P25
IN METRO MANILA, PHILIPPINES

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STOCK MARKET

PSEi

OPEN:	6,306.96
HIGH:	6,329.42
LOW:	6,265.14
CLOSE:	6,265.14
VOL.:	0.450 B
VAL(P):	5.748 B

ASIAN MARKETS

NOVEMBER 29, 2023

	CLOSE		NET	%
Japan (Nikkei 225)	33,321.22	▼	-87.17	-0.26
Hong Kong (Hang Seng)	16,993.44	▼	-360.70	-2.08
Taiwan (Weighted)	17,370.56	▲	29.31	0.17
Thailand (SET Index)	1,387.69	▼	-13.73	-0.98
S.Korea (Kse Composite)	2,519.81	▼	-1.95	-0.08
Singapore (Straits Times)	3,084.70	▲	18.76	0.61
Sydney (All Ordinaries)	7,035.30	▲	20.10	0.29
Malaysia (Klse Composite)	1,446.07	▼	-1.95	-0.13

WORLD MARKETS

NOVEMBER 28, 2023

	CLOSE		NET
Dow Jones	35,416.980	▲	83.510
NASDAQ	14,281.756	▲	40.734
S&P 500	4,554.890	▲	4.460
FTSE 100	7,455.240	▼	-5.460
Euro Stoxx50	3,943.070	▼	-18.730

PESO-DOLLAR RATES

FX

OPEN	P55.290
HIGH	P55.280
LOW	P55.400
CLOSE	P55.390
W.AVE.	P55.328
VOL.	$1,096.55 M

SOURCE : BAP

ASIAN MONIES-US$ RATE

NOVEMBER 29, 2023

	LATEST BID (0900GMT)		PREVIOUS
Japan (yen)	147.510	▲	148.580
Hong Kong (HK dollar)	7.801	▼	7.795
Taiwan (NT dollar)	31.216	▲	31.459
Thailand (baht)	34.800	▲	34.940
S. Korea (won)	1,290.100	▲	1,295.250
Singapore (dollar)	1.331	▲	1.336
Indonesia (rupiah)	15,390	▲	15,430
Malaysia (ringgit)	4.650	▲	4.670

WORLD CURRENCIES

NOVEMBER 29, 2023

	CLOSE		PREVIOUS
US$/UK pound	1.2683	▲	1.2631
US$/Euro	1.0977	▲	1.0952
US$/Aust dollar	0.6626	▲	0.6615
Canada dollar/US$	1.3573	▼	1.3594
Swiss Franc/US$	0.8763	▼	0.8802

DUBAI CRUDE OIL

FUTURES PRICE ON NEAREST MONTH OF DELIVERY

$82.10/BBL

VOL. XXXVII • ISSUE 91
THURSDAY • NOVEMBER 30, 2023 • www.bworldonline.com
S1/1-12 • 2 SECTIONS, 16 PAGES

PHILIPPINE STOCK EXCHANGE'S 10 MOST ACTIVE STOCKS BY VALUE TURNOVER • NOVEMBER 29, 2023 (PSEi snapshot on *S1/5*; article on *S2/2*)

		Value			
ICT	P222.800	P860,327,944	P2.800	▲	1.273%
SMPH	P32.500	P486,568,630	-P1.450	▼	-4.271%
JFC	P233.800	P441,891,264	-P1.000	▼	-0.426%
BDO	P133.400	P400,968,295	P1.900	▲	1.445%
AC	P662.000	P376,084,325	P5.000	▲	0.761%
ALI	P30.150	P345,334,830	-P0.850	▼	-2.742%
BPI	P102.700	P288,085,634	-P1.800	▼	-1.722%
SM	P848.000	P185,222,440	P3.000	▲	0.355%
MBT	P50.850	P168,978,454	-P0.650	▼	-1.262%
AREIT	P28.200	P130,105,565	-P0.900	▼	-3.093%

S&P affirms PHL's 'BBB+' rating

By Keisha B. Ta-asan
Reporter

S&P GLOBAL RATINGS affirmed the Philippines' investment grade rating on Wednesday, citing the economy's "above-average" growth potential.

