February 2023

The

MARKET CALL

Capital Markets Research

FIRST METRO INVESTMENT CORPORATION Metrobank Group

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FMIC and UA&P Capital Markets Research

Executive Summary

While financial markets reeled from the mammoth job gains of 517,000 in January in the U.S. they seemed little aware of the upward revisions in U.S. CPI inflation rates that suggested a still elevated figure for January from 6.5% in December as reported earlier. The U.S. Fed will likely act more aggressively in its policy rate hikes that the pause and pivot scenario seems off the table in 2023. Add the food inflation locally and higher domestic interest rates logically follow. The rallies in the domestic bond and equities markets appear to have ended and players may have to wait for more consistent data before taking more risk. However, the disconnect with the real economy remains since high employment levels, renewed infrastructure spending and Manufacturing sub-sector gains may continue to drive domestic demand despite elevated inflation rates. The personal income tax cut and higher OFW remittances (esp. in pesos, due to expected peso weakening) should provide additional boost to those drivers.

Macroeconomy

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Most recent economic data suggest that the PH economy may weather the global recession relatively unscathed. While employment may slightly dip in the short-run, NG infrastructure spending and fairly upbeat Manufacturing (sub-sector) based on January PMI would provide the antidotes to pessimism. Consumer spending may ease a bit due to the elevated inflation, although the high levels of employment, the personal income tax break and OFW remittances would blunt much of the negativity. The peso-dollar rate should resume its depreciation mode amid higher U.S. interest rates and sky-high trade deficits but BSP's 50 bps policy rate hike to 6% and another likely 25 bps in March should moderate its trajectory.

Labor man-hours increased to record level in December despite drop in total employment. ▪ Manufacturing PMI expanded further to 53.5 level in January from 53.1 a month earlier. ▪ PH debt-to-GDP ratio inched up modestly to 60.9% by end-2022 from 60.4% in 2021. ▪ Inflation heated up to 8.7% in January from 8.1% a month ago due to elevated food prices and utility rates. ▪ Exports fell by -9.7% in December keeping the balance of trade (BOT) deficit elevated at $4.7-B. ▪ USDPHP appreciated by 1.2% MoM in January as the U.S. dollar weakened.

Bond Markets

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Easing inflation fears and expectations of slower Fed rate hikes brought enthusiasm back to bond investors globally in January. This resulted in massive tenders amounting to P907.6-B in auctions, driving yields down in the secondary market. However, unfavorable developments both abroad and domestically have driven interest rates higher once again in February. Local 10-year yields may challenge 6.5% level in Q1 as local inflation printed faster at 8.7% in January with no respite for food prices in H1, and the Fed's renewed aggressiveness towards policy rate hikes. The latter draws from an upward revision of seasonally adjusted U.S. inflation for October to December which fed into a rebound to 0.5% MoM rate and outsized job gains in January. Besides, BSP raised policy rates also should add to the upward pressure, which will impact short-term yields as well.

BTr awarded the 5.5-year Retail Treasury Bonds (RTB-29) at 6.125% on February 7th. ▪ Robust appetite for peso bonds emerged as total tender-offer ratio (TOR) soared to 3.321x in January from 2.175x a month earlier. ▪ Trading volume in the secondary market ascended by 59.3% MoM and 43% YoY in January. ▪ Only the front end of the curve gained ranging from 1.8 bps to 12.1 bps in January. ▪ Better risk sentiment resulted in a significant drop in the belly and the long end as much as -88.5 bps. ▪ ROPs yields also slumped in January but the spread over equivalent U.S. Treasuries widened as the fall in the latter proved larger.

Equities Market

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The PSEi took a good head start in 2023 with a +3.5% gain in January. However, high inflation rates (both here and in the U.S.) and interest rates loom large in the horizon and have created headwinds for the equities market, which headed south in February. We expect much volatility in Q1 but remain constructive towards the Financial and Holdings sectors.

All six sectors landed in the positive territory with Financial registering the highest increase with an +8.8% MoM gain. ▪ Metro Pacific Investments Corporation (MPI, +18.1% gain MoM) posted the best performance among PSEi-constituent stocks. ▪ AC Energy Corporation (ACEN) led the decliners with an -8.1% dip MoM. ▪ In the Mining and Oil sector, Semirara Mining & Power Corporation (SCC) slumped by -7.2% as coal prices plunged. ▪ After re-entering the local market and helping drive PSEi above 7,000, foreigners took profits before end-January to remain net sellers of P7.3-B, a 19.7% increase from P6.1-B a month ago.

Economic Indicators (% change, latest month, unless otherwise stated)	Latest Period	Previous Period	Year-to-Date	2020 (year-end)	2021 (year-end)
GDP Growth (Q4-2022)	7.2	7.6	7.6	-9.6	5.8
Inflation Rate (January)	8.7	8.1	8.7	2.4	3.9
Government Spending (November)	10.2	22.3	9.9	11.3	12.8
Gross International Reserves ($B) (January)	99.7	96.1	99.7	96.5	107.1
PHP/USD rate (January)	54.99	55.68	54.99	49.63	48.88
10-year T-bond yield (end-January)	6.13	6.98	6.13	3.52	4.16

Sources: Philippine Statistics Authority (PSA), Bangko Sentral ng Pilipinas (BSP), Department of Budget and Management (DBM), Philippine Stock Exchange (PSE), Philippine Dealing System (PDS), and Authors' Calculations

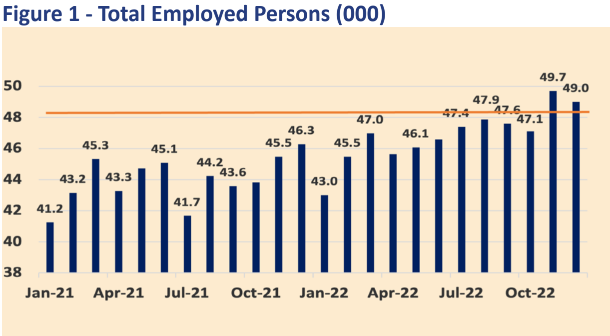
MACROECONOMY

HIGH LEVELS OF EMPLOYMENT, MANUFACTURING PMI AND INFRASTRUCTURE SPENDING DRIVE ECONOMY

From the starting block in January 2023, the bond and equities markets took big jumps sending positive signals that the economy may not suffer much from the nascent global recession. December labor data showed an increase in weekly man-hours to a record 1.98-MH from 1.97 a month ago, and 7.6% (year-on-year, YoY) compared to December 2021. Manufacturing PMI continued its upward momentum to a 7-month high of 53.5 in January from 53.1 in the prior month. The National Government's (NG) debt-to-GDP ratio marginally climbed to 60.9% to end 2022 from 60.4% in the previous year, suggesting budget deficit lower than NG's original plan. And the peso rallied strongly to appreciate by 1.2% in January as the U.S. dollar weakened. But headline inflation's faster pace of 8.7% in January after an earlier perception of a peak of 8.1% in December 2022 and the -9.7% fall in exports raised some dark clouds on the optimistic horizon.

***Outlook**: The economy still showed signs of resilience despite the weakened global economic outlook. Employment may ease in Q1 slightly but should recover as NG ramps up infrastructure spending with the early approval of its budget and the Manufacturing sub-sector emitting positive signals in January 2023. Inflation, though, will likely remain elevated and average 8.1% in Q1, which induced the Bangko Sentral ng Pilipinas (BSP) to further raise its policy rates by 50 bps to 6% in its February 16th meeting. Higher interest rates in the U.S. and large balance of trade deficits will put the peso-dollar rate back to an upward trajectory, but at a lower slope than seen in 2022 due to the BSP's February and expected future rate hikes.*

Figure 1 - Total Employed Persons (000)



Source of Basic Data: Philippine Statistics Authority (PSA)

Unemployment Rate Inched Up to 5.3% in December

Despite the unemployment rate inching up to 4.3% in December from 4.2% a month earlier, total man-hours (MH) of work slightly increased to 1.98-B MH from 1.97-B MH in November. This resulted from an increase in mean hours of work (in a week) to 40.3 hours from 39.3 hours in the prior month. This gain offset the 704,000 drop in total employment to 49.0-M, a close second to the all-time record level of 49.7-M achieved a month ago.

Underemployment rate dropped to 12.6% compared to 14.4% in November 2022, as the percentage of those who worked more than 40 hours a week jumped to 65% from 62.5% a month earlier. In terms of job losses, the Services sector shed the greatest number of jobs at 1.2-M while the Industry sector let 0.7-M go during the month. The Agriculture sector gained some 1.1-M workers, nearly absorbing the number dropped by the Services sector. High food prices likely induced many workers back to farms.

In the Services sector, only three sub-sectors added jobs, the largest going into the Administrative & Other Support Services (+257,000), suggesting that work-from-home (WHF) has some limitations. Other Service Activities opened their doors to 123,000 more workers while the Education sector added 16,000 new jobs. Notably seven out of the 13 sub-sectors posted triple-digit cuts in jobs, led by Trade (wholesale and retail)

Table 1 - Labor Force Survey Summary

			MoM Change	
	November 2022	December 2022	Levels	% Change
Labor Force	51,883	51,222	(661)	-1.3%
Employed	49,706	49,002	(704)	-1.4%
Underemployed	7,161	6,197	(964)	-13.5%
Underemployment rate%	14.4	12.6	(1.76)	-12.2%
Unemployed	2,177	2,220	43	2.0%
Unemployment rate%	4.2	4.3	0.14	3.3%
Labor Participation rate%	67.5	66.4	(1.07)	-1.6%
Not in Labor Force	25,032	25,931	899	3.6%
Agriculture ('000)	10,641	11,761	1,120	10.5%
Industry ('000)	8,978	8,381	(597)	-6.7%
Mining and Quarrying	233	3,750	(63)	-26.9%
Manufacturing	4,335	95	(585)	-13.5%
Electricity, Gas, Steam, and Air-Conditioning Supply	152	59	(57)	-37.7%
Water Supply; Sewerage, etc.	89	4,307	(30)	-33.8%
Construction	4,169	3,750	(138)	3.3%
Services ('000)	30,087	28,861	(1,226)	-4.1%
Wholesale and Retail Trade; Repair of Motor Vehicles and Motorcycles	11,318	10,930	(387)	-3.4%
Transportation and Storage	3,350	3,302	(48)	-1.4%
Accomodation and Food Services Activities	2,260	2,020	(240)	-10.6%
Information and Communication	628	475	(153)	-24.4%
Financial and Insurance Services	707	690	(17)	-2.4%
Real Estate Activities	378	210	(168)	-44.4%
Professional, Scientific, and Technical Activities	399	294	(105)	-26.3%
Administrative and Support Services Activities	2,308	2,565	257	11.1%
Public Administration and Defense; Compulsory Social Security	2,967	2,839	(128)	-4.3%
Education	1,513	1,530	16	1.1%
Human Health and Social Work Activities	741	503	(239)	-32.2%
Arts, Entertainment, and Recreation	539	402	(137)	-25.
Other Service Activities	2,980	3,103	123	4.1%

Source of Basic Data: Philippine Statistics Authority (PSA)

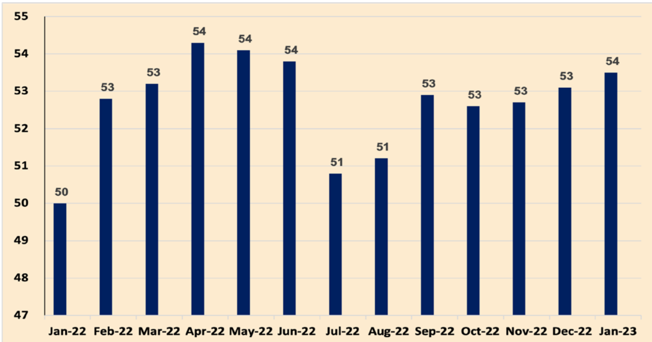
sub-sector (-387,000) as the end of Christmas season drew closer. Health & Social Work Activities (-239,000), and Accommodation and Food Services, etc. (-240,000) came in next among job losers.

