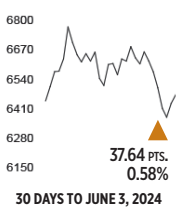
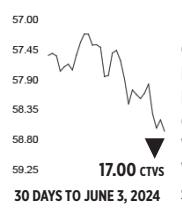



STOCK MARKET		ASIAN MARKETS		WORLD MARKETS		PESO-DOLLAR RATES		ASIAN MONIES-US\$ RATE		WORLD CURRENCIES		DUBAI CRUDE OIL	
PSEI 6800  OPEN: 6,433.54 HIGH: 6,472.52 LOW: 6,410.48 CLOSE: 6,470.74 37.64 pts. 0.58% VOL.: 0.939 B VAL(P): 6.783 B 30 DAYS TO JUNE 3, 2024		JUNE 3, 2024 JAPAN (NIKKEI 225) 38,923.03 ▲ 435.13 1.13 HONG KONG (HANG SENG) 18,403.04 ▲ 323.43 1.79 TAIWAN (WEIGHTED) 21,536.76 ▲ 362.54 1.71 THAILAND (SET INDEX) * 1,345.66 ▼ -5.86 -0.43 S. KOREA (KSE COMPOSITE) 2,682.52 ▲ 46.00 1.74 SINGAPORE (STRAITS TIMES) 3,348.87 ▲ 12.28 0.37 SYDNEY (ALL ORDINARIES) 7,761.00 ▲ 59.30 0.77 MALAYSIA (KLSE COMPOSITE) * 1,596.68 ▼ -7.58 -0.47 * CLOSING PRICES AS OF MAY 31, 2024		MAY 31, 2024 DOW JONES 38,686.320 ▲ 574.840 NASDAQ 16,735.015 ▼ -2.064 S&P 500 5,277.510 ▲ 42.030 FTSE 100 8,275.380 ▲ 44.330 EURO STOXX50 4,488.560 ▲ 24.490		FX 57.00  OPEN P58.470 HIGH P58.410 LOW P58.700 CLOSE P58.680 W.AVE. P58.532 VOL. \$1,315.19 M SOURCE : BAP 17.00 cts 30 DAYS TO JUNE 3, 2024		JUNE 3, 2024 LATEST BID (0900GMT) PREVIOUS JAPAN (YEN) 157.050 ▲ 157.310 HONG KONG (HK DOLLAR) 7.820 ▼ 7.819 TAIWAN (NT DOLLAR) 32.372 ▲ 32.465 THAILAND (BAHT) 36.850 ▼ 36.770 S. KOREA (WON) 1,378.440 ▲ 1,381.680 SINGAPORE (DOLLAR) 1.351 ▼ 1.351 INDONESIA (RUPIAH) 16,225 ▲ 16,245 MALAYSIA (RINGGIT) 4.704 ▼ 4.704		JUNE 3, 2024 CLOSE PREVIOUS US\$/UK POUND 1.2700 ▼ 1.2739 US\$/EURO 1.0831 ▼ 1.0841 US\$/AUSTRALIAN DOLLAR 0.6635 ▼ 0.6652 CANADA DOLLAR/US\$ 1.3664 ▲ 1.3626 SWISS FRANC/US\$ 0.9021 ▲ 0.9019		FUTURES PRICE ON NEAREST MONTH OF DELIVERY \$83.40/BBL  90.00 87.00 85.00 83.00 81.00 79.00 30 DAYS TO MAY 31, 2024	

PHILIPPINE STOCK EXCHANGE'S 10 MOST ACTIVE STOCKS BY VALUE TURNOVER • JUNE 3, 2024 (PSEI snapshot on SI/4; article on SI/2)																			
MREIT	P12.580	AEV	P36.900	SM	P853.000	ICT	P338.000	ALI	P27.500	BDO	P138.000	URC	P106.000	AC	P594.500	CNVRG	P11.080	MBT	P65.900
Value	P993,354,824	Value	P647,079,200	Value	P422,777,450	Value	P366,443,174	Value	P327,641,875	Value	P303,541,163	Value	P165,238,375	Value	P150,778,210	Value	P128,485,400	Value	P123,645,758
PO.020	▲ 0.159%	P1.850	▲ 5.278%	-P17.000	▼ -1.954%	-P3.600	▼ -1.054%	P1.250	▲ 4.762%	P8.000	▲ 6.154%	-P1.000	▼ -0.935%	-P0.500	▼ -0.084%	P0.320	▲ 2.974%	P3.850	▲ 6.205%

