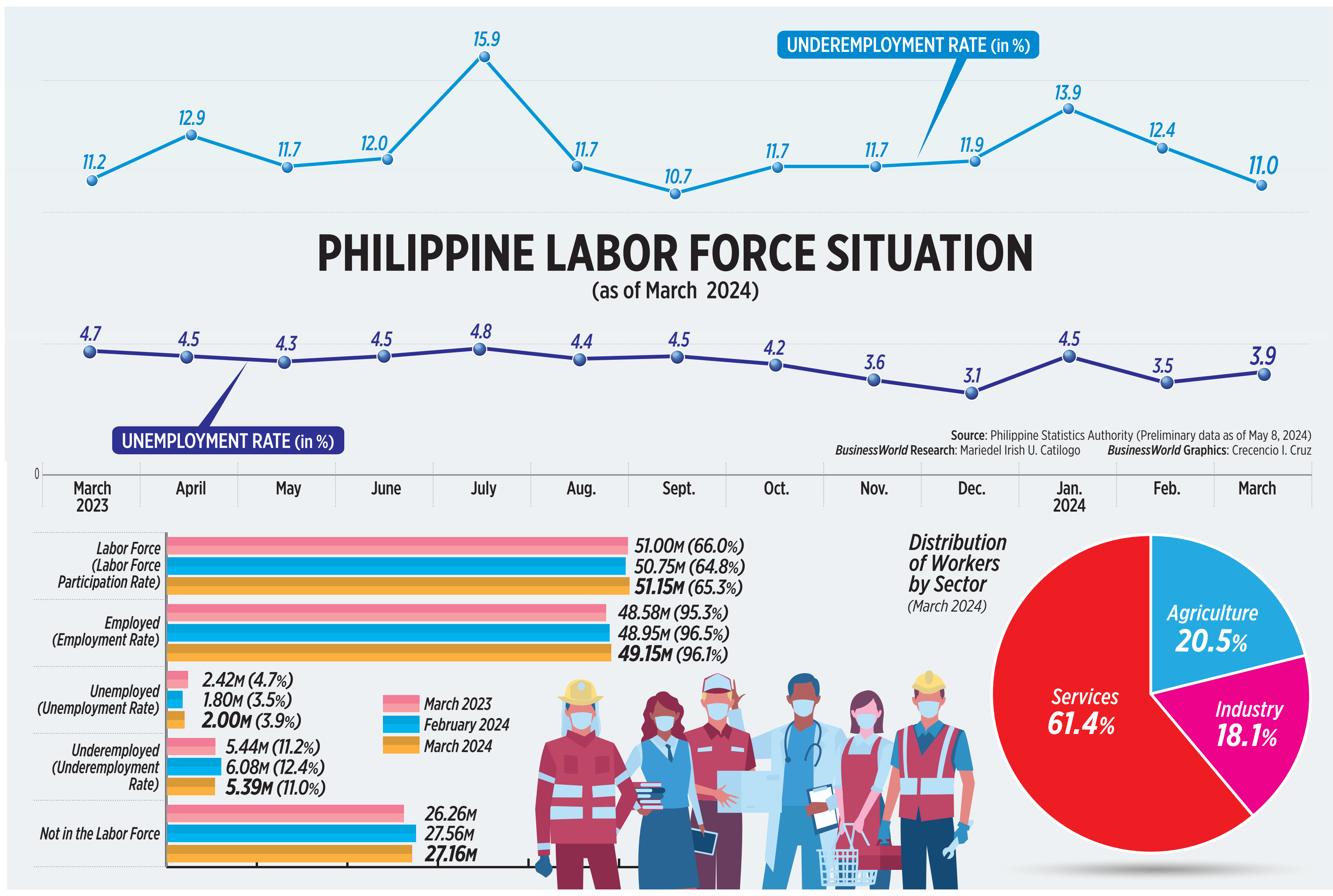
"The agriculture sector as well as fisheries was heavily affected in terms of employment," he told a news briefing in mixed English and Filipino. The industry has had to lay off workers as a result.

