

usinessWord



TUESDAY • NOVEMBER 28. 2023 • www.bworldonline.com **VOL. XXXVII • ISSUE 89** PHILIPPINE STOCK EXCHANGE'S 10 MOST ACTIVE STOCKS BY VALUE TURNOVER • NOVEMBER 24, 2023 (PSEi snapshot on S1/2; article on S2/2) **S1/1-10 • 2 SECTIONS, 14 PAGES**

P218.400 **JFC** P32.500 P18.040 SM P834.000 **ALI** P29.900 **BDO** P132.100 P652.000 **ICT** P238.400 P29.200 P103.400 **Value** Value Value Value Value Value **Value** Value P286,401,662 P261,615,944 P213,117,485 Value P147,785,890 P128,581,664 P125,673,340 P113,720,915 P112,547,184 P91,386,360 Value P88,934,877 P0.600 P4.500 -P0.400 **▼** -0.168% P0.550 **1.721**% -P0.050 ▼ -0.171% 3,440% P4.000 **A** 0.482% P0.300 1.014% P0.200 0.152% **▲** 0.695%

PHL launches Sukuk bond offering

S&P hikes 2023 GDP outlook for Philippines

S&P GLOBAL RATINGS raised its gross domestic product (GDP) growth forecast for the Philippines to 5.4% this year but lowered its projection for next year to 5.9%.

At the same time, it expects the Bangko Sentral ng Pilipinas (BSP) to deliver one more rate hike this year, before cutting borrowing costs by 75 basis points (bps) in 2024 and by 175 bps in 2025.

In its economic outlook report for Asia-Pacific Q1 2024, the debt watcher revised upwards its GDP forecast for the Philippines to 5.4% from 5.2% it gave in September. Still, this is below the 6-7% government target.

Meanwhile, S&P lowered its 2024 projection to 5.9% from 6.1% previously. The credit rater also sees Philippine GDP to hit 6.2% in 2025 and 6.4% in 2026.

The forecasts from 2024 to 2026 are all below the government's 6.5-8% growth target over the medium term.

"Asia-Pacific economies outside of China remain resilient. Growth this year and in 2024 should be the strongest in emerging market economies with solid domestic demand: India, Indonesia, Malaysia, and the Philippines," it said.

The Philippine economy grew by 5.9% in the third quarter, faster than the 4.3% growth in the second quarter. For the first nine months of the year, economic growth averaged 5.5%, still below the government's 6-7% full-year target.

According to S&P, the purchasing managers' indices (PMIs) in the Asia-Pacific region showed manufacturing activity continued to expand in October.

"In Southeast Asia, the manufacturing PMI mostly exceeded 50 in October, including in the Philippines, where it has jumped since September," the credit rater

S&P, S1/9

GASOLINE P0.70 P0.00 DIESEL Nov. 21 P0.65 Nov. 28 KEROSENE ▼ P2.30 Nov. 21 \blacksquare P0.60

FUEL PRICE TRACKER

• Nov. 28. 12:01 a.m. — Caltex Philippines

• Nov. 28, 6 a.m. - Petron Corp.; Phoenix Petroleum: Pilipinas Shell Petroleum Corp.; PTT Philippines Corp.; Seaoil Philippines, Inc.

• Nov. 28 . 8:01 a.m. — Cleanfuel (Shaw

Brands embrace social media influencers as modern-day advertisers

By Justine Irish D. Tabile Reporter

VANEZZA GAIL V. HERNANDEZ. 24, bought a Squad Cosmetics eyeshadow palette from Shopee after it was recommended by a Filipino fashion influencer with 1.6 million followers on YouTube.

"Watching YouTube became a pastime for me during the pandemic, and I thought I should practice makeup," she said in a Facebook Messenger chat. "I came across Rei Germar's YouTube channel and got instantly hooked."

Influencer marketing was limited to celebrities a decade ago, and you had to watch them on TV. These days, social media influencers from YouTube and Facebook to Instagram and Tik-Tok have risen and enjoy a strong following from their tight-knit communities.

Influencers have revolutionized marketing strategies, with brands now embracing them as

a major advertising tactic, consumer research and data analytics company Milieu Insight said.

