P25 IN METRO MANILA, PHILIPPINES

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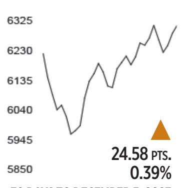
STOCK MARKET



PSEi	
OPEN:	6,287.39
HIGH:	6,308.95
LOW:	6,235.58
CLOSE:	6,308.95
VOL.:	0.622 B
VAL(P):	4.006 B

▲ 24.58 PTS. 0.39%

30 DAYS TO DECEMBER 5, 2023

ASIAN MARKETS

DECEMBER 5, 2023

	CLOSE		NET	%
Japan (Nikkei 225)	32,775.82	▼	-455.45	-1.37
Hong Kong (Hang Seng)	16,327.86	▼	-318.19	-1.91
Taiwan (Weighted)	17,328.01	▼	-93.47	-0.54
Thailand (SET Index) *	1,383.54	▲	3.23	0.23
S.Korea (Kse Composite)	2,494.28	▼	-20.67	-0.82
Singapore (Straits Times)	3,077.16	▼	-6.92	-0.22
Sydney (All Ordinaries)	7,061.60	▼	-63.10	-0.89
Malaysia (Klse Composite)	1,449.46	▼	-1.56	-0.11

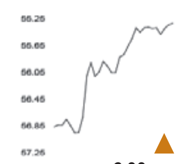
* CLOSING PRICE AS OF DECEMBER 4, 2023

WORLD MARKETS

DECEMBER 4, 2023

	CLOSE		NET
Dow Jones	36,204.440	▼	-41.060
NASDAQ	14,185.494	▼	-119.538
S&P 500	4,569.780	▼	-24.850
FTSE 100	7,512.960	▼	-16.390
Euro Stoxx50	4,019.450	▼	-0.280

PESO-DOLLAR RATES



FX	
OPEN	P55.400
HIGH	P55.295
LOW	P55.445
CLOSE	P55.320
W.AVE.	P55.376
VOL.	$1,349.60 M
SOURCE : BAP	

▲ 2.00 CTVS

30 DAYS TO DECEMBER 5, 2023

ASIAN MONIES-US$ RATE

DECEMBER 5, 2023

	LATEST BID (0900GMT)		PREVIOUS
Japan (yen)	147.120	▼	146.610
Hong Kong (HK dollar)	7.816	▼	7.814
Taiwan (NT dollar)	31.530	▼	31.363
Thailand (baht)	35.260	▼	34.940
S. Korea (won)	1,314.910	▼	1,303.970
Singapore (dollar)	1.338	▼	1.334
Indonesia (rupiah)	15,500	▼	15,450
Malaysia (ringgit)	4.661	▼	4.655

WORLD CURRENCIES

DECEMBER 5, 2023

	CLOSE		PREVIOUS
US$/UK pound	1.2633	▼	1.2670
US$/Euro	1.0830	▼	1.0872
US$/Aust dollar	0.6574	▼	0.6650
Canada dollar/US$	1.3557	▲	1.3539
Swiss Franc/US$	0.8738	▲	0.8727

DUBAI CRUDE OIL

FUTURES PRICE ON NEAREST MONTH OF DELIVERY

$78.04/BBL

▼ $3.26

30 DAYS TO DECEMBER 4, 2023

VOL. XXXVII • ISSUE 95 | WEDNESDAY • DECEMBER 6, 2023 • www.bworldonline.com | S1/1-10 • 5 SECTIONS, 34 PAGES

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

		Value			
FNI	P2.340	P413,817,650	P0.020	▲	0.862%
ICT	P228.800	P354,976,448	P8.800	▲	4.000%
ALI	P31.050	P332,560,430	P0.050	▲	0.161%
BPI	P106.000	P254,669,061	P0.300	▲	0.284%
URC	P113.800	P246,547,094	-P0.200	▼	-0.175%
SM	P823.500	P191,772,955	-P1.500	▼	-0.182%
AC	P661.000	P185,608,770	P2.000	▲	0.303%
BDO	P131.700	P185,452,437	P0.200	▲	0.152%
JFC	P245.000	P177,870,174	P1.000	▲	0.410%
SMPH	P33.350	P124,737,340	P0.300	▲	0.908%

Inflation cools to 4.1% in November

By Keisha B. Ta-asan
Reporter

HEADLINE INFLATION cooled to its slowest pace in 20 months in November amid easing prices of food as well as restaurant and accommodation services, the Philippine Statistics Authority (PSA) said on Tuesday.

