

Macro Developments: November unemployment at its lowest in 17-years while inflation is at a 14-year high

Unemployment comes down to 4.2% while underemployment rose to 14.4% for the month of November.

- ▶ Considering seasonality related to the holidays, November unemployment was at its lowest since Apr 2005 at 4.2%.
- ▶ There was a slight increase in underemployment at 14.4% compared to the previous month's 14.2%.
- ▶ The service sector is the leading employer engaging 60.5% of the labor force, followed by agriculture with 21.4% and industry with 18.1%.

Inflation picks up in December to 8.1%.

- ▶ Inflation reached a 14-year high at 8.1%, in December. This is the 9th month in a row inflation breached BSP's 2%-4% target range. Average inflation for 2022 was 5.8% which matches BSP's forecasts, but faster than the 2021 average of 3.9%.
- ▶ The central bank states this is consistent with their assessment on inflation picking up in December before decelerating in the following months as the economy reacts to global oil prices and BSP's policy rate adjustments.
- ▶ Inflation was driven by 10.2% YoY growth in food and beverages with other contributors such as restaurants and accommodation services going up by 7%, and utilities also increasing by 7%.

Industry Spotlight: USTDA to open office in the Philippines

USTDA plans to strengthen its presence in the Philippines through a local office targeted to open by first quarter of 2023.

- ▶ US Ambassador to the Philippines MaryKay Carlson said the decision to open a United States Trade and Development Agency (USTDA) local office recognizes the country's economic potential and aims to meet the demands of the Philippine market.
- ▶ USTDA's projects will focus on supply chain, clean energy, infrastructure and telecommunications.

IPO Watch: PSE targeting 14 IPOs for 2023

PSE is optimistic that 2023's economic reopening will boost confidence for business expansions.

- ▶ PSE president Ramon Monzon targets 14 IPOs worth about PHP 160 B for listing this year. Among these listings, 11 are expected to list on the main board, 2 as real estate investment trusts (REITs), and the remaining 3 to be listed on the small, medium and emerging board.
- ▶ Notable IPOs candidates would be Prime Infrastructure Capital Inc., North Star Meat Merchants Inc, Upson International Corp., and ORCA Cold Chain Solutions. For REITs, SM Prime Holding Inc. could be including its real estate assets this year.

Deal Spotlight: MPIC voluntary delisting, Arch Capital launches Digital Halo, and Converge ICT Singapore expansion

MPIC considers voluntary delisting

- ▶ Metro Pacific Investments Corporation (MPIC) considers voluntary delisting as a response to Japanese conglomerate's interest in acquiring up to 20% of the company. MPIC is a leading infrastructure holding company in the Philippines involved in water utilities, power distribution, toll operations, hospitals, logistics, rail, among others.
- ▶ Privatization of the company was partly due to its "cheap" share price. As a point of reference, MPIC stock was trading below the value of Meralco, an electric distribution utility, which is 47% owned by MPIC.

ARCH Capital announce launch of 70MW facility in Cainta

- ▶ ARCH Capital launches Digital Halo, a 3.75-hectare, 70MW data center aimed to invest, develop, and operate digital infrastructure assets. The firm plans to retrofit an existing industrial facility for its first phase of IT capacity, amounting to 6MW, by the end of 2023.

Converge can now start building infrastructure for providing connectivity in city-state of Singapore.

- ▶ Through subsidiary Converge ICT Singapore, the corporation received green light for expansion on Jan 3, 2023. The expansion will improve the company's ability to sell international wholesale connectivity and capacity services to cater to the growing needs for intra-Asia and Trans-Pacific connectivity.