Good weather enabled the Construction sub-sector to provide 257,000 new jobs, but it emerged as the only sub-sector in positive territory. Unusually large holidays in December took their toll in the Manufacturing and Mining & Quarrying subsectors where employment contracted most by -585,000 and -63,000, respectively. The losses in the Manufacturing sub-sector, however, came in lower than the gain in November.

For the full year 2022, the economy created 2.7-M jobs, much more than the 1.7-M increase in the labor force. The record levels of employment in H2 contributed to GDP growth that easily exceeded market expectations.

Figure 2 - Manufacturing PMI

Manufacturing PMI Accelerated to 53.5 in January 2023



Source of Basic Data: Bangko Sentral ng Pilipinas (BSP)

Manufacturing PMI Grew Faster in January

S&P Manufacturing PMI for the country increased to 53.5 in January from 53.1 in December, reflecting the improvement in the operating conditions of the Filipino manufacturing sector, thus new orders was reported in January as well. On the other hand, the rise of business requirements limited a higher intake of workers. Nonetheless, the positive performance in January which marks the highest level in seven months is something that businesses can look forward to.

Industrial output as measured by the Volume of Production Index (VOPI) decelerated to 4.8% YoY, slower than the annual increase of 5.9% in the previous month.

Eight out of the 22 industry divisions increased their output year-on-year (YoY), led by manfacture of fabricated metal products except machinery and equipment which soared by 52.9%.

Meanwhile, three industry divisions posted a lower output led by manufacture of electrical equipment which dipped by -54.7% YoY.

Debt-to-GDP ratio Mildly Increased to 60.9% in 2022

The Philippine government ended 2022 with a debt level of P13.4-T, a surprising P0.2-T drop from November 2022, but a 14.4% jump from 2021. This resulted in only a mild rise in debt-to-GDP ratio of 60.9% from 60.4% in 2021. The Bureau of the Treasury (BTr) attributed the change from November primarily due to the "effect of local currency appreciation and the net redemption of domestic government securities."

Notably, the peso appreciated by 1.4% against the USD to P55.81 as of end-December 2022 from P56.60 a month earlier. Nonetheless, external debt reached P652.3-B, or an 18.3% increase from end-2021. Thus, NG external debt took a 31.4% share of NG total debt outstanding in end-2022, while domestic debt jumped by 12.7% to account for 68.6% for the same yearend.

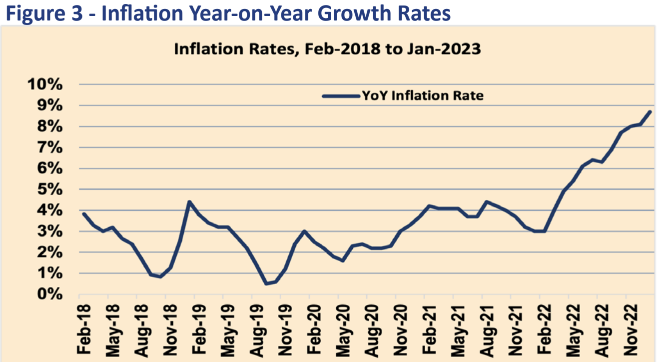
Table 2 - Major Contributors to Year-on-Year Inflation

Inflation Year-on-Year Growth Rates	Dec-2022	Jan-2023	YTD
	8.1%	**8.7%**	8.7%
Food and Non-Alcoholic Beverages	10.2%	10.8%	10.8%
Alcoholic Beverages and Tobacco	10.7%	10.9%	10.9%
Clothing and Footwear	3.9%	4.4%	4.4%
Housing, Water, Electricity, Gas, and Other Fuels	7.0%	8.5%	8.5%
Transport	11.7%	11.2%	11.2%
Restaurants and Accommodation	7.0%	7.6%	7.6%
Personal Care & Miscellaneous Goods and Services	4.5%	5.0%	5.0%

Note: Green font - means higher rate (bad) vs. previous month
Red font – means lower rate (good) vs. previous month

Source of Basic Data: Philippine Statistics Authority (PSA)

Figure 3 - Inflation Year-on-Year Growth Rates



Note: All rates from 2019 to July 2022 use the current 2018=100 base for CPI, while prior to 2019 they use 2012=100 base for CPI.
Source of Basic Data: Philippine Statistics Authority (PSA)

Food, Water, & Gas Prices Fuel Faster January Inflation to 8.7%

Headline inflation rebounded faster to 8.7% year-on-year (YoY) in January due to outsized gains in food, water, and gas prices. Although only five out of 11 food categories showed an acceleration in prices, the huge monthly gains in prices of vegetables (i.e., garlic, onions, etc.) brought YoY increase to 37.8% nearly equaling already elevated sugar prices (+38.8%). Sharp monthly upticks in Fish Products and Milk & Dairy Products (i.e., eggs) resulted in 6.7% and 11.3% YoY upswings, respectively. Meanwhile, higher water & LPG, and electricity rates pushed up the Housing, Water, Electricity, Gas and Other Fuels (HWEGOF) sub-index to 8.5% from 7% a month earlier.

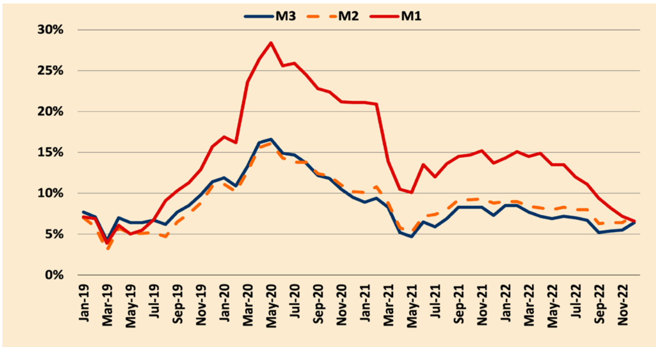
Supply issues continued to bedevil food products combined with sky-high sugar prices drove up prices of Non-Alcoholic Beverages (NAB) to a 6.5% YoY pace from 5.9% and Restaurants & Accommodation Services by 7.6% YoY from 7% a month ago. Notably, Food and Non-Alcoholic Beverages (FNAB) contributed more than 2/3 of the CPI increase from December 2022, while HWEGOF added another 20.8%. Personal Care & Misc. Goods, Restaurants & Accommodation, and Transport prices added 0.5% each to the overall monthly increase. The situation would have turned for the worse, if not for rice prices which eased in January resulting in a lower 2.7% YoY climb from 3.4% in the previous month.

Transport prices did rise too on a monthly basis but a higher base in 2022 translated into a slower 11.2% YoY jump from 11.7% in December 2022. However, international crude oil prices slid YoY. West Texas Intermediate (U.S. benchmark) fell by -4.7% YoY to $78.08/barrel (bbl), while Brent dipped even more by -6.2% to average $82.44/bbl.

On a seasonally adjusted basis, headline inflation accelerated to 1% MoM from 0.3% in December 2022. When annualized, these translated into 12.7% from 3.7% (seasonally adjusted annualized rate, or SAAR).

As pointed previously, headline inflation will likely slow down from these heights, but our projected average for Q1 remains at 8.1%. The deceleration will continue but local agricultural production must improve quickly for it to ease faster, albeit likely in H2. Notably, Thai rice prices (5% broken) have risen by 21.7% YoY by January and threaten to upset expectedly milder food inflation in Q2.

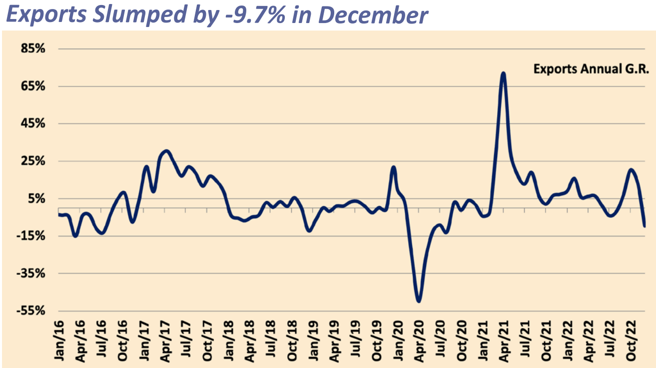
Figure 4 - M1, M2, M3 Growth Rates



Source of Basic Data: Bangko Sentral ng Pilipinas (BSP)

Figure 5 - Exports Growth Rates, Year-on-Year

Exports Slumped by -9.7% in December



Source of Basic Data: Philippine Statistics Authority (PSA)

Table 3 - Exports Year-on-Year Growth Rates

	Nov-2022	Dec-2022	YTD
Total Exports	**13.2**	**-9.7**	**5.6**
Agro-Based Products	**-30.3**	**-30.5**	**12.5**
Mineral Products, of which	**29.3**	**11.6**	**8.2**
Copper cathodes	8.7	69.1	-8.8
Others (incl. nickel)	51.0	13.2	15.0
Manufactured Goods	**15.3**	**-10.9**	**4.7**
Electronic Products	22.9	-13.9	7.2
Other Electronics	12.2	-14.4	2.4
Chemicals	-16.0	-23.2	-2.6
Machinery and Transport Equipment	-0.2	12.4	-4.9
Processed Food and Beverages	-25.4	-1.0	-4.5
Others	0.6	-5.7	-4.9

Source of Basic Data: Philippine Statistics Authority (PSA)

Money Supply (M3) Growth Accelerated to 6.4% YoY in December

Domestic liquidity (M3) grew by 6.4% YoY to P16.3-T. On a MoM seasonally adjusted basis, M3 increased by 0.9%.

Net foreign assets in peso terms further decreased by -3.5% from November's -1.5%. The decline in banks' NFA position reflected higher bills payable.

Lending for production decreased to 12.1% YoY pace in December from 12.6% in November, as outstanding loans to key industries decreased, specifically information and communication (+21.6%) and manufacturing (+14.9%). Real estate activities likewise saw a decrease in its loan availments.

On the other hand, consumer loans accelerated to 24.8% in December from 24.2% in November driven largely by YoY growth in motor vehicle loans.

Exports Shrank by -9.7% in December

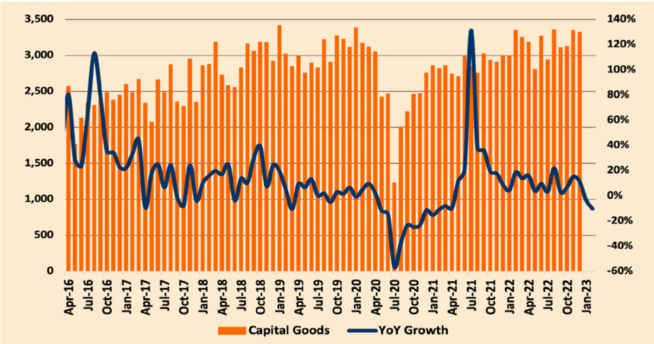
Outward shipments in December trekked down by -9.7% to $5.7-B from $6.3-B, a sharp reversal from previous month's 13.2% upturn. It marks the largest contraction in 28 months amid weak foreign demand and lower global commodity prices. Month-on-month (MoM), it plunged deeper by -20.2% from $7.1-B. However, full year exports performed better in 2022 as it grew by 5.6% to $78.8-B from $74.7-B a year ago as the global economy recovered from the Covid-19 pandemic.