Preliminary data from the PSA showed headline inflation climbed 4.1% in November, slower than 4.9% in October and 8% in November 2022.

This was the slowest inflation rate in 20 months or since the 4% seen in March 2022.

It was also lower than the median estimate of 4.4% in a *BusinessWorld* poll of 15 analysts conducted last week, and at the lower end of the 4-4.8% forecast range of the Bangko Sentral ng Pilipinas (BSP).

However, November inflation was still above the 2-4% target for the 20th straight month.

Month on month, the consumer price index was nil in November from -0.3% in the previous month.

For the January-to-November period, inflation averaged 6.2%, faster than 5.6% in the same period a year ago. This is still above the BSP's full-year baseline forecast of 6%.

"(Inflation) is going down and without shocks that will happen in the next three weeks, we will see inflation going down," National Statistician Claire Dennis S. Mapa said in mixed English and Filipino at a briefing on Tuesday.

Core inflation, which discounts volatile prices of food and fuel, also eased to 4.7% in November from 5.3% in October and 6.5% in November 2022.

In the eleven months to November, core inflation averaged 6.8%.

"However, there are risks such as rice and oil prices. The situation in November was good because prices of gasoline and diesel have been going down. But we will see what the prices are this December," Mr. Mapa said.

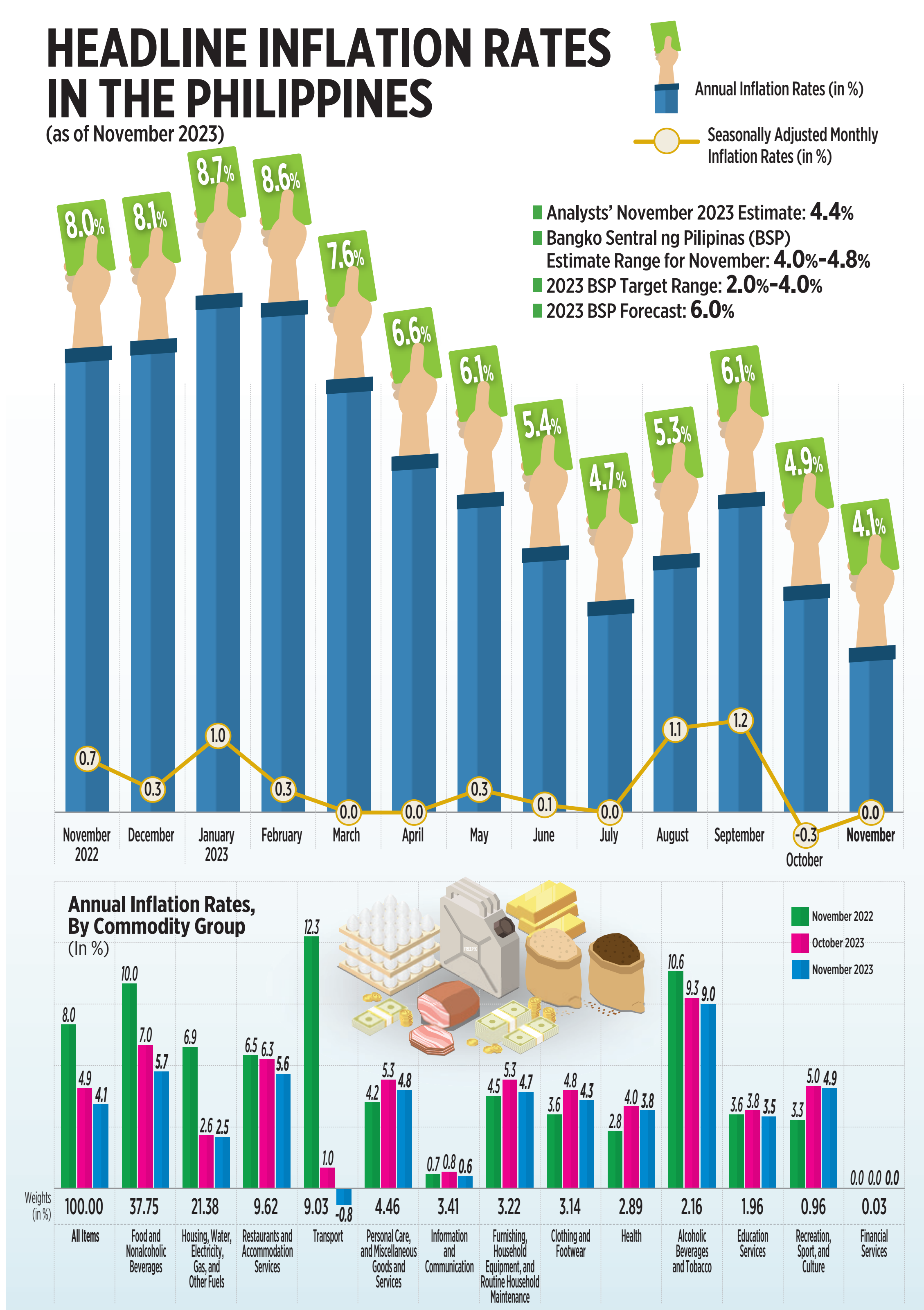
He said the sharp slowdown in November inflation was mainly due to easing food prices, as the heavily weighted food and non-alcoholic beverages index fell to 5.7% in November from 7% in the previous month.