Inflation, which quickened for the third straight month to 3.8% in April, also restricted production, affecting jobs, Cid L. Terosa, a senior economist at the University of Asia and the Pacific, said in an e-mail.

"The high labor force participation rate as well as seasonal effects related to the hiring practices of firms in the first quarter added upward push to the unemployment rate," he added.

The job quality in March improved as the underemployment rate eased to 11% from 12.4% a month earlier and from 11.2% a year ago. It was the lowest underemployment rate since September 2023.

Jobless rate, S1/11



March factory output falls, steepest in almost 2 years

PHILIPPINE FACTORIES posted their worst performance in 23 months after output fell by 0.8% in March, according to the local statistics agency.

This was a reversal of the 7.2% growth in February, based on the results of the Philippine Statistics Authority's (PSA) Monthly Integrated Survey of Selected Industries. Factory output rose by 6% in March last year.

Robert Dan J. Roces, chief economist at Security Bank Corp., blamed rising material costs and softening domestic demand for the plunge in the output as measured by the volume of production index.

"Deterioration in operations due to this seems likely, given the substantial output drop compared with February's revised growth," he said via Viber.

The production decline suggests potentially weaker demand and production challenges, he added.

Month on month, the manufacturing sector's output rose by 0.8%, compared with 0.5% in February. Stripping out seasonality factors, factory output declined by 4.7%.

Output growth slowed to 3% last quarter from 5.5% a year earlier.

This was probably due to inflation, high interest rates and the global economic uncertainty, Mr. Roces said.

Inflation quickened for the third straight month to 3.8% in April. It was 3.7% in March and 3.4% in February.

Markets expect the Philippine central bank to delay interest rate cuts because of this. The Monetary Board has kept its key rate to a 17-year high of 6.5% after increasing it by 450 basis points (bps) from May 2022 to October 2023.

Philippine Chamber of Commerce and Industry (PCCI) President George T. Barcelon attributed the March contraction to weak demand in the retail sector, the peso's depreciation against the dollar and higher import costs.

Manufacturers could also not pass on their costs given the weak market, he said by telephone. Mr. Barcelon expects factory output growth to slow this year.

Average capacity utilization averaged 75.3% in March compared with 75.1% a month earlier and 73.6% a year ago.

In contrast to the PSA report, S&P Global Purchasing Managers' Index (PMI) for March was 50.9, suggesting that factory activity expanded, though slower than in January.

A reading above 50 shows expansion in manufacturing activity, anything below 50 shows the opposite.

The index was 52.2 in April, the strongest improvement in five months.

The statistics agency said the factory output decline in March was driven by the manufacture of food products, which contracted by 8.1%. Food products account for 18.7% of manufacturing activity.

Also contributing to the decline was computer, electronic and optical products, whose growth slowed to 5.3%, and coke and refined petroleum products, whose growth slowed to 10.2%.

Out of the remaining 19 industry divisions, 12 posted yearly declines, while seven recorded higher growth, the PSA said.

The manufacture of chemical and chemical products had the highest growth at 29.1%. — **Abigail Marie P. Yraola**

Philippine Q1 farm output flat amid El Niño

By Adrian H. Halili
Reporter

PHILIPPINE AGRICULTURAL production growth was flat in the first quarter amid a prolonged dry spell induced by El Niño, according to the local statistics agency.

In a report on Wednesday, the Philippine Statistics Authority (PSA) said the value of farm output at constant 2018 prices rose by 0.05% to P428.99 billion from a year earlier. Expansion was 2.1% a year ago and 0.9% in the previous quarter.

The PSA attributed the growth to higher poultry production values.

At current prices, the value of production in agriculture and fisheries rose by 6.7% year on year to P659.02 billion.

"The impact of reduced rainfall and hotter temperatures were evident in lower crops and fishery production in the first quarter," Agriculture Secretary Francisco P. Tiu Laurel, Jr. said in a statement.

"If El Niño will persist through the second quarter, we're cautiously optimistic that the interventions we have taken will allow the agriculture sector to mend and return better results between April and June," he added.

The state weather bureau has said El Niño is weakening though its effects are expected to last until August.