In December, only four out of 10 major commodities ended the year in the green. Cathodes and Sections of Cathodes, Of Refined Copper led the pack with its 69.1% jump followed by Ignition Wiring Set and Other Wiring Sets Used in Vehicles, Aircrafts and Ships (higher by 24% YoY) and Other Mineral Products (13.2% YoY). These gains were not enough to offset the losses in Electronic Products (down by -13.9%) in December.

By major type of goods, Mineral Products climbed by 11.6% while Petroleum Products rose by 5% in December. Agro-based Products plummeted the most as exports of Coconut Products and Fruits & Vegetables waned by -41.5% and -17.9%, respectively.

China regained its footing as the country's top export destination in December as shipments edged up by 5.8% to $980.8-M, accounting for 17.3% of total exports. Meanwhile, volume to the U.S. and Japan fell by -19.7% to $811.5-M and -8.1% to $793.5-M, respectively. They make up 14.3% and 14% of total exports, respectively.

Figure 6 - Imports of Capital Goods (in Million USD)
Imports of Capital Goods Posted 3 Consecutive Months of Decline in December



Source of Basic Data: Philippine Statistics Authority (PSA)

Table 4 - Imports Year-on-Year Growth Rates

	Nov-2022	Dec-2022	YTD
Total Imports	**-1.9**	**-9.9**	**17.3**
Capital Goods	**-10.4**	**-11.4**	**6.6**
Power Generating and Specialized Machines	-3.9	2.0	4.2
Office and EDP Machines	-45.4	-37.0	-22.6
Telecommunication Equipment and Electrical Machines	1.8	0.2	9.2
Land Transport Equipment excluding Passenger Cars and Motorized cycle	-39.3	16.5	7.7
Aircraft, Ships and Boats	-1.6	-85.4	80.4
Prof. Sci and Cont. Inst., Photographic Equipment and Optical Goods	-7.7	-5.4	12.0
Raw Materials and Intermediate Goods	**-4.6**	**-22.0**	**9.2**
Mineral Fuels, Lubricant and Related Materials	**7.9**	**13.4**	**74.6**
Consumer Goods	**11.4**	**5.2**	**18.6**

Source of Basic Data: Philippine Statistics Authority (PSA)

Smallest Import Bill in 10 Months in December

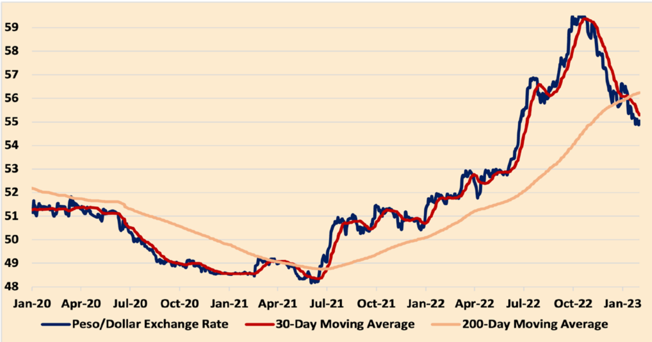
Inward shipments registered its lowest figure in 10 months in December to $10.3-B or a -9.9% drop from $11.4-B a year ago. Faster inflation and tighter financial conditions dampened domestic demand together with easing commodity prices contribute to a smaller import bill in December. Likewise, it slipped by -5% from $10.8-B in the prior month. Cumulative imports in 2022 advanced by 17.3% to $137.2-B from $116.9-B in the previous year on the back of revenge spending from the pandemic bolstering local consumption.

Imports of capital goods recorded three straight months of decline as it tumbled down by -11.4% in December to $2.9-B from $3.2-B a year earlier. Aircraft, Ships and Boats crashed the most by -85.4% YoY, followed by Office & EDP Machines (-37%) and Professional Scientific & Control Instrumentation, Photographic Equipment & Optical Goods (-5.4%).

Seven out of 10 top imports took losses in December. The country's top import, Electronic Products slid by -10.8%. Meanwhile, Iron & Steel and Miscellaneous Manufactured Articles experienced deeper drops by -41.7% and -15.3%, respectively. On the other hand, Metalliferous Ores & Metal Scrap skyrocketed by 542.9% in December. Cereals & Cereal Preparations and Mineral Fuels, Lubricants & Related Materials saw double digit gains by 15.9% and 13.4%, respectively.

Full year trade deficit hits record at $58.3-B in 2022 or 38.1% higher from previous year's $42.2-B amid elevated imports buoyed by higher oil and commodity prices and depreciating local currency. In December, trade gap contracted by -10.2% to $4.6-B from $5.1-B in the previous year amid softer imports and exports.

Figure 7 - Dollar-Peso Exchange Rates and Moving Averages
Philippine Peso Appreciated by 1.2% in January



Source of Basic Data: Bangko Sentral ng Pilipinas (BSP)

Table 5 - Exchange Rates vs USD for Selected Asian Countries

Exchange Rates vs USD for Selected Asian Countries			
	Dec-2022	Jan-2023	YTD
AUD	-2.2%	-2.8%	-2.8%
CNY	-2.7%	-2.6%	-2.6%
INR	1.0%	-0.8%	-0.8%
IDR	-0.4%	-2.0%	-2.0%
KRW	-4.6%	-4.0%	-4.0%
MYR	-4.4%	-1.9%	-1.9%
PHP	-3.4%	-1.2%	-1.2%
SGD	-2.4%	-2.0%	-2.0%
THB	-4.5%	-4.3%	-4.3%

Note: Green font - means it depreciated, weaker currency
Red font – means it appreciated, stronger currency

Source of Basic Data: Bangko Sentral ng Pilipinas (BSP)

Philippine Peso Appreciated by 1.2% in January, a 7-month High

The peso-dollar exchange rate (USDPHP) strengthened to a 7-month high to P54.99/$ in January from P55.68/$ in December on the back of a weaker U.S. dollar.

The volatility measure spiked to 53.1% in January from 39.9% in the previous month. The peso traded between P54.37/$ to P56.01/$ in January.

The dollar index (DXY) fell to 101, levels not seen since May 2022 as the Fed steps down from its aggressive monetary tightening. On this note, the Fed delivered a 25 bps rate hike in its end-January meeting.

In response, the local currency touched the P53/$ range after the Fed meeting but quickly rose back to the P54/$ by mid-February on the back of robust U.S. job gains of 517,000 (more than double market expectations of 185,000) with markets pricing in a more hawkish Fed.

Outlook

Despite the usual easing of employment levels in December, the economy still looks sufficiently robust to weather the global headwinds.

- Firms relied on more hours of input from workers in December from the previous month and so employed less people by -707,000. The slowdown should continue in January although the resumption of infrastructure spending in 2023 would provide a buffer.

- Manufacturing PMI at a 7-month high of 53.5 in January from 53.1 in December suggests no letup in this key subsector and thus also a booster of business confidence.

- While NG financials for December will come out only by the last week of February, the minor increase in debt-to-GDP ratio to 60.9% in 2022 from 60.4% a year earlier enables us to infer that the total deficit for the year fell below NG targets. The decline of domestic debt by P219.6-B in December from the previous month would tend to support this logic.

- With headline inflation accelerating to 8.7% in January from 8.1% a month earlier due to unabated increases in food prices and together with them Restaurant and Accommodation Services (i.e., the two accounted for nearly 70% of the increase in CPI), BSP has become less certain of its peak. Consequently, BSP adjusted its inflation forecast this year to 6.1% from 4.5% and 2024's forecast to 3.1% from 2.8%. Consistent with our forecast that Q1 inflation will average 8.1%, the Monetary Board increased policy rates by 50 bps to 6% in its February 16 meeting to keep inflation expectations in check, and minimize second round effects.

- While imports growth will ease in Q1, exports may fall behind further, and so we expect trade deficits to average still at above-$4.0-B per month. The weakening of the U.S. dollar should prove temporary as the Fed will likely hike policy rates more aggressively to address the higher inflation rates (as revised upward by U.S Bureau of Labor Statistics for seasonally-adjusted October-December 2022 MoM rates), and January YoY inflation at 6.4% compared to 6.5% a month ago. The two together will provide the upward pressure on USDPHP in the coming weeks. However, BSP'S 50 bps rate hike in February to 6% and likely another 25 bps in March should moderate the climb.

FIXED INCOME SECURITIES

BOND MARKETS SPRING BACK TO LIFE AT ONSET OF 2023

Bond markets both here and abroad jump started 2023 with strong rallies as inflation fears mellowed and expectations of U.S. Fed slowing policy rate hikes dominated markets. Local Government Securities Eligible Dealers (GSEDs) tendered P907.6-B in auctions, or more than double that for November 2022. This resulted in a large rise in the tender-offer ratio (TOR) to 3.312x from 2.175x a month earlier and 1.747x last November. This also effected a plunge in long-term local Treasury bond (T-bond) yields by -14.7 bps to -143.1 bps (for 10-year papers). Similarly, in the secondary market yields of 3-year and longer dated papers sank by 65.9 bps to 88.5 bps. Yields of Republic of the Philippines dollar-denominated bonds (ROPs) also slid up to -19.2 bps (ROP-40), but the spread over equivalent U.S. Treasuries widened as the fall in the latter proved larger.

***Outlook**: Volatility should again stalk bond markets after the U.S. economy produced an outsized 517,000 jobs in January (as reported on February 3rd) driving up 10-year U.S. T-bond yields by 34 bps to 3.74% by February 10th. As the Fed noted in its official February 1st statement, it "anticipates that ongoing increases in the target range will be appropriate in order to attain a stance of monetary policy that is sufficiently restrictive to return inflation to 2% over time." Thus, the pause and pivot may take a little longer than earlier expected. With local inflation faster at 8.7% in January 2023, likely to average 8.1% in Q1 and may not drop sharply until late H1-2023 due to stubbornly high food prices, with rice still on the rise (Thai 5% broken, up by 21.7% YoY in January), we expect local 10-year bond yields to head towards 6.5% in Q1. BTR's award of the 5.5-year Retail Treasury Bond (RTB-29) auction on February 7th at 6.125% and BSP's 50 bps rate increase also support this view. Additionally, BSP now projects headline inflation in 2023 to average 6.1% from 4.5% which would urge BSP to increase rates by another 25 bps in its March meeting. Investors should follow closely U.S. jobs and inflation data releases and domestic inflation to have a clue on yield movements in the coming months.*

Table 6 - Auction Results

Date	T-Bond/ T-Bill	Offer (Php B)	Tendered (Php B)	Accepted (Php B)	Tendered ÷ Offered	Ave. Yield	Change bps
30 Jan	**91-day**	25.000	81.786	25.000	3.271	4.152	6.3
	182-day	25.000	71.410	25.000	2.856	4.875	-7.5
	364-day	25.000	74.808	23.400	2.992	5.354	20.4
Subtotal		**75.000**	**228.004**	**73.400**	**3.040**		
4 Jan	**7 year (FXTN 07-68) 6.69 yrs to Mat**	35.000	75.196	35.000	2.148	6.796	-14.7
	7 year TAP	5.000	2.675	2.675	0.535		
10 Jan	**25 year TAP**	5.000	109.900	5.000	21.980	7.182	
17 Jan	**20 year (FXTN 20-25) 19.81 yrs to Mat**	49.000	133.947	49.000	2.734	6.525	-4.3
24 Jan	**10 year (FXTN 10-69) 9.62 yrs to Mat**	35.000	93.696	35.000	2.677	5.913	-143.1
31 Jan	**25 year (FXTN 25-07) 12.65 yrs to Mat**	70.000	264.189	70.000	3.774	6.197	-99.2
Subtotal		**199.000**	**679.603**	**196.675**	**3.415**		
All Auctions		**274.000**	**907.607**	**270.075**	**3.412**		

Source: Bureau of the Treasury (BTr)

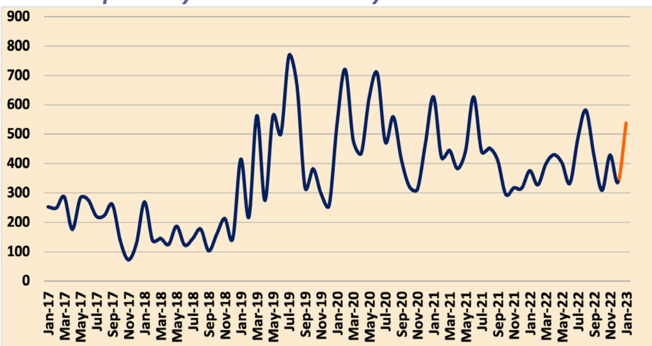
Primary GS Market: Buying Spree of Peso Bonds During Auctions

Prospects of a less hawkish Fed and local inflation to decelerate by Q3 increased the market's appetite for peso bonds. Investors scampered for government securities in auctions in January as both Treasury bills (T-bills) and Treasury bonds (T-bonds) were 4-6x oversubscribed. The total tender-offer ratio (TOR) jumped to 3.312x in January from 2.175x in the previous month. Yields eased despite the Bureau of the Treasury's (BTr) offer of P274.0-B, up by 21.8% from P225.0-B a year earlier.