Food inflation decelerated to 5.8% in November from 7.1% in October and 10.3% a year prior. This was the slowest rise in food inflation since 5.2% in May 2022.

Mr. Mapa said the deceleration in food inflation was mainly due to the 2% decline in the vegetables, tubers, plantains, cooking bananas and pulses index, a reversal from the 11.9% growth a month ago.

The slower annual increases in fish and other seafood (4.9% in November from 5.6% in October) and sugar, confectionery and desserts (1.5% from 4.9%) also contributed to the downward trend in food inflation.

Inflation, S1/5



Source: Philippine Statistics Authority (Preliminary data as of Dec. 5, 2023)
***BusinessWorld* Research**: Mariedel Irish U. Catilogo ***BusinessWorld* Graphics:** Bong R. Fortin

NG debt hits record P14.48T as of end-Oct.

THE NATIONAL Government's (NG) outstanding debt reached a record P14.48 trillion as of end-October, the Bureau of the Treasury (BTr) said.

Data released by the BTr on Tuesday showed that outstanding debt went up by 1.49% from P14.27 trillion as of end-September.

"The NG's debt stock increased by P212.13 billion or 1.49% month over month, reflecting the net issuance and availment of domestic and external loans, as well as the revaluation effect of peso depreciation against the US dollar," the BTr said.

Year on year, the debt stock rose by 6.16% from P13.64 trillion. It also increased by 7.91% from P13.42 trillion at the end of December 2022.

As of end-October, the bulk or 68.38% of the NG's debt portfolio came from domestic sources.

Domestic debt increased by 1.73% to P9.9 trillion from P9.73 trillion a month earlier due to the net issuance of government securities. Year on year, domestic borrowings also rose by 5.85% from P9.36 trillion in 2022.

Government securities made up almost the entire domestic debt in the 10-month period.

"The effect of local currency depreciation against the US dollar on the debt stock valuation was minimal at only P0.23 billion," the BTr added.

Data from the Treasury showed that the peso finished at P56.808 as of end-October, depreciating by 0.26% from P56.66 as of end-September.

Meanwhile, external debt inched up by 0.97% to P4.58 trillion from P4.53 trillion in end-September.

Foreign borrowings rose by 6.83% from P4.29 trillion in the same period a year ago.

"For October, the increase in external debt was due to the net availment of foreign loans amounting to P33.52 billion, and the P11.84-billion upward adjustment in valuation caused by peso depreciation against the US dollar. Favorable movement of third currencies tempered the increase by P1.21 billion," the BTr said.

Broken down, foreign debt was composed of P2.1 trillion in loans and P2.47 trillion in global bonds.

As of the end of October, the NG's overall guaranteed obligations slipped by 0.34% to P361 billion from P362.22 billion in the previous month.

Year on year, guaranteed debt declined by 6.61% from P386.53 billion in 2022.

"The decline in the level of guaranteed debt was attributed to the net repayment of domestic guarantees amounting to P1.35 billion," the BTr said.