May manufacturing growth slows

By Beatriz Marie D. Cruz
Reporter

FACTORY ACTIVITY in the Philippines expanded at a slower pace in May as employment fell for the first time in five months, S&P Global said on Monday.

The S&P Global Philippines Manufacturing Purchasing Managers' Index (PMI) stood at 51.9, slightly down from 52.2 in April, indicating "modest improvement" in factory activity.

A PMI reading above 50 signifies improved operating condi-

tions from the previous month, while a reading below 50 shows the opposite.

"The [Philippine] manufacturing sector continued to report further gains midway through the second quarter, with growth sustained in new orders and output," Maryam Baluch, an economist at S&P Global Market Intelligence, said in the report.

"However, firms struggled to maintain their workforce numbers with job shedding noted for the first time in five months."

The Philippines' PMI reading remained the second-fastest among four Association of South-east Asian Nations member coun-

tries in May, behind Indonesia and Myanmar (52.1) and ahead of Vietnam (50.3).

As of publishing time, no PMI data for Thailand and Malaysia were available.

For the Philippines, S&P Global noted total sales growth continued in May, although this "eased fractionally" from April.

"Nonetheless, a further improvement in underlying demand trends and an expanding customer base helped stretch the current run of increase to nine consecutive months," it said.

New export orders increased for a fourth straight month and

"at a pace most pronounced since December 2016," S&P Global said.

"Growth in new sales from abroad was widely attributed to improved demand trends in key export markets and new client wins," it added.

Strong growth sales pushed factories to increase their production, S&P Global said. Factory output grew at the fastest pace in the year to date.

Even as production grew, S&P Global noted that manufacturing jobs dropped for the first time since December 2023.

"The rate of decrease was the fastest in nine months, with firms

largely attributing this to voluntary leavers," it said. "Backlogs, though, continued to fall, indicating that many companies were equipped to handle the sustained rise in demand."

Meanwhile, manufacturers continued to increase purchases of inputs for a sixth straight month. Pre-production inventories also expanded at the fastest pace in 13 months.

"Stocks of finished goods were also raised in May, though the rate of growth was the weakest in the current three-month sequence of expansion," S&P Global added.

Input prices dipped for the first time since April 2020 as some companies said they switched to "more competitively priced" suppliers.

"However, charges continued to rise, indicating that firms wished to maintain and build their margins," Ms. Baluch said.

S&P Global said Filipino manufacturers were hopeful of improved demand and plan to expand operations and launch new products. It noted that expectations for the 12-month outlook for output rose for the first time in five months.

Manufacturing, SI/9

Meralco warns power rates to go up in June

POWER RATES are expected to go up this month, due to higher settlement costs in the reserve market and the implementation of the new feed-in tariff allowance (FIT-All) rate, according to Manila Electric Co. (Meralco).

A spike in generation charges amid tight supply, coupled with the peso depreciation, might also contribute to the higher electricity rates, the company said on Monday.

Meralco Vice-President and Spokesperson Joe R. Zaldarriaga said in a statement that there is "pressure for an upward adjustment" in electricity bills for June.

"This is expected to be driven by the settlement costs in the reserve market and increase in FIT-All that will be reflected in the bills of customers this month," he said.