The Bureau of the Treasury (BTr) normalized its borrowing schedule back to its weekly issuance of T-bills and T-bonds (since Q4-2022). Yields of shorter bills came in mixed in January. Only 182-day debt papers managed to decline by -7.5 bps to 4.875% from 4.950% a month prior. Meanwhile, 91-day and 364-day papers edged higher by 6.3 bps to 4.152% from 4.089% in December and 20.4 bps to 5.354% from 5.150% in November, respectively.

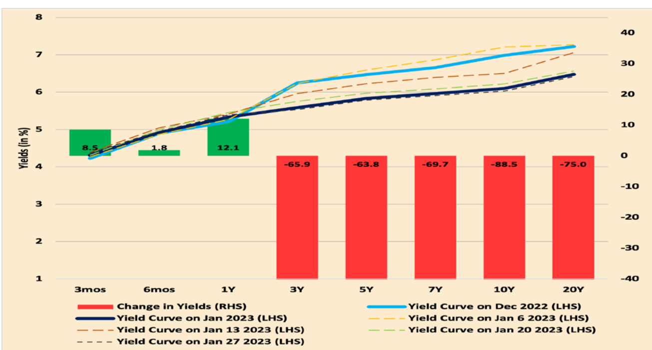
Risk-on sentiment dragged down yields for all T-bond auctions in January. Furthermore, BTr opened the TAP facility for 7-year and 25-year tenors amid robust demand with the latter garnering an additional P75.2-B worth of bids for a P5.0-B offering. The 7-year and 20-year T-bonds edged down by -14.7 bps to 6.796% from 6.943% in October and -4.3 bps to 6.525% from 6.568% in November, respectively. Moreover, 10-year tenors plunged as much as -143.1 bps to 5.913% from 7.344% in October. Issued twice in January, the 25-year securities oversubscription of 3.8x pressed yields to 6.197% or -99.2 bps lower from 7.189% in December.

Figure 8 - Monthly Total Turnover Value (in Billion Pesos)
Volume Spiked by 59.3% in January



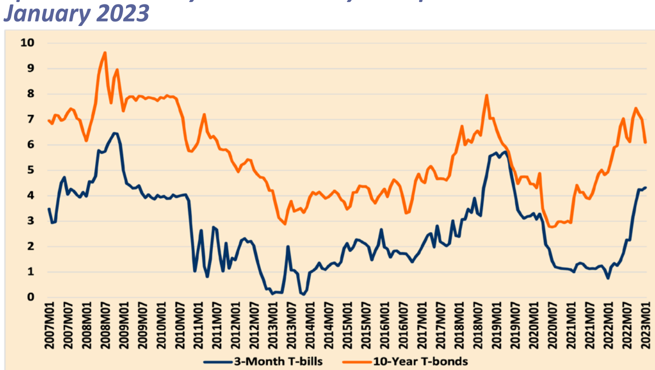
Source: Philippine Dealing Systems (PDS)

Figure 9 - Week-on-Week and Month-on-Month Changes on the GS Benchmark Bond Yield Curves (bps)
Only the Front End of the Curve Rose in January



Sources: Bloomberg, First Metro Investment Corporation (FMIC)

Figure 10 - 3-month T-bills and 10-year T-bonds Yields
Spread Drastically Contracted by -97 bps MoM in January 2023



Source: Philippine Dealing Systems (PDS)

Additionally, BTr announced its 29th offering of Retail Treasury Bonds (RTB-29), a 5.5-year tenor with a coupon rate of 6.125%, which was launched on February 7 until February 17. With the theme of "Sama-Sama sa Bagong Pag-asa!", RTB-29 carries a bond exchange offer for FXTN 05-75, FXTN 07-58, and FXTN 20-05.

Secondary Market: As in Auctions, Improved Market Sentiment Motivated a Rally in January

Market focused more on the developments abroad specifically another downshift of Fed rate hike for their January meeting encouraging investors to carry more risk. Domestically, hotter inflation at 8.1% in December and robust economic growth with full year 2022 at 7.6% (best annual performance since 1976) did little to break yields' downward trend.

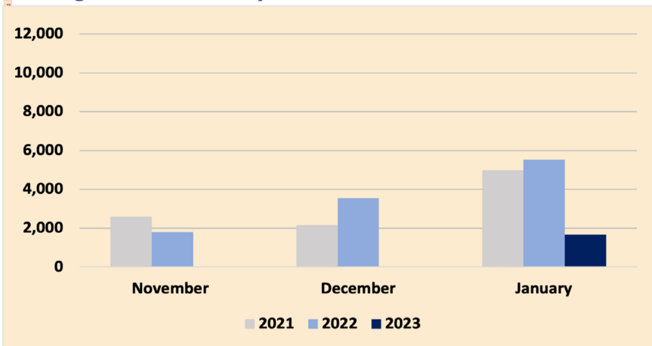
Trading volume in the secondary market surged by 59.3% month-on-month (MoM) to P537.7-B in January, a 5-month high, from P337.6-B a month earlier on the back of upbeat activity in auctions and expectations of a less hawkish Fed and BSP.

As local inflation remains quite elevated and unlikely to plunge anytime soon and an outsized job gains in the U.S. (see U.S. highlights below), the domestic market may have sensed the need for BSP to tighten by at least 50 bps in 2023. Consequently, the front end of the curve ascended in January. The 3-month and 6-month T-bills grew by 8.5 bps to 4.312% from 4.227% and 1.8 bps to 4.919% from 4.900%, respectively. Furthermore, 1-year debt papers went up by 12.1 bps to 5.331% from 5.210% in the previous month.

Yields of longer tenors fell sharply in January amid strong appetite for duration. The 3-year and 5-year tenors slumped by -65.9 bps to 5.587% from 6.246% and -63.8 bps to 5.832% from 6.470%, respectively. Meanwhile, 7-year and 20-year securities plummeted by -69.7 bps to 5.962% from 6.659% and -75 bps to 6.474% from 7.223%, respectively. The 10-year tenors shed the maximum -88.5 bps to 6.101%, a 5-month low, coming down from 6.986% in December.

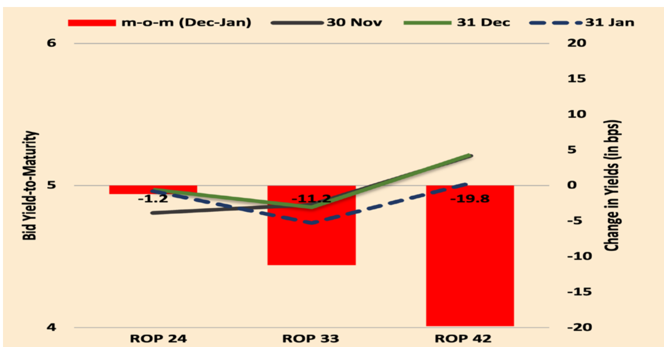
The spread between 10-year and 2-year bond yields narrowed by -27.2 bps to 74.4 bps in January, the lowest in 27 months. BSP Gov. Medalla noted that the tightening cycle may end in Q1 after two more interest rate increases and likely peak at 6%. Additionally, he expects a significant cut in the bank's reserve requirement ratio (RRR) in H1 2023 as part of the BSP' commitment to bring the RRR to single-digit level this year. This narrative supports the view that would likely cap off any significant increase in long yields in the near term.

Figure 11 - Total Corporate Trading Volume (in Billion Pesos)
Trading Volume Dove by -53.1% MoM



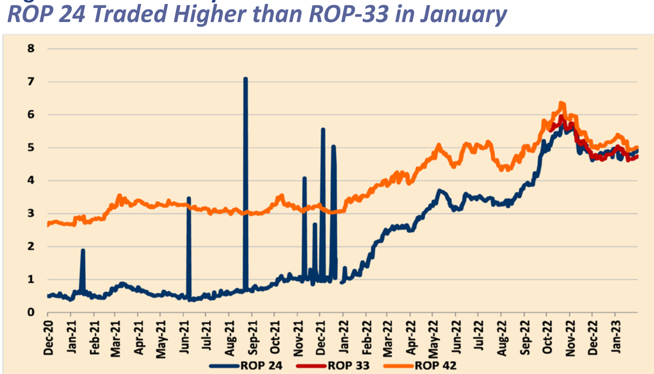
Sources: Bloomberg, First Metro Investment Corporation (FMIC)

Figure 12 - ROPs Yield, Month-on-Month Changes (bps)
ROPs Yields Dropped Across the Board



Source: Philippine Dealing Systems (PDS)

Figure 13 - ROPs Daily Yields
ROP 24 Traded Higher than ROP-33 in January



Sources: Bloomberg, First Metro Investment Corporation (FMIC)

Corporate Bonds: Volume Zoomed Up by 97.2% in December

Trading of corporate securities dropped by -53.1% MoM to P1.7-B in January from P3.5-B. Likewise, it sank by -69.9% YoY from P5.5-B in the previous year. Moreover, the volume of the top five corporates plunged by -67.7% to P734.2-M, amounting to 44.1% of the total trades in January.

SM Prime Holdings, Inc. (SMPH) climbed to first place in January with P385.2-M or 33.5% higher from last month. Ayala Land, Inc. (ALI) also went a position higher as volume jumped by 28.3% to P123.6-M. Previously placing first, trades of San Miguel Corporation (SMC) fell sharply by -93.3% to P122.9-M. SMC Global Power (SMCGP) and BDO Unibank (BDO) placed fourth and fifth with P64.1-M (up by 182.2% MoM) and P38.4-M (15% higher MoM), respectively.

Corporate Issuances and Disclosures

- Bank of the Philippine Islands (BPI) listed last January 30 its 1.5-year Reinforcing Inclusive Support for MSMEs Bonds (RISE Bonds) amounting to P20.3-B with quarterly coupon of 5.75%, to be paid quarterly.

ROPs: Yields Fell Despite Supply Pressure in January

Yields of the Republic of the Philippines' U.S. dollar-denominated bonds (ROPs) declined in January despite the fresh supply from the recent triple tranche dollar bond offering. A stronger peso and risk-on sentiment contributed to its downside move.