"The ratings on the Philippines reflect the country's above-average economic growth potential, which should drive constructive development outcomes and underpin broader credit metrics," it said in a statement.

The rating company also kept its "stable" outlook for the economy. "The 'stable' outlook reflects our expectation that the Philippine economy will maintain healthy growth rates and the fiscal performance will materially improve over the next 24 months."

Finance Secretary Benjamin E. Diokno said the government of President Ferdinand R. Marcos, Jr. would pursue fiscal consolidation and introduce policies to strengthen the country's economic position.

"In a sea of downgrades, the international rating agencies continue to affirm their confidence in the Philippine economy's macroeconomic fundamentals," he said in a statement. "We continue to pursue the Road to A."

The "BBB+" sovereign rating is a notch below the "A"-level grade targeted by the government, while a "stable" outlook means the rating is likely to be kept in the next six months to two years.

The debt watcher also kept its A-2 short-term credit rating for the Philippines. It last affirmed its credit rating for the country in November 2022 with the same "stable" outlook.

S&P said economic recovery in the Philippines remained robust after the pandemic, but near-term global risks persist.

The Philippine economy is expected to grow by 5.4% in 2023, slower than 7.6% in 2022 and the 6-7% target this year. The rating company said the slowdown "mainly reflects the impact of external macroeconomic developments and a high base."

The Philippine economy grew by 5.9% in the third quarter, faster than 4.3% in the second quarter. For the nine months to September, economic output averaged 5.5%, still below the government's 6-7% goal.

Elevated inflation will likely constrain private consumption, S&P said.

Headline inflation dropped to a three-month low of 4.9% in October from 6.1% in September. This brought the year-to-date average to 6.4%, still above the central bank's 6% forecast.

S&P, S1/9

Philippine October budget gap shrinks

By Luisa Maria Jacinta C. Jocson *Reporter*

THE PHILIPPINE government's budget deficit shrank in October as revenue growth outpaced spending, the Bureau of the Treasury (BTr) said, easing the pressure to borrow to pay for its debt.

The fiscal gap narrowed by 65.27% to P34.4 billion from P99.1 billion a year ago, the Treasury said in its cash operations report.

"This was underscored by a notable 33.56% rise in revenue collections outpacing government expenditure growth of 8.32%," it said. Government revenues rose to P385.8 billion from P288.9 billion a year earlier.

Tax revenues rose by more than a third to P354.7 billion, driven by a 46.94% surge in Bureau of Internal Revenue (BIR) collections to P274.4 billion and a 3.83% increase in Bureau of Customs (BoC) revenue to P77.9 billion.

The Treasury bureau attributed the BIR's revenue growth to the remittance of third-quarter value-added tax returns, which became due on Oct. 25.

"The jump in revenues more than offset the increase in expenditures," China Banking Corp. Chief Economist Domini S. Velasquez said in a Viber message. "We have seen this trend in the previous months, and we will likely end the year not breaching the government's deficit target."