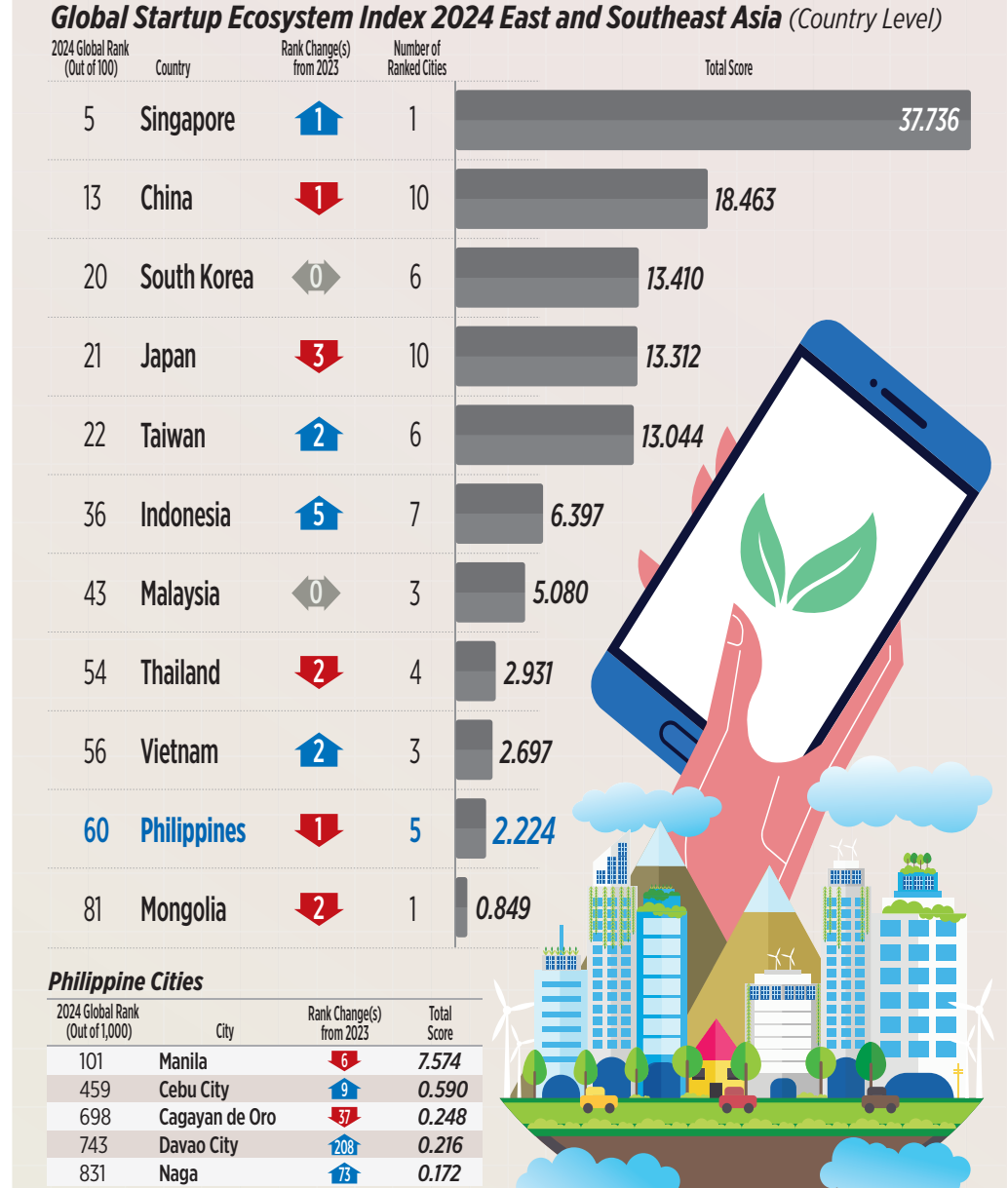
Last month, the Energy Regulatory Commission (ERC) ordered the partial lifting of the suspension on settlement amounts in the reserve market.

The ERC has allowed the settlement of 30% of the amounts due on reserve market transactions during the March billing month. Citing simulations, the regulator projected the partial payments to be worth P1.7 billion.

Meralco, SI/9

PHILIPPINES SLIPS ANEW IN 2024 GLOBAL STARTUP ECOSYSTEM INDEX

The Philippines fell a notch to 60th out of 100 countries in the Startup Ecosystem Index 2024 by research center StartupBlink. For the third straight year, the Philippines dropped in the annual list after logging a total score of 2.224. Meanwhile, Manila led the five Philippine cities in the separate rankings, landing at 101st spot out of 1,000 cities worldwide. The report measures startup ecosystems of countries and cities based on the quantity and quality of startups and business environment.