"In addition, third currency-denominated guarantees declined by P0.31 billion, offsetting the P0.44-billion additional debt valuation caused by peso depreciation against the US dollar," it added.

China Banking Corp. Chief Economist Domini S. Velasquez said that the increase in debt was "likely driven by the government's continued spending to finance various projects and programs, as well as by the increase in domestic market interest rates during the month."

NG debt, S1/9

World Bank keeps PHL growth forecast for this year, 2024

THE WORLD BANK maintained its Philippine gross domestic product (GDP) growth outlook for this year and 2024.

In its latest Philippine Economic Update, the multilateral lender said it expects GDP to expand by 5.6% this year and by 5.8% next year, unchanged from its projections last October.

The World Bank's forecasts are below the government's 6-7% and 6.5-8% growth targets for this year and 2024, respectively.

"We haven't changed our projections (from) October. The reason is we haven't seen many shocks or policy surprises, which is by itself, good news," World Bank Philippines Senior Economist Ralph van Doorn said at a media briefing on Tuesday.

The Philippine economy grew by 5.9% in the third quarter, bringing the nine-month average GDP growth at 5.5%.

The World Bank said an improvement in domestic demand is expected to fuel a "modest increase" in GDP growth to an average of 5.8% in 2024 to 2025.

"Services are expected to drive growth due to the ongoing recovery of the tourism sector and the consistent performance of the IT-BPO industry, which is likely to spur job creation, increase household incomes, and benefit consumption and tourism-adjacent industries," it added.

On the demand side, the World Bank said that household spending will remain the main growth driver amid a strong labor market, steady remittances, and easing inflation.

Meanwhile, investments are expected to slow this year before picking up next year until 2025 thanks to recent investment reforms and the Philippine government's "commitment to public investment despite ongoing fiscal consolidation."

World Bank Country Director for the Philippines Ndiame Diop said that the Philippines continues to outperform many of its peers in the region in terms of growth.

"Despite the challenging global environment that resulted in a slowdown for many countries in the region, the Philippines stands out as among the top performers. This achievement can be attributed to the country's resilience, resilient domestic demand, which helps mitigate the impact of external headwinds," he said.

"We anticipate that the Philippine economy will continue to exhibit strong performance in the next few years. This growth will be propelled by a healthy labor market and declining inflation, which will stimulate robust household consumption," Mr. Diop added.

However, Mr. Van Doorn said that risks are tilted to the downside and could dampen growth, citing external factors such as geopolitical tensions, trade restrictions on agricultural products, and persistent inflation.

On the domestic front, El Niño and other climate risks could also threaten food supply, he added.

To sustain growth in the long term, the World Bank said the Philippines should focus on structural reforms to boost productivity and improve its competitiveness.

World Bank, S1/9

Holiday spending unlikely to give 'meaningful' boost to full-year growth

By Luisa Maria Jacinta C. Jocson *Reporter*

THE EXPECTED SURGE in household spending during the holiday season may not be enough to ensure that Philippine annual gross domestic product (GDP) growth will hit the government's 6-7% target, analysts said.

"We don't think the holiday spending will provide a meaningful boost to annual growth, as pandemic-related restrictions were already mostly loosened during the same period last year so this will likely not affect annual comparison much," Makoto Tsuchiya, assistant economist at Oxford Economics, said in an e-mail.

Economic managers have kept the 6-7% full-year target range, even as GDP growth averaged 5.5% as of end-September.

The economy would need to grow by 7.2% in the fourth quarter to meet the lower end of the government's GDP growth goal.

"I don't see the government's target for 2023 as being feasible, at all, despite the stronger-than-expected result for the third quarter... the holiday shouldn't matter too much in year-on-year growth terms, which by definition strips out the impact of such seasonality," Pantheon Chief Emerging Asia Economist Miguel Chanco said in an e-mail.

Philippine GDP expanded by 5.9% in the third quarter, ending three consecutive quarters of slowing growth.

Mr. Chanco said the third-quarter growth print was mainly driven by the spike in government spending.

"More importantly, the third-quarter headline growth bounce masked a continued slowdown in private consumption growth, which is the economy's main engine," he added.

Household consumption, which typically accounts for about three-fourths of the economy, grew by 5% in the third quarter. This was slower than the 8% growth a year ago and 5.5% in the previous quarter. It was also

Holiday spending, S1/9