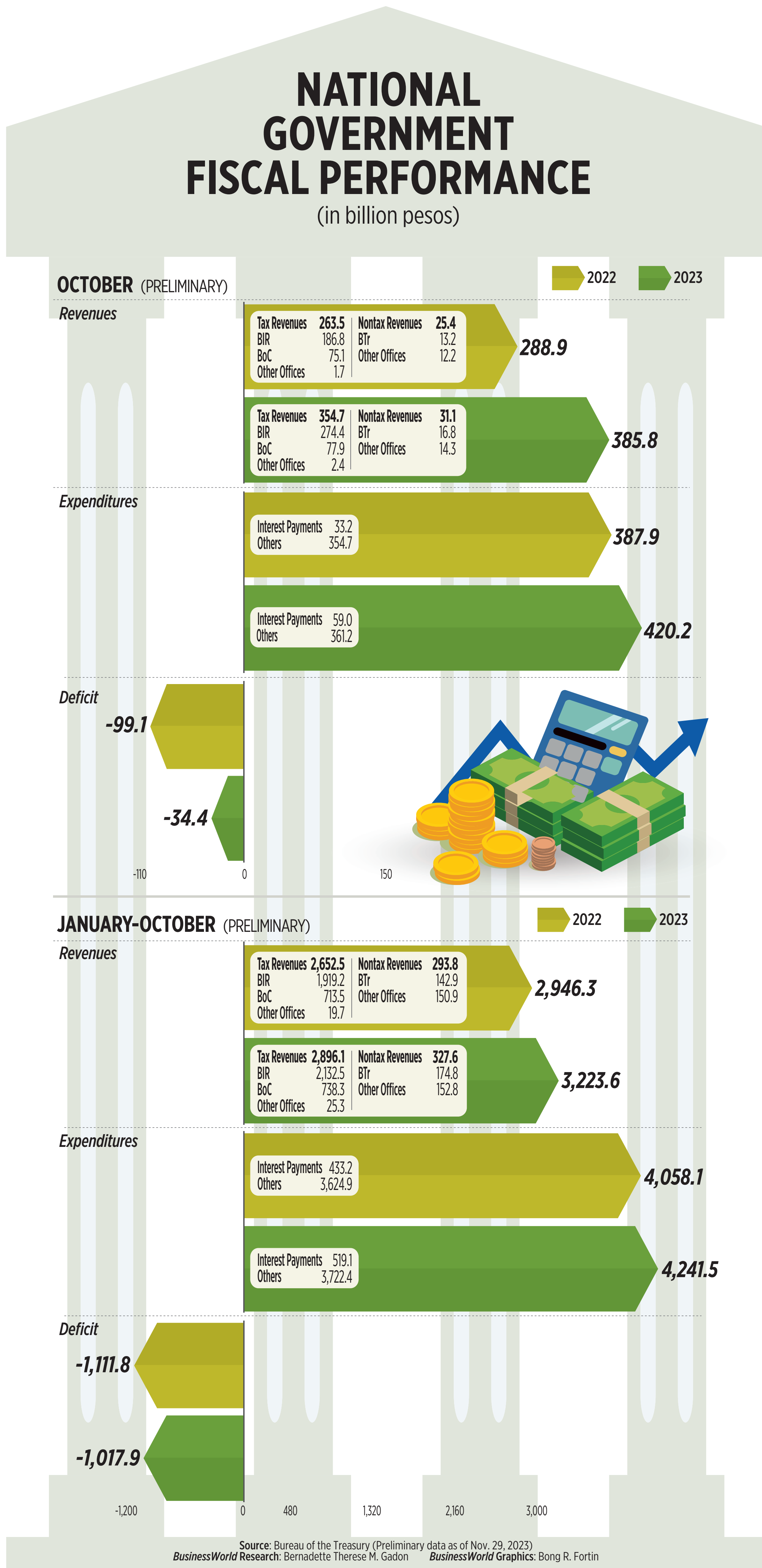
Nontax revenues went up by more than a fifth to P31.1 billion, as Treasury income climbed by more than a quarter to P16.8 billion.

"The favorable outcome for the period was primarily bolstered by the increased earnings on National Government (NG) deposits, BTr's managed funds and the NG's share from the Philippine Amusement and Gaming Corp. (PAGCOR) income," the Treasury said.

Revenue from other offices, privatization proceeds and fees and charges rose by 17.25% to P14.3 billion.

Meanwhile, state spending went up by 8.32% to P420.2 billion from a year earlier.

Budget, S1/9



US consumer confidence rebounds; house prices maintain upward trend

WASHINGTON — US consumer confidence rose in November after three straight monthly declines, with Americans planning big-ticket purchases like motor vehicles and houses over the next six months even as they continued to fret over higher prices and interest rates.