"One major factor impacting crops is El Niño, including the delayed distribution of input subsidies," former Agriculture Secretary William D. Dar said in a text message.

Crops, which accounted for 57.6% of total farm output, slid by 0.3%, a reversal of the 1.7% growth a year earlier and 0.3% advance in the fourth quarter.

Production of palay or unmilled rice contracted by 2%, reversing the 5.2% growth a year ago.

"When you have less water and you have El Niño… there's also the prevalence of pests and diseases in crops, so that affected their productivity," Danilo V. Fausto, president of the Philippine Chamber of Agriculture and Food, Inc., said by telephone.

Palay production declined to 4.69 million metric tons (MT) from 4.78 million MT a year earlier, the PSA said. Corn output growth slowed to 0.5% from 5.2% a year ago.

The Department of Agriculture estimates damage from El Niño at P5.9 billion, with rice and corn as the most affected crops. Losses for rice were valued at P3.4 billion, while corn losses reached P1.76 billion.

The value of other crops also increased including onion (28.6%), coffee (25.2%), sugarcane (17.2%), tobacco (9.5%), cabbage (8.2%), calamansi (6.3%), cacao (2.7%), mango (2.6%), pineapple (1.2%), rubber (1%) and tomato (0.5%).

On the other hand, declines were reported for sweet potato (9%), cassava (8.9), mongo (6.4%), banana (4.5%), ampalaya (4%), eggplant (3.6%), coconut (3.3%), abaca (1.5%) and potato (0.7%).

Farm, S1/11

Philippines raises $2B from dollar bond sale

By Luisa Maria Jacinta C. Jocson *Reporter*

NIKOLAYFROLOCHKIN-PIXABAY

THE PHILIPPINES raised $2 billion (P114.7 billion) from its first global bond sale this year, the Bureau of the Treasury (BTr) said on Wednesday.

The issuance of the dual-tranche 10- and 25-year fixed-rate global bonds had a "strong reception and record tight pricing levels," National Treasurer Sharon P. Almanza said in a statement.

The 10-year notes were priced at 80 basis points (bps) above US Treasuries, tighter than the initial pricing of US Treasuries plus 120 bps.

The 25-year sustainability bonds were priced at 5.6% at par, which is also tighter than the initial price guidance of 6.05%.

Finance Secretary Ralph G. Recto said the government secured the funding at "very cheap" rates.

"The 10-year spread has been the tightest among all our similar issuances since 2022, while the 25-year sustainability tranche achieved the second-best rate in the government's history," he said in a statement.

"The tight pricing, especially compared with higher-rated peers, serves as an indication of the country's exceptional performance beyond its current credit rating and makes a good case for a rating upgrade," he added.

The dollar bonds are shelf-registered with the US Securities and Exchange Commission and will be settled on May 14.

Proceeds from the issuance will be used for general budget financing, the Treasury said. Funds raised from the 25-year debt will also be used for "refinancing programs and expenditures in line with the republic's sustainable finance framework."

Bank of America, Citigroup, HSBC, JPMorgan, Morgan Stanley, Standard Chartered and UBS were tapped as the joint bookrunners.

On Tuesday, Fitch Ratings, Moody's Ratings and S&P Global Ratings rated the proposed bond offer at "BBB," "Baa2" and "BBB+," respectively, matching their ratings for the Philippines' sovereign debt.

The BTr said the transaction attracted interest from a "diverse pool of high-quality global accounts."

"Despite elevated volatility in the US Treasury rate markets in recent weeks, the republic took advantage of improving market sentiment following a softer-than-expected US labor market print which alleviated concerns over the Fed rate path."

The bond sale showed "strong demand at much lower borrowing costs versus initial guidance," Michael L. Ricafort, chief economist at Rizal Commercial Banking Corp., said in a Viber message.

"In line with the earlier guidance, it is actually on the high side which is a good signal in terms of large market demand and take-up," he added.

Last year, the Philippine government raised $3 billion from its three-tranche dollar bond sale in January, $1.26 billion from its

Dollar, S1/11