Specifically, ROP-24 inched down by -1.2 bps to 4.960% from 4.972% a month ago. On the other hand, ROP-33 and ROP-42 dipped much more by -11.2 bps to 4.736% from 4.848% and -19.8 bps to 5.018% from 5.216%, respectively.

The U.S. Fed delivered a smaller 25 bps hike to 4.50-4.75% during its January 31st meeting (announced February 1st) but expressed more policy rate increases in the pipeline to crush inflation. Additionally, Fed Chair Powell acknowledged that the disinflationary process had started.

With signs of inflation and economy cooling down, the 10-year and 20-year U.S. Treasuries slid by -36 bps to 3.52% (a 5-month low) from 3.88% and -36 bps to 3.78% from 4.14%, respectively. Meanwhile, 1-year U.S. Treasuries edged down by -5 bps to 4.68% from 4.73% in the prior month.

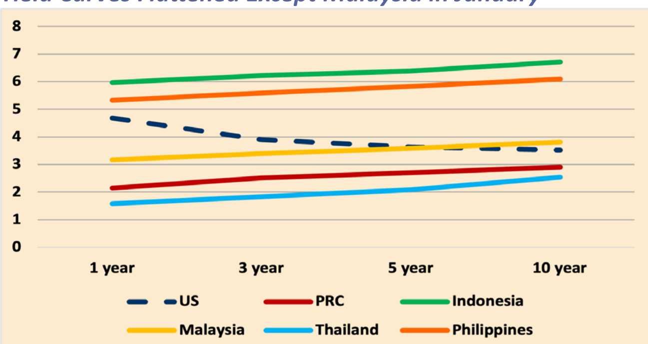
Table 7 - Spreads Between ROPs and U.S. Treasuries (bps)

Spreads between ROPs and U.S. Treasuries (bps)			
Date	3-year	10-year	20-year
30-Nov	6.8	118.5	120.9
31-Dec	24.2	84.5	107.6
31-Jan	28.0	102.4	123.8

Sources: UA&P Direct Estimates from Federal Reserve Board, Philippine Dealing & Exchange Corp. (PDEx)

Figure 14 - Comparative Yield Curve Between ASEAN per Tenor

Yield Curves Flattened Except Malaysia in January



Sources: Asian Development Bank (ADB), Federal Reserve Board

The larger fall in U.S. Treasuries resulted in the widening of the spread between ROPs and its equivalent U.S. Treasuries ranging from 3.8 bps to 16.2 bps in January.

ASEAN+1: Further Flattening of Yield Curves in New Year

U.S.: Its economy generated an outsized job gain of 517,000 in January, more than double market expectations of 185,000 from 260,000 in December and also much above the average monthly increases of 401,000 in 2022. The improvement in Manufacturing PMI to 46.9 in January from 46.2 a month earlier seemed to support this despite being in the contraction (below-50) mode for the 3rd straight month.

Housing starts (seasonally adjusted) fell by -1.4% MoM in December from -1.8% in the previous month, the 4th consecutive month of decline. Other December data showed weakness, like retail sales which dropped -1.1% MoM from -1% a month ago, indicating weak holiday shopping, and wage growth easing to 5.9% YoY from 6.2% in November. The huge vault in jobs in January may largely explain the large jump in consumer confidence to 64.9 during the month from 59.7 previously.

The slower CPI inflation to 6.5% in December from 7.1% a month earlier likely contributed to the more positive sentiment. After the Fed delivered a 25-bps policy rate hike on February 1, the yield curve steepened by 16 bps to -69 bps (as measured by the spread between 10-year and 2-year Treasury bond yields).

CHINA: Still on contractionary mode for the sixth straight month, the Caixin Manufacturing PMI saw an uptick to 49.2 in January from 49.0 in the previous month. Furthermore, YoY inflation accelerated to a 3-month high of 2.1% in January (vs 1.8% in December) on the back of higher demand due to the Chinese New Year holiday and removal of pandemic restrictions.

The People's Bank of China (PBoC) kept its key lending rates at 2.75% in January. The yield curve flattened by a tad 3 bps to 50 bps in December.

INDONESIA: Indonesia's economy expanded by 5% YoY in Q4-2022, the softest pace since Q3-2021 as a result of slower increases in household consumption (4.5% vs 5.4% in Q3) and fixed investment (3.3% vs 5%). This brings the FY 2022 GDP to 5.3%, the highest since 2013. On the other hand, Manufacturing PMI climbed to 51.3 in January from a 5-month low of 50.3 a month prior. January inflation softened to 5.3%, the lowest level since August 2022, from 5.5% in the previous month.

The Bank Indonesia (BI) continued to tighten its policy rate by 25 bps to 5.75% in January, marking the 6th consecutive months hike and the highest level in more than 3 years. The spread between 10-year and 2-year bond yields narrowed by 14 bps to 82 bps in January as the former fell while the later advanced.

MALAYSIA: The country's GDP grew by 7% YoY in Q4-2022, a slowdown from its 14.2% growth in Q3 amid a slump in private consumption (7.4% vs 15.1% in Q3), fixed investment (8.8% vs 13.1%), and government spending (2.4% vs 4.5%). The FY economic performance spiked to 8.7% in 2022 (vs 3.1% in 2021), marking the highest annual growth recorded in 22 years.

The factory activity plunged to a 17-month low in January as PMI slid to 46.5 from 47.8 a month earlier. On the inflation front, CPI decelerated to 3.8% in December from 4% in the prior month as food prices eased.

Malaysia's factory activity plunged to a 17-month low in January as PMI slid further to 46.5 from 47.8 a month earlier. On the inflation front, CPI decelerated to 3.8% YoY in December from 4% in the prior month as food prices eased.

Exports and imports in December went up by 6% to MYR 131.9-B ($30.3-B) and 12% to MYR 104.1-B ($23.9-B), respectively. Despite posting positive growth, both pointed to its smallest gain in 17 months and 24 months, respectively. The trade surplus slimmed to MYR 27.8-B ($6.4-B) in December from MYR 31.5-B ($7.2-B) a year ago.

Surprisingly, Bank Negara Malaysia (BNM) maintained its overnight policy rate at 2.75% in January as it took the wait-and-see approach. BNM wants to assess the impact of the past cumulative rate hikes given that the growth outlook remains subject to downside risks. The spread between 10-year and 2-year bond yields widened slightly by 4 bps to 54 bps in January.

THAILAND: PMI jumped to 54.5 in January from 52.5 in the previous month. Meanwhile, annual inflation eased to a 9-month low of 5% YoY in January from 5.9% a month earlier driven by slower increases in food & non-alcoholic beverages (7.7% vs 8.9% in December).

Exports slumped for the third straight month in December by -14.6% to $21.7-B mainly due to the slowdown in the global economy and weak consumer purchasing power. Similarly, imports slipped by -12% to $22.8-B, bringing the trade deficit to $1.0-B in December from $0.4-B a year prior.

Bank of Thailand (BoT) raised its policy rate by 25 bps to 1.50% in January. BoT claimed that while headline inflation is on a downtrend, the "core inflation remains at a high level with increased risks from demand-side inflationary pressures due to the economic recovery." Despite policy rates at its highest level since mid-2019, the yield curve flattened by 25 bps to 79 bps in January.

Table 8 - Spreads Between 10-year and 2-year T-Bonds

Spreads between 10-year and 2-year T-Bonds									
Country	2-year Yields	10-year Yields	Projected Inflation Rates	Real 10-Year Yield	10-Year and 2-Year Spread (bps)		Spread Change (bps)	Latest Policy Rate	Real Policy Rate
					Dec-22	Jan-23			
U.S.	4.21	3.52	3.5	0.02	(53)	(69)	(16)	4.75	1.25
PRC	2.40	2.90	2.0	0.90	53	50	(3)	2.75	0.75
Indonesia	5.89	6.71	4.2	2.51	96	82	(14)	5.75	1.55
Malaysia	3.27	3.81	3.4	0.41	50	54	4	2.75	-0.65
Thailand	1.75	2.54	6.1	(3.56)	104	79	(25)	1.50	-4.60
Philippines	5.36	6.10	6.1	-	102	74	(28)	6.00	-0.10

Sources: Asian Development Bank (ADB), The Economist & UA&P
**1-year yields are used for PH because 2-year papers are illiquid*

Outlook

Unfavorable developments both abroad and domestically have driven interest rates higher once again and volatility will likely hound bond markets in H1.

- The U.S. economy delivered an outsized 517,000 new jobs in January (more than double market expectations) driving up 10-year U.S. T-bond yields by 15 bps on the same day of data release and by 34 bps to 3.74% by February 10th. More Fed officials have turned hawkish again reminding markets of its official statement on February 1st that, it "anticipates that ongoing increases in the target range will be appropriate in order to attain a stance of monetary policy that is sufficiently restrictive to return inflation to 2% over time." They have pointed out that market players may not expect the policy rate pause-and-pivot any time soon (our view: not in H1), specifically after the January inflation print.

- Reuters reported that the U.S. Bureau of Labor Statistics revised 2022 CPI data such that "The consumer price index edged up 0.1% in December rather than dipping 0.1% as reported last month, the Labor Department's annual revisions of CPI data showed on Friday [February 10]. Data for November was also revised higher to show the CPI increasing 0.2% instead of 0.1% as previously estimated. In October, the CPI rose 0.5%, revised up from the previously reported 0.4% increase." Besides, on February 14th, Bureau of Labor Statistics reported that seasonally adjusted MoM in January rebounded to 0.5% without changes in the actual raw data, bringing YoY inflation to 6.4% only a tad slower than the unchanged 6.5% in December. Even before the January inflation data release, majority of economists surveyed by Reuters predicted two more rate hikes in 2023 with an upside risk and no pivot until 2024.

- With local inflation accelerating to 8.7% in January 2023, it will likely average over 8.1% in Q1 and so 10-year bond yields cannot remain at current levels (of large negative real yields). Besides a new threat to already elevated food prices may come from rice prices since Thai 5% broken has climbed by 21.7% YoY in January (unless we have already imported most of our needs). This prompted BSP to change its 2023 forecast to 6.1% from 4.5% and 2024's forecast to 3.1% from 2.8%. Thus, local 10-year bond yields may break through 6.5% in Q1 after BSP raised its policy rates by 50 bps to 6% on February 16th.

Already, the 5.5-year Retail Treasury Bond (RTB-29) issue fetched 6.125% on February 7th, while the 12-year average of spread between 10-year and 5-year yields have been at +61.3 bps. U.S. jobs, inflation and domestic inflation remain as key factors to watch for future yield movements.

- BTr insisted on its high cash position before the RTB issue and tax revenues have come in better-than-expected, resulting in lower budget deficit than projected. Thus, NG's fund-raising may not increase at an inordinate pace as to put a wedge on local bond yields. Corporate bond issues will likely come to a trickle in H1 and mostly for refinancing. Tenors should be very short.

- ROPs spread over equivalent U.S. Treasuries may have a little upward bias due to the domestic problem of high inflation.

EQUITY MARKETS

OFF TO A GOOD START IN 2023, BUT RALLY FIZZLING IN FEBRUARY

PSEi took a 3.5% head start in January in tandem with most bourses TMC tracks. All sectors posted gains, with the Financial sector providing the biggest boost of 8.8% month-on-month (MoM) led by BDO Unibank, Inc. (BDO) (+16.2%). Services sector followed suit with a 3.6% uptick with Converge ICT Solutions Inc. (CNVRG) leading the pack (+10.9%). The Holdings sector came next with a 3.2% rise, featuring two double-digit gainers, Metro Pacific Investments Corporation (MPIC) (+18.2%) and GT Capital (GTCAP) (+17.2%). Foreigners appeared to have renewed confidence in the local market only to take profits towards the end of January and end up as net sellers for P7.0-B from P6.0-B a month earlier.