The global market for influencer marketing was valued at \$16.5 billion in 2022 and is expected to multiply 12 times to \$199.6 billion by 2032, growing at a compound annual growth rate of 28.6%, according to Allied Market Research.

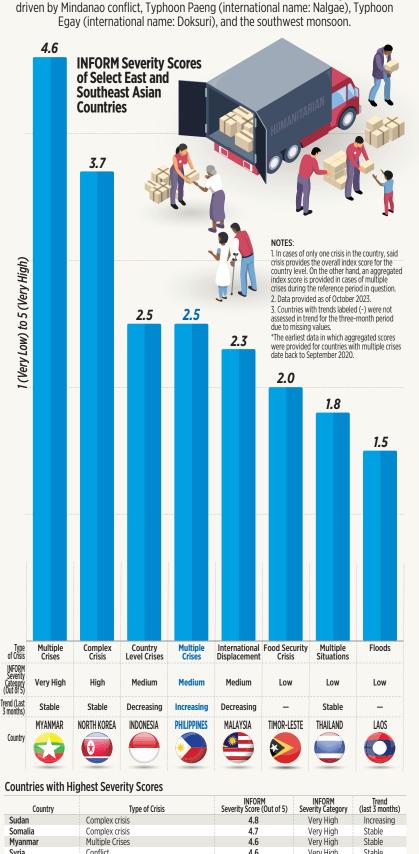
> In the Philippines, 68% of Filipinos follow influencers for all sorts of advice, Milieu Insight said in a study in July. YouTube drew the most interest in the Philippines.

Beauty products were the top-selling category driven by influencer content, which is skewed toward females (56%) and Generation Zs or those aged 16 to 26 (46%).

"Many of [the influencers] subtly leverage their influence, seamlessly incorporating product placements into everyday content, such as makeup tutorials, get-ready-with-me videos or travel vlogs," Milieu Insight said. Influencers, S1/9

HOW DOES THE SEVERITY OF HUMANITARIAN CRISIS IN THE PHILIPPINES **COMPARE WITH OTHER COUNTRIES?**

The Philippines' score improved to 2.5 (out of 5; lower is better) in the October update of the INFORM (Index for Risk Management) Severity Index. The index by the European Commission kept the country under category 3 or medium INFORM severity but amended its trend to "increasing" in the last three months. The index is a composite indicator that assesses the severity of humanitarian crises based on publicly available sources on conflict, violence, and natural disasters. In October, the country's score was driven by Mindanao conflict, Typhoon Paeng (international name: Nalgae), Typhoon



Country	Type of Crisis	INFORM Severity Score (Out of 5)	INFORM Severity Category	Trend (last 3 months)
Sudan	Complex crisis	4.8	Very High	Increasing
Somalia	Complex crisis	4.7	Very High	Stable
Myanmar	Multiple Crises	4.6	Very High	Stable
Syria	Conflict	4.6	Very High	Stable
Afghanistan	Complex crisis	4.4	Very High	Stable

Countries with Lowest Severity Scores

Country	Type of Crisis	INFORM Severity Score (Out of 5)	INFORM Severity Category	Trend (last 3 months)
Romania	Conflict and International Displacement	1.7	Low	Increasing
Moldova	Conflict and International Displacement	1.6	Low	Decreasing
Slovakia	Conflict and International Displacement	1.6	Low	Decreasing
Laos	Floods	1.5	Low	_
Hungary	Conflict and International Displacement	1.2	Low	Decreasing

Historical Trend: Philippines*

Date	Type of Crisis	INFORM Severity Score (Out of 5)	INFORM Severity Category	Trend (last 3 months)
October 2022	Multiple Crises	2.9	Medium	Decreasing
November	Multiple Crises	3.0	Medium	Decreasing
December	Multiple Crises	3.1	High	Stable
January 2023	Multiple Crises	2.7	Medium	Decreasing
February	Multiple Crises	2.6	Medium	Decreasing
March	Multiple Crises	2.6	Medium	Decreasing
April	Multiple Crises	2.6	Medium	Decreasing
May	Multiple Crises	2.6	Medium	Decreasing
June	Multiple Crises	2.5	Medium	Stable
July	Multiple Crises	2.5	Medium	Decreasing
August	Multiple Crises	2.5	Medium	Decreasing
September	Multiple Crises	2.6	Medium	Stable
October	Multiple Crises	2.5	Medium	Increasing