BSP may start easing by Q4

THE BANGKO SENTRAL ng Pilipinas (BSP) will likely begin easing by the fourth quarter when inflation is expected to have firmly settled within target, Metropolitan Bank & Trust Co. (Metrobank) said.

"In line with the BSP's guidance, we forecast domestic headline inflation to peak in July, which in turn would only be observable in early August," the Metrobank Research and Market Strategy Department said in a note.

The central bank earlier said inflation could temporarily accelerate above the 2-4% target from May to July due to base effects. However, inflation is expected to return to the target after July.

"This supports our view that the BSP will start its easing cycle in the fourth quarter, rather than the third quarter, when inflation expectations have settled well within the BSP's 2-4% range," Metrobank said.

The Monetary Board's next meeting is on June 27, but BSP Governor Eli M. Remolona, Jr. has signaled that policy easing could begin as early as August.

The Monetary Board's only meeting in the third quarter is scheduled for Aug. 15, followed by two meetings in the fourth quarter (Oct. 17 and Dec. 19).

Metrobank said the central bank would likely keep a sufficiently restrictive policy stance as upside risks to inflation remain.

It cited risks such as "still-elevated food prices and heightened geopolitical risks that could lead to renewed supply shocks."

Inflation likely accelerated for a fourth straight month to 4% in May, according to the median estimate in a *BusinessWorld* poll of 16 analysts.

The BSP gave an inflation forecast of 3.7-4.5% for May. Inflation data will be released on June 5.

"We also continue to see the BSP lagging the US Federal Reserve's own easing cycle, where we expect the first policy rate cut in the September Federal Open Market Committee (FOMC) meeting, which should then support the peso," Metrobank said.

BSP, SI/11

Krugman says China is 'bizarrely unwilling' to boost demand

CHINA'S LEADERS are "bizarrely unwilling" to use more government spending to support consumer demand instead of production, according to Nobel laureate in economics Paul Krugman.

"The fact that we seem to have a complete lack of realism on the part of the Chinese is a threat to all of us," Mr. Krugman told Bloomberg TV on Monday, where he also touched on Japan's economy and the benefits of a weak yen.

Mr. Krugman echoed criticism by US economic officials including Treasury Secretary Janet Yellen that China can't simply export its way out of trouble. The comments come amid renewed concern in the US and Europe over what is viewed as Chinese overproduction and the dumping of heavily subsidized products overseas.

"We can't absorb, the world will not accept everything China wants to export," Mr. Krugman said.

China's whole economic model is not sustainable because of "vastly inadequate" domestic spending and a lack of investment opportunities, he added. Beijing should be supporting demand, not more production, he said.

Another prominent economist, Stephen Roach, weighed in on China's economy on Monday. He said he found a grim mood on the ground in Beijing during a visit recently, especially among entrepreneurs and students.

"I found a Beijing that really didn't have much of the spark that I had been accustomed to over my many years of traveling there," Mr. Roach said in a Bloomberg TV interview. "Certainly, the best I could call it was a mood of grim resignation," said the former chairman of Morgan Stanley Asia who now teaches at Yale University.

China, SI/11

FUEL PRICE TRACKER

(week-on-week change)

GASOLINE

May 21 ▼ P0.10
 May 28 ▲ P0.40
 June 4 ▲ P0.90

DIESEL

May 21 ▲ P0.25
 May 28 ▲ P0.40
 June 4 ▲ P0.60

KEROSENE

May 21 ▲ P0.30
 May 28 ▲ P0.30
 June 4 ▲ P0.80

• June 4, 12:01 a.m. — Caltex Philippines
 • June 4, 6 a.m. — Petron Corp.; Phoenix Petroleum; Pilipinas Shell Petroleum Corp.; PTT Philippines Corp.; Seacell Philippines, Inc.
 • June 4, 8:01 a.m. — Cleanfuel (Shaw Autogas, Inc.)