***Outlook**: The typical January rally lost steam by the last week of January as foreign investors took profit. The Fed's expectedly lower 25 bps policy rate hike on February 1st, supposed to portend a pause in H1, provided the signal to sell, even as later in the week, the U.S. economy added a humongous 517,000 jobs (more than double expectations) and led some Fed officials to back off from an early pause. Besides, the upward revision of the last three months of U.S. CPI showed YoY inflation still above 7% by December, lead us to conclude that the Fed will again aggressively pursue policy rate increases in H1. This and local inflation in January at a 14-year high provided the basis for local investors to shy away from the market for now. However, to continue to see value in some Financial and Holdings shares, but again selectivity should remain.*

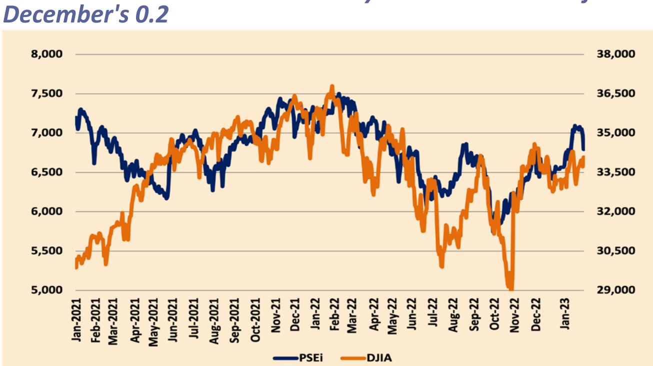
Table 9 - Global Equities Markets Performances

Global Equities Markets Performances				
Region	Country	Index	January M-o-M Change	2023 % Change
Americas	US	DJIA	2.8%	2.8%
Europe	Germany	DAX	8.7%	8.7%
	London	FTSE 101	4.3%	4.3%
East Asia	Hong Kong	HSI	10.4%	10.4%
	Shanghai	SSEC	5.4%	5.4%
	Japan	NIKKEI	4.7%	4.7%
	South Korea	KOSPI	8.4%	8.4%
Asia-Pacific	Australia	S&P/ASX 200	6.2%	6.2%
Southeast Asia	Indonesia	JCI	-0.2%	-0.2%
	Malaysia	KLSE	-0.7%	-0.7%
	Thailand	SET	0.2%	0.2%
	Philippines	PSEi	3.5%	3.5%

Sources: Bloomberg and Yahoo Finance

Figure 15 - PSEi vs DJIA

PSEi vs DJIA Correlation in January Maintained to 0.2 from December's 0.2



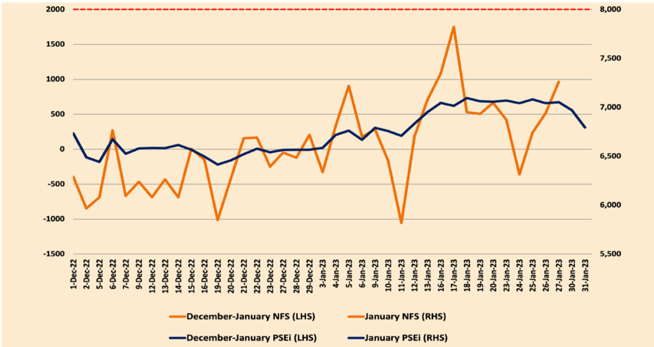
Sources: Wall Street Journal, Bloomberg

Global Picture. To start off the year and turning aside the previous month, investors delivered a bullish January. For the third month in a row, Hong Kong HSI recorded the highest upswing, ending the month with a +10.4% month-on-month (MoM) increment. Meanwhile, Malaysia KLSE recorded the steepest loss with -0.7% MoM. Alongside, Philippines' PSEi recorded a +3.5% MoM gain to end January at 6,793.25, a reversal of the -3.2% fall a month earlier.

PSEi and DJIA. The Dow Jones Industrial Average (DJIA) closed a volatile month of trading. DJIA ended January at 34,086.04, a +2.8% gain from December's close of 33,147.25. Meanwhile, PSEi finished to close January at 6,793.25. The correlation between the two indices in January remained at 0.2, as PSEi and DJIA both started the year in recovery mode.

Figure 16 - PSEi vs Net Foreign Selling

PSEi vs NFS Posted a 0.4 Correlation in December



Sources: Bloomberg & Yahoo Finance

Table 10 - Monthly Turnover (in Million Php)

Monthly Turnover (in Million Pesos)				
	Total Turnover		Average Daily Turnover	
Sector	Value	% Change	Value	% Change
Financial	39,598.29	155.2%	1,885.63	130.9%
Industrial	38,179.24	-74.1%	1,818.06	-76.5%
Holdings	33,074.61	25.6%	1,574.98	13.6%
Property	18,278.59	11.5%	870.41	0.8%
Services	32,080.06	22.8%	1,527.62	11.1%
Mining and Oil	4,704.05	70.8%	224.00	54.5%
Total	**146,386.49**	-33.9%	**6,970.79**	-40.2%
Foreign Buying	55,377.07	27.8%	2,637.00	15.6%
Foreign Selling	58,396.23	9.3%	2,780.77	-1.2%
Net Buying (Selling)	7,372.40	-220.9%	351.07	-209.4%

Source of Basic Data: PSE Quotation Reports

Table 11 - Top Foreign Buy in November (in Million Php)

Top Foreign Buy	
Company	Total Value
BDO PM Equity	2,257.50
JFC PM Equity	2,024.40
SMPH PM Equity	1,582.80
GTCAP PM Equity	1,554.14
UBP PM Equity	1,020.17
Total Buy Value	**8,439.01**

Sources of Basic Data: Bloomberg, First Metro Investment Corporation (FMIC)

Table 12 - Top Foreign Sell in November (in Million Php)

Top Foreign Sell	
Company	Total Value
ICT PM Equity	-1,588.55
TEL PM Equity	-1,510.18
GLO PM Equity	-1,093.72
ACEN PM Equity	-838.87
RLC PM Equity	-758.36
Total Sell Value	**-5,789.68**

Sources of Basic Data: Bloomberg, First Metro Investment Corporation (FMIC)

Net Foreign Buying/Selling. PSE trading volume decreased by -33.9% slicing part of the previous month's huge +121% gain. Five sectors landed on the green, with the Financial sector posting the largest volume uptick of +155.2%. Meanwhile, one sector landed on the red, with the Industrial sector suffering a -74.1% loss, reversing its +640.9% uptick a month ago.

After an early re-entry into the Philippine market, foreigners took profits resulting in larger net selling in January to the tune of P7.0-B from P6.0-B a month earlier.

The top five favorite stocks (net buying) of foreign investors amounted to P8.4-B with BDO Unibank, Inc. (BDO) (P2.2-B) and Jollibee Foods Corporation (JFC) (P2.0-B) leading the list.

The top five most sold stocks (net selling) in January amounted to P5.7-B with International Container Terminal Services, Inc. (ICT) (P1.6-B) and Philippine Long Distance Telephone Co. (TEL) (P1.5-B) in the front rows.

All six sectors of PSEi turned in positive performance to boost PSEi by 3.5% MoM in January. To start off the year, the Financial sector led the sub-index gainers with an +8.8% MoM increase, taking the cue from the third best performing PSEi-constituent overall, BDO Unibank, Inc. (BDO), which recorded a +16.2% gain in January.

Table 13 - Monthly Sectoral Performance

Monthly Sectoral Performance					
	29-Dec-2022		31-Jan-2023		2023 YTD
Sector	Index	% Change	Index	% Change	
PSEi	6,566.39	-3.2%	6,793.25	3.5%	3.5%
Financial	1,645.03	-3.2%	1,790.40	8.8%	8.8%
Industrial	9,351.16	-1.4%	9,622.62	2.9%	2.9%
Holdings	6,433.27	-1.0%	6,636.51	3.2%	3.2%
Property	2,928.71	-2.6%	2,953.03	0.8%	0.8%
Services	1,634.23	-7.5%	1,692.63	3.6%	3.6%
Mining and Oil	10,808.92	5.7%	10,816.27	0.1%	0.1%

Source of Basic Data: PSE Quotation Reports

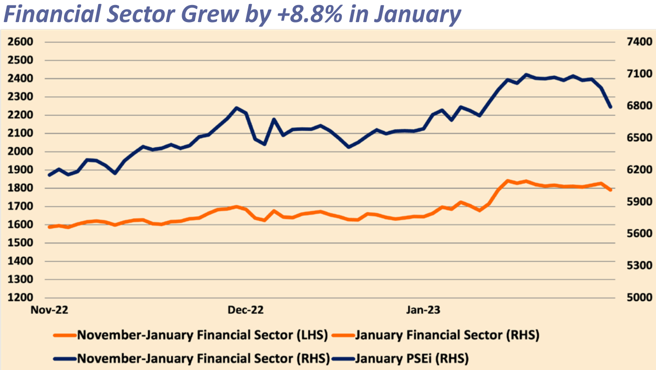
Table 14 - Financial Sector Constituent Stocks

Company	Symbol	12/29/2022 Close	12/29/2022 Close	M-o-M % Change	2023 YTD
Metropolitan Bank and Trust Company (MBT)	MBT	54.00	57.25	6.0%	6.0%
BDO Unibank, Inc.	BDO	105.70	122.80	16.2%	16.2%
Bank of the Philippine Islands	BPI	102.00	105.00	2.9%	2.9%

Source of Basic Data: PSE Quotation Reports

Figure 17 - Financial Sector Index (November 2022 - January 2023)

Financial Sector Grew by +8.8% in January



Source of Basic Data: PSE Quotation Reports

The Financial sector ended January with a +8.8% MoM gain, obliterating its -3.2% MoM loss in December 2022, with all its constituent stocks landing on the green.

BDO Unibank, Inc. (BDO) share prices led the sector as it climbed by +16.2% in January, after recording a loss of -18.8% a month ago. BDO recently garnered the industry champion of the year and top sustainability in the 2022 Asia Corporate Excellence & Sustainability (ACES). BDO kept its title as the country's largest bank in terms of total assets, loans, deposits, and trust funds. The Bank also has the largest distribution network.

Metropolitan Bank & Trust Company's (MBT) share prices followed suit as it showed a +6% uptick, from its -5.8% decrease a month ago. Investors likely took stock of MBT's accelerating loan growth to Q3 amid higher interest margins.

Bank of the Philippine Islands (BPI) share prices inched up by +2.9% in January, after recording the least loss by -3.7% a month ago. BPI recently reported that it aims to capture at least 10% of Lazada customers through its partnership with the online platform. BPI also aims to increase their capacity to reach out to more people and ensure that their customers' banking experience is convenient.

The Industrial sector index ranked fourth in sectoral gainers with a +2.9% MoM uptick in January from its -1.4% dip a month earlier.

Monde Nissin Corporation (MONDE) share prices climbed up by +19.1% MoM in January after its -12.3% loss in December. MONDE announced its acquisition of a 15% stake in Figaro which will help it obtain greater exposure to the food service sector, thus, hopefully contributing to further growth. As a global company, MONDE may also help procurement of ingredients for FCG's brands such as Angel's Pizza.