Despite the rebound in morale, which was driven by an improvement in expectations, about two-thirds of consumers surveyed this month still perceived a recession to be "somewhat" or "very likely" to happen over the next year, the survey from the Conference Board showed on Tuesday.

Most economists are, however, not forecasting a recession, but rather a period of very slow growth. Those expectations were strengthened by recent inflation-friendly data, including a moderation in job gains in October, that have led financial markets to believe that the US Federal Reserve was probably done raising interest rates this cycle.

"Overall, the data support the idea of slower growth at the moment but the prospect of continued growth into next year," said Brad McMillan, chief investment officer at Commonwealth Financial Network in Waltham, Massachusetts.

The Conference Board said its consumer confidence index increased to 102 this month from a downwardly revised 99.1 in October. Economists polled by Reuters had forecast the index dipping to 101. The improvement in confidence was concentrated mostly among households aged 55 and up. Consumers in the 35-54 age group were less optimistic about their prospects.

The Conference Board's present situation index, based on consumers' assessment of current business and labor market conditions, edged down to 138.2 from 138.6 in October. Its expectations index, based on consumers' short-term outlook for income, business and labor market conditions, rose to 77.8 from 72.7.

It remains below 80, a level historically associated with a recession within the next year.

"General improvements were seen across the spectrum of income groups," said Dana Peterson, chief economist at the Conference Board. "Nonetheless, write-in responses revealed consumers remain preoccupied with rising prices in general, followed by war/conflicts and higher interest rates."

Consumers' 12-month inflation expectations fell to 5.7% from 5.9% in October, likely reflecting news this month that inflation subsided in October. This is welcome news for the US central bank after the University of Michigan's consumer survey last week showed long-term inflation expectations rising in November to levels last seen in 2011.

The share of consumers in the Conference Board survey expecting higher interest rates was the smallest since April 2021, while the proportion anticipating lower borrowing costs was the largest in nearly three years. The cooling inflation backdrop has left financial markets anticipating a rate cut from the Fed in mid-2024, according to CME Group's FedWatch Tool. — ***Reuters***

FULL STORY
Read the full story by scanning the QR code with your smartphone or by typing the link <tinyurl.com/yn5eqa2h>

Bangko Sentral likely to cut benchmark rates by Q2

THE BANGKO Sentral ng Pilipinas (BSP) may start cutting interest rates as early as the second quarter of next year amid easing inflation, according to an economist.

"There's some chance that the BSP might start cutting rates by the second quarter," University of Asia and the Pacific (UA&P) economist Victor A. Abola told an online forum hosted by UA&P and the Business Economics Club on Wednesday.

Inflation might continue to go down within the 2-4% target of the Philippine central bank in the first quarter, he added.

The BSP kept borrowing costs steady on Nov. 16 amid easing inflationary pressures. This was after the Monetary Board hiked the key rate by 25 basis points (bps) in an off-cycle move three weeks earlier, bringing it to a 16-year high of 6.5%.

The central bank on Nov. 16 said policy settings must be kept sufficiently tight until a sustained downtrend in inflation becomes more evident and inflation expectations are anchored.

"The BSP made a mistake in raising it in the first place because that was before the (October) inflation data were released, where we saw a big downward shift in inflation," Mr. Abola said.

Headline inflation fell to 4.9% in October from 6.1% in September. It marked the 19th straight month that inflation breached the BSP's 2-4% target. For the 10-month period, inflation averaged 6.4%.

BSP Governor Eli M. Remolona, Jr. earlier said the Philippines is not "out of the woods" yet despite the slowdown in October inflation.

He said inflation might only return to 2-4% briefly in the first quarter before picking up to above target again in April to July.

Mr. Abola said inflation might average 6.2% this year before easing to 4.2% in 2024. Both projections are still above the 2-4% target and higher than the BSP's inflation forecast of 6% in 2023 and 3.7% in 2024.

The policy outlook would largely depend on inflation numbers next year, Michael L. Ricafort, chief economist at Rizal Commercial Banking Corp. said in a Viber message.

Rates, S1/9