Source: INFORM Severity Index October 2023 (https://drmkc.irc.ec.europa.eu/inform-index/INFORM-Severity/Results-and-data)

THE BUREAU of the Treasury (BTr) on Monday launched its first-ever offering of Sukuk bonds as it mandated banks for the sale of "benchmark-sized" 5.5-year papers a document showed

The Sukuk bonds will be dollar-denominated and will be a "benchmark-sized" issue of at least \$500 million with a tenor of 5.5 years

The government named Citigroup, Inc., Deutsche Bank, Dubai Islamic Bank, HSBC, MUFG, and Standard Chartered Bank as joint bookrunners and joint lead managers. The banks were also mandated to arrange a series of fixed-income investor calls in Asia, Europe, Middle East and the United States starting Monday.

'This will potentially be the Republic's maiden Sukuk issue after conducting a Philippine economic briefing in Dubai last September, with a target of diversifying the investor base towards Middle Eastern and Islamic countries," the document read.

In July, Finance Secretary Benjamin E. Diokno said the government was eyeing to raise \$1 billion from the sale of Sukuk bonds.

The BTr said the certificates will be issued by Republic of the Philippines (ROP) Sukuk Trust, a special purpose trust formed under Philippine law and administered by the Land Bank of the Philippines - Trust Banking Group.

The certificates are expected to be rated 'Baa2' by Moody's, 'BBB+' by S&P, and 'BBB' by Fitch," it said.

Sukuk or Islamic bonds are certificates that represent a proportional undivided ownership right in tangible assets, or pool of tangible assets and other types of assets. These assets could be in a specific project or investment activity that is Shari'ah-compliant.

Unlike usual bonds, Sukuk bond issuances must adhere to Shari'ah principles and must be structured to prohibit elements like interest (riba), uncertainty (gharar), and investments in businesses that deal with prohibited goods or services (haram). Sought for comment, Rizal Commercial Banking Corp.

Chief Economist Michael L. Ricafort said the returns for the Sukuk bonds could match the rate for the benchmark US dollar-denominated bonds in the secondary market.

"Since this is new/debut issuance there could be some market excitement that would lead to higher bids/demand," he said in a Viber message.

"Investor returns should be similar or better to be higher than comparable benchmark bonds and other alternative investments in the financial markets to attract more investor interest/demand," he added.

A 2023 report from the Islamic Financial Services Board showed Sukuk dominated the Islamic capital market segment in 2022, accounting for 25.6% (\$829.7 billion) of the \$3.2-trillion global Islamic financial services industry last year.

This year, the Philippine government's borrowing plan is set at P2.207 trillion, consisting of P1.654 trillion from domestic sources and P553.5 billion from foreign sources. -A.M.C. Sy

AMRO cuts growth forecasts amid global headwinds

THE ASEAN+3 Macroeconomic Research Office (AMRO) cut its Philippine gross domestic product (GDP) growth outlook for this year and for 2024 due to weak external demand and global headwinds.

In its Annual Consultation Report, the think tank said it expects the Philippine economy to expand by 5.6% this year, lower than the 5.9% forecast it gave in its Regional Economic Outlook Update in October.

"The Philippine economic outlook is clouded by various risk factors and challenges. In the short term, high inflation, economic slowdown in major trading partners, and volatility in global financial markets along with tighter financial conditions could pose risks," AMRO said.

It also cited risks to long-term growth, such as scarring effects from the pandemic, slow infrastructure development, impact from climate change and natural disasters, and geopolitical tensions.

AMRO's latest 5.6% growth projection would still be below the government's full-year 6-7% target and slower than the 7.6% GDP expansion in 2022.

The Philippine economy expanded by 5.9% in the third quarter, bringing the nine-month average to 5.5%. Economic growth would have to reach at least 7.2% in the fourth quarter to hit the lower end of the government's target.

AMRO, *S*1/9



FOCUS