Aboitiz Power (AP) share prices ranked second in the sub-index's increase as its share prices rose by +6.3% MoM in January, after it registered a -1% loss in the previous month. As part of the company's efforts to expand its renewable energy (RE) footprint, AP recently said that it has broken ground for the construction of its 17-megawatt geothermal power plant project in Albay. Additionally, AP expressed its willingness

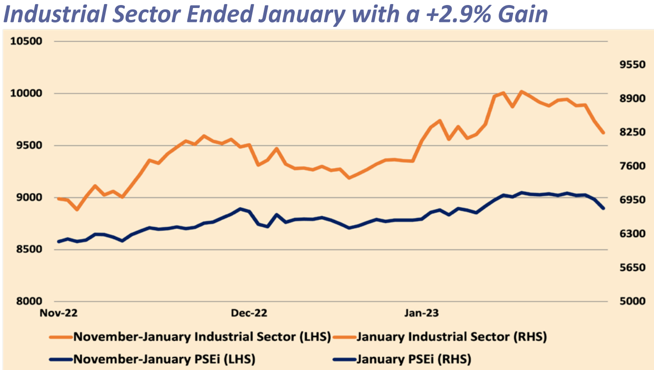
Table 15 - Industrial Sector Constituent Stocks

Company	Symbol	12/29/2022 Close	1/31/2023 Close	M-o-M % Change	2023 YTD
Meralco	MER	298.80	280.60	-6.1%	-6.1%
Aboitiz Power	AP	34.05	36.20	6.3%	6.3%
Jollibee Foods Corporation	JFC	230.00	238.00	3.5%	3.5%
Universal Robina Corporation	URC	136.00	137.80	1.3%	1.3%
AC Energy Corporation	ACEN	7.62	7.00	-8.1%	-8.1%
Emperador Inc.	EMI	20.60	20.50	-0.5%	-0.5%
Monde Nissin Corporation	MONDE	11.08	13.20	19.1%	19.1%

Source of Basic Data: PSE Quotation Reports

Figure 18 - Industrial Sector Index (November 2022 - January 2023)

Industrial Sector Ended January with a +2.9% Gain



Source of Basic Data: PSE Quotation Reports

in Albay. Additionally, AP expressed its willingness to supply electricity to Meralco beyond its short-term contract.

Jollibee Food Corporation (JFC) share prices followed suit as its share prices rose by +3.5 MoM in January. As reported by First Metro Securities Brokerage Corporation, JFC formed a continued long-term bullish pattern. This pattern begins during a downtrend as prices reflect higher highs and lower lows. Aside from this, JFC recently opened its first Jollibee restaurant in Orlando as it continues to expand overseas with its aim of having 500 stores in North America in the next 5-7 years.

Universal Robina Corporation (URC) share prices showed the least gain as its share prices inched up by +1.3% MoM in January. Notably, URC received the prestigious FDA Quality awards from the Ministry of Public Health in Thailand, due to its quality inspection and assurance program, compliance with food safety rules, and its corporate social responsibility and sustainability program.

Emperador, Inc. (EMI) share prices registered the least loss as it contracted by -0.5% MoM in January. Nonetheless, EMI expects stronger sales in North America in 2023 after a strong performance in the previous year, as it managed to penetrate some of the biggest supermarket store operators in the U.S.

Meralco (MER) share prices ended January with a -6.1% decrease, offsetting its +6.7% gain in December. MER reported that it will hike its power rate amid higher generation cost, therefore its customers must brace for higher electricity bills. MER said it raised its overall rate for a typical household by 62 centavos per kilowatt—hour (kWH) to P10.90 per kWh in January from P10.28 in the previous month.

AC Energy Corporation (ACEN) share prices recorded the steepest loss as it dipped by -8.1% in January after its +7.2% in December. Nonetheless, ACEN and its foreign partner BIM Group successfully obtained funding worth $112.0-M for the 88-megawatt (MW) Ninh Thuan wind farm in Vietnam. Additionally, ACEN reported that the Manila-based regional development bank will fill an additional $5.0-M grant from the Goldman Sachs and Bloomberg to allocate for initiatives aimed at safeguarding environmental and social risk.

Although, the Holdings sector index ranked third in overall sector rankings in January with a +3.2% MoM

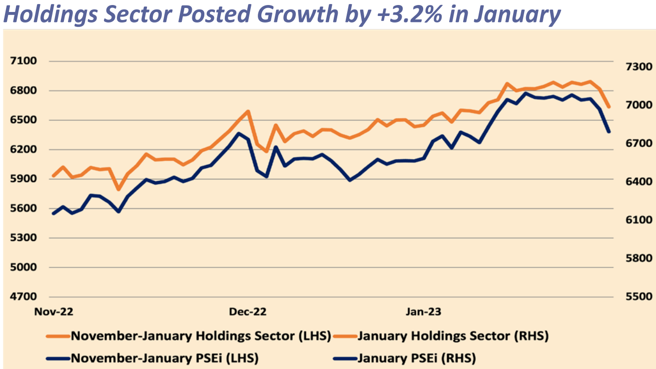
Table 16 - Holdings Sector Constituent Stocks

Company	Symbol	12/29/2022 Close	01/31/2023 Close	M-o-M % Change	2023 YTD
Ayala Corporation	AC	695.00	707.00	1.7%	1.7%
Metro Pacific Investments Corporation	MPI	3.42	4.04	18.1%	18.1%
SM Investments Corporation	SM	900.00	920.00	2.2%	2.2%
Aboitiz Equity Ventures	AEV	57.70	56.85	-1.5%	-1.5%
GT Capital Holdings, Inc.	GTCAP	435.00	510.00	17.2%	17.2%
San Miguel Corporation	SMC	92.95	99.90	7.5%	7.5%
Alliance Global Group, Inc.	AGI	11.90	12.50	5.0%	5.0%
LT Group Inc.	LTG	9.20	10.08	9.6%	9.6%
JG Summit Holdings, Inc.	JGS	50.30	53.55	6.5%	6.5%

Source of Basic Data: PSE Quotation Reports

Figure 19 - Holdings Sector Index (November 2022 - January 2023)

Holdings Sector Posted Growth by +3.2% in January



Source of Basic Data: PSE Quotation Reports

gain, after its -1% decrease in December of last year, only one of its PSEi-constituent shares lost ground.

As the sector's best performer, GT Capital (GTCAP) share prices vaulted by +17.2% MoM, eclipsing its -0.9% loss in the previous month. Investors likely paid attention to the huge 31.3% gain in 2022 sales to 352,596 units from 268,488 units in 2021, since GTCAP holds a 51% stake in Toyota Motor Philippines, the market leader. Besides, GTCAP recently expressed its interest to increase its holdings in Metro Pacific Investments Corporation (MPIC), where it has a 15.6% stake.

San Miguel Corporation (SMC) share prices climbed up by +7.5% MoM in January. SMC is eyeing to invest in a P21.0-B feed mill and poultry-related projects in Negros Occidental. The feeds business is crucial in maintaining tolling arrangements for eight rendering facilities that convert animal by-products used as feed types.

SM Investments Corporation (SM) share prices climbed by +2.2% MoM in January, after its share prices decreased by -4.2% a month ago. SM continues to remain optimistic about its prospects this year as it plans to push forward with its expansion and growth plans, focusing on provincial areas, which reportedly have faster growth.

Ayala Corporation (AC) share prices followed suit as it inched up by +1.7% MoM in January. Recently, AC showed interest in the Ninoy Aquino International Airport (NAIA) modernization project after the government opened offers for NAIA's redevelopment. The project is a key tool in broadening NAIA's role to serve as an economic and tourism driver for the country, likewise to deliver capital infrastructure investment and improve the airport's efficiency in improving passenger demand for the country.

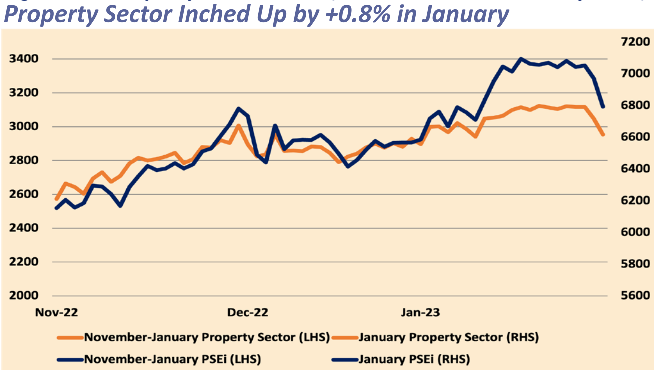
As the lone loser in the sector, Aboitiz Equity Ventures (AEV) share prices ended January with a -1.5% loss on top of its -3.8% dip a month ago. Nonetheless, its subsidiary, UnionBank of the Philippines, recently rolled out a P12.0-B stocks right offering (at a discount) to finance the lending and expansion of UnionDigital, its startup digital banking subsidiary.

Table 17 - Property Sector Constituent Stocks

Company	Symbol	12/29/22 Close	01/31/2023 Close	M-o-M % Change	2023 YTD
Ayala Land, Inc.	ALI	30.80	29.30	-4.9%	-4.9%
SM Prime Holdings, Inc.	SMPH	35.50	36.90	3.9%	3.9%
Robinsons Land Corppration	RLC	14.96	15.30	2.3%	2.3%
Megaworld Corporation	MEG	2.00	2.12	6.0%	6.0%

Source of Basic Data: PSE Quotation Reports

Figure 20 - Property Sector Index (November 2022 - January 2023)
Property Sector Inched Up by +0.8% in January



Source of Basic Data: PSE Quotation Reports

Table 18 - Services Sector Constituent Stocks

Company	Symbol	12/29/2022 Close	01/31/2023 Close	M-o-M % Change	2023 YTD
Philippine Long Distance Telephone Co.	TEL	1,317.00	1,342.00	1.9%	1.9%
Globe Telecom	GLO	2,180.00	2,020.00	-7.3%	-7.3%
Converge ICT Solutions, Inc.	CNVRG	15.88	17.48	10.1%	10.1%
Puregold Price Club Inc.	PGOLD	34.90	33.50	-4.0%	-4.0%
Wilcon Depot, Inc.	WLCON	29.50	31.95	8.3%	8.3%
International Container Terminal Services, Inc.	ICT	200.00	207.40	3.7%	3.7%

Source of Basic Data: PSE Quotation Reports

The Property sector ended January with a +0.8% MoM increase, after its -2.6% downswing in the previous month.

As the best performer, Megaworld Corporation (MEG) ended January with a 6% increase in its share prices, a significant reversal after its -10.7% decrease in the previous month. Going into 2023, MEG announced that it will open its first hotel (Savoy) in Palawan, a 306-room facility within its 462-hectare Paragua Coastown. MEG counts on the rising opportunities in Philippine tourism specially in Palawan which has also gained recognition as a top tourist destination.

SM Prime Holdings, Inc. (SMPH) share prices climbed by +3.9% MoM in January. SM expressed its plans to expand in more regions across the Philippines, particularly in most of Northern Luzon, Visayas, and progressive cities in Mindanao. To date, SM has 58 malls in provincial areas and 24 malls in Metro Manila.

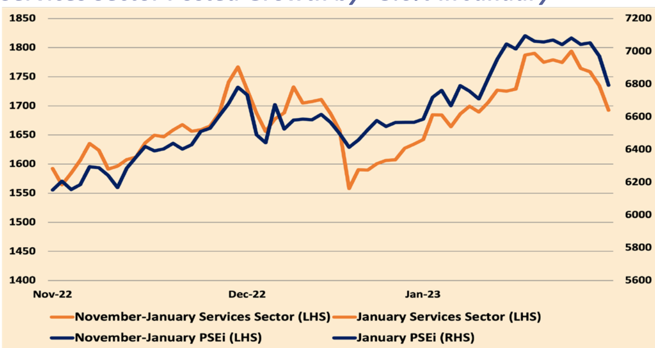
Ayala Land, Inc. (ALI) resulted as the lone loser in the sector, as its share prices ended January with a -4.9% MoM dip. Nonetheless, ALI continues to be recognized for its good governance, as they continue to promote a culture of good governance across their organization in maintaining their brand equity.

The Services sector placed second in the sectoral race, as it climbed by 3.6% in January.

For the second month in a row, Converge ICT Solutions, Inc. (CNVRG) share prices ended January with a +10.1% climb on top of its +2.7% gain a month ago. CNVRG reported that it received a greenlight to provide international connectivity services in Singapore through its subsidiary, Converge ICT Singapore Pte. Ltd. (Converge SG). That said, CNVRG can now directly service their clients in Singapore to cater to their growing market in intra-Asia and Trans-Pacific connectivity requirements, serving as an important driver for its enterprise business.

Wilcon Depot, Inc. (WLCON) followed suit as its share prices showed an +8.3% MoM gain, reversing its -8.2% loss a month ago. To start off 2023, WLCON launched its 84th store in Bulacan to maintain its “go-to” status in construction finishing materials.

Figure 21 - Services Sector Index (November 2022 - January 2023)
Services Sector Posted Growth by +3.6% in January



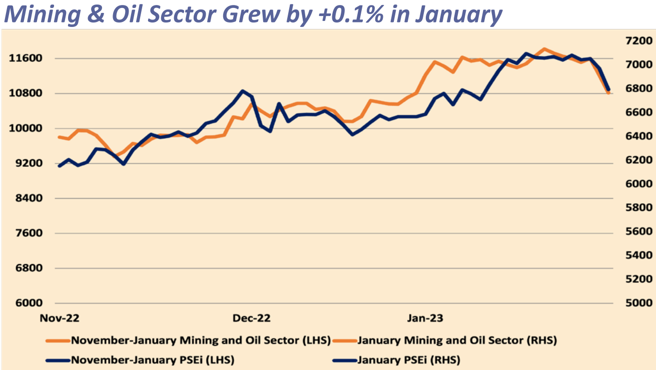
Source of Basic Data: PSE Quotation Reports

Table 19 - Mining and Oil Sector Constituent Stock

Company	Symbol	12/29/2022 Close	01/31/2023 Close	M-o-M % Change	2023 YTD
Semirara Mining and Power Corporation	SCC	34.50	32.00	-7.2%	-7.2%

Source of Basic Data: PSE Quotation Reports

Figure 22 - Mining & Oil Sector Index (November 2022 - January 2023)
Mining & Oil Sector Grew by +0.1% in January



Source of Basic Data: PSE Quotation Reports

Philippine Long Distance Telephone Co. (TEL) share prices inched up by +1.9% MoM besides its +7.2% gain a month ago. TEL recently launched its broadband service suite, Easy Speedboost program, catered to service demands for work, school, entertainment, and lifestyle. The Easy Speedboost program will allow subscribers to upgrade their plans for as low as P50.

Globe Telecom (GLO) showed the steepest loss in share prices by -7.3% MoM from its -24.8% loss a month ago. Nonetheless, GLO continues to move forward as it encourages more clean energy investments in support of the government's goal to reduce gas emissions by 75% by 2030. GLO reported its shift of 10 more facilities to renewable energy, as part of its climate action roadmap and in support of the country and Ayala Group's goal to reduce carbon emissions.

The Mining & Oil sector ranked last in the sectoral race as it inched up by 0.1% in the previous month. Semirara Mining and Power Corporation (SCC) share prices sank by -7.2% in January after its +2.5% gain in December. Newcastle coal prices plunged by 34.6% by end of January from yearend 2022. The 7.7% uptick in Nickel Asia (NIKL) mostly offset the SCC weakness.

Recent Economic Indicators

NATIONAL INCOME ACCOUNTS, CONSTANT PRICES (In Million Pesos)

	2020		2021		4th Quarter 2021			4th Quarter 2022		
	Levels	Annual G.R.	Levels	Annual G.R.	Levels	Quarterly G.R.	Annual G.R.	Levels	Quarterly G.R.	Annual G.R.
Production										
Agri, Hunting, Forestry and Fishing	1,818,007	1.9%	1,954,345	7.5%	580,203	33.8%	5.2%	525,393	31.7%	-0.3%
Industry Sector	5,151,945	-11.8%	5,607,009	8.8%	1,760,803	50.2%	11.4%	1,700,272	45.1%	4.8%
Service Sector	10,963,799	-6.6%	11,849,213	8.1%	3,321,517	10.8%	9.8%	3,351,674	12.5%	9.8%
Expenditure										
Household Final Consumption	12,911,851	-8.0%	13,456,531	4.2%	3,923,916	20.9%	7.5%	4,199,819	19.8%	7.0%
Government Final Consumption	2,652,447	10.0%	2,839,963	7.1%	683,320	-1.4%	7.8%	705,806	1.0%	3.3%
Capital Formation	3,382,434	-33.5%	4,060,997	20.1%	1,144,071	25.0%	14.2%	1,190,179	14.8%	4.0%
Exports	4,735,076	-31.8%	5,128,006	8.3%	1,251,031	-7.2%	7.7%	1,433,336	-6.2%	14.6%
Imports	6,146,212	-21.2%	6,947,443	13.0%	1,814,149	4.8%	14.3%	1,920,922	-5.8%	5.9%
GDP	17,530,785	-9.5%	18,538,053	5.7%	5,201,501	17.5%	7.8%	5,577,338	17.1%	7.2%
NPI	1,325,383	-30.4%	642,515	-51.5%	226,214	50.2%	16.0%	356,364	21.3%	57.5%
GNI	18,856,166	62.3%	19,180,570	1.7%	5,427,716	18.6%	8.1%	5,933,702	17.3%	9.3%

Source: Philippine Statistics Authority (PSA)

NATIONAL GOVERNMENT CASH OPERATION (In Million Pesos)

	2020		2021		October-2022			November-2022		
	Levels	Growth Rate	Levels	Growth Rate	Levels	Monthly G.R.	Annual G.R	Levels	Monthly G.R.	Annual G.R
Revenues	2,855,959	0.2%	3,005,539	0.2%	288,873	0.0%	14.1%	331,061	14.6%	16.6%
Tax	2,504,421	-2.4%	2,739,350	-2.4%	261,913	3.4%	19.6%	312,892	19.5%	15.8%
BIR	1,951,023	0.0%	2,078,108	0.0%	186,759	7.6%	15.2%	237,143	27.0%	12.5%
BoC	537,687	-9.3%	643,563	-9.3%	75,055	-5.3%	35.2%	75,724	0.9%	30.7%
Others	15,711	-24.7%	18,157	-24.7%	99	-72.5%	-93.0%	25	-74.7%	-98.5%
Non-Tax	351,412	23.6%	265,357	23.6%	26,955	-24.2%	-20.8%	18,057	-33.0%	31.6%
Expenditures	4,227,406	24.0%	4,675,639	10.6%	387,934	-17.2%	22.2%	454,990	-17.3%	10.2%
Allotment to LGUs	804,546	39.8%	892,698	39.8%	86,490	-9.7%	32.9%	86,233	-0.3%	28.3%
Interest Payments	380,412	8.9%	429,432	8.9%	33,185	-44.6%	5.2%	26,092	-21.4%	-16.4%
Overall Surplus (or Deficit)	-1,371,447	145.7%	(1,670,100)	145.7%	(99,061)	-44.9%	54.1%	(123,929)	25.1%	-3.7%

Source: Bureau of the Treasury (BTr)

POWER SALES AND PRODUCTION INDICATORS
Manila Electric Company Sales (In Gigawatt-hours)

	2021		October-2022			November-2022		
	Annual Levels	Growth Rate	Levels	Y-o-Y G.R.	YTD	Levels	Y-o-Y G.R.	YTD
TOTAL	45,524.20	5.7%	4,111.00	7.1%	6.2%	4,085.90	2.1%	5.8%
Residential	16,906.10	2.6%	1,437.00	0.6%	1.3%	1,413.30	-2.5%	1.0%
Commercial	14,950.30	3.2%	1,490.70	18.7%	14.2%	1,498.50	11.7%	13.9%
Industrial	12,897.30	12.4%	1,117.20	1.6%	4.3%	1,106.20	-3.6%	3.5%

Source: Meralco

BALANCE OF PAYMENTS (In Million U.S. Dollar)

	2020		2021		4th Quarter 2021		3rd Quarter 2022	
	Levels	Annual G. R.	Levels	Annual G. R.	Levels	Annual G. R.	Levels	Annual G. R.
I. CURRENT ACCOUNT								
Balance of Trade	11,578	-480%	-6,922	-160%	-3,953	-224.1%	-5,800	282.4%
Balance of Goods	33,775	-32%	53,781	59%	16,533	75.0%	19,426	41.1%
Exports of Goods	48,212	-10%	54,169	12%	13,799	4.0%	14,558	1.9%
Import of Goods	81,987	-20%	107,950	32%	30,332	33.5%	33,984	21.1%
Balance of Services	-13,866	6%	-14,174	2%	-3,751	-8.0%	-4,387	10.6%
Exports of Services	31,822	-23%	33,627	6%	9,214	10.1%	10,942	25.7%
Import of Services	17,956	-36%	19,453	8%	5,463	27.2%	6,555	38.3%
Current Transfers & Others								
II. CAPITAL AND FINANCIAL ACCOUNT								
Capital Account	63	-50%	80	26%	24	19.3%	18	-8.1%
Financial Account	-6906	-14%	-6,942	1%	-4,973	-34.3%	-2,756	0.4%
Direct Investments	- 3,260	-39%	-8,116	149%	-2,138	328.9%	-843	-64.2%
Portfolio Investments	-1680	-32%	8,046	-579%	161	-104.7%	1,435	50.6%
Financial Derivatives	-199	15%	-603	203%	-195	178.6%	-276	67.2%
Other Investments	- 6,268	255%	-8,152	30%	-2,801	0.0%	-3,072	161.1%
III. NET UNCLASSIFIED ITEMS	1245	-149%	361	-71%	965	0.0%	-1,704	-6,761.2%
OVERALL BOP POSITION	16,022	104%	1,345	-92%	2,009	-78.0%	-4,730	-471.2%
Use of Fund Credits								
Short-Term								
Memo Items								
Change in Commercial Banks	7,713	378%	294	-96%	-2,256	-21.3%	-2,756	-204.8%
Net Foreign Assets	7,665	384%	433	-94%	-2,286	-20.2%	-2,775	-207.2%
Basic Balance	n.a	n.a	n.a	n.a	n.a	n.a	n.a	n.a

Source: Bangko Sentral ng Pilipinas (BSP)

MONEY SUPPLY (In Million Pesos)

	2021		November-2022		December-2022	
	Average Levels	Annual G. R	Average Levels	Annual G.R.	Average Levels	Annual G.R.
RESERVE MONEY	3,303,261	8.8%	3,520,795	6.2%	3,780,532	5.1%
Sources:						
Net Foreign Asset of the BSP	6,296,263	39.5%	6,287,794	-1.5%	6,267,776	-3.5%
Net Domestic Asset of the BSP	14,211,531	26.7%	16,320,382	11.0%	16,969,539	12.7%
MONEY SUPPLY MEASURES AND COMPONENTS						
Money Supply-1	5,659,905	52.6%	6,365,514	7.2%	6,610,527	6.9%
Money Supply-2	13,795,976	30.2%	15,157,161	6.4%	15,841,525	7.4%
Money Supply-3	14,432,021	30.4%	15,644,073	5.6%	16,326,499	6.5%
MONEY MULTIPLIER (M2/RM)	4.18		4.31		4.19	

Source: Bangko Sentral ng Pilipinas (BSP)

CONTRIBUTORS

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