P25 IN METRO MANILA, PHILIPPINES

BusinessWorld

A NEWSPAPER IS A PUBLIC TRUST

FOLLOW US ON:
facebook.com/bworldph
twitter.com/bworldph
anchor.fm/businessworld

STOCK MARKET

PSEi — 30 DAYS TO DECEMBER 14, 2023: ▲ 154.74 PTS. 2.47%

OPEN:	6,280.26
HIGH:	6,411.24
LOW:	6,280.26
CLOSE:	6,410.48
VOL.:	0.386 B
VAL(P):	6.777 B

ASIAN MARKETS

DECEMBER 14, 2023

	CLOSE		NET	%
Japan (Nikkei 225)	32,686.25	▼	-240.10	-0.73
Hong Kong (Hang Seng)	16,402.19	▲	173.44	1.07
Taiwan (Weighted)	17,653.11	▲	184.18	1.05
Thailand (SET Index)	1,378.94	▲	20.97	1.54
S.Korea (Kse Composite)	2,544.18	▲	33.52	1.34
Singapore (Straits Times)	3,122.95	▲	18.69	0.60
Sydney (All Ordinaries)	7,377.90	▲	120.10	1.65
Malaysia (Klse Composite)	1,456.26	▲	8.22	0.57

WORLD MARKETS

DECEMBER 13, 2023

	CLOSE		NET
Dow Jones	37,090.240	▲	512.300
NASDAQ	14,733.964	▲	200.567
S&P 500	4,707.090	▲	63.390
FTSE 100	7,548.440	▲	5.670
Euro Stoxx50	4,074.770	▲	2.350

PESO-DOLLAR RATES

FX — 30 DAYS TO DECEMBER 14, 2023: ▲ 26.00 CTVS

OPEN	P55.750
HIGH	P55.620
LOW	P55.800
CLOSE	P55.795
W.AVE.	P55.689
VOL.	1,485.28 M

SOURCE : BAP

ASIAN MONIES-US$ RATE

DECEMBER 14, 2023

	LATEST BID (0900GMT)		PREVIOUS
Japan (yen)	141.650	▲	145.830
Hong Kong (HK dollar)	7.808	▲	7.813
Taiwan (NT dollar)	31.276	▲	31.522
Thailand (baht)	35.050	▲	35.770
S. Korea (won)	1,298.110	▲	1,319.330
Singapore (dollar)	1.330	▲	1.344
Indonesia (rupiah)	15,495	▲	15,655
Malaysia (ringgit)	4.670	▲	4.704

WORLD CURRENCIES

DECEMBER 14, 2023

	CLOSE		PREVIOUS
US$/UK pound	1.2660	▲	1.2518
US$/Euro	1.0906	▲	1.0777
US$/Aust dollar	0.6706	▲	0.6552
Canada dollar/US$	1.3456	▼	1.3588
Swiss Franc/US$	0.8705	▼	0.8766

DUBAI CRUDE OIL

FUTURES PRICE ON NEAREST MONTH OF DELIVERY

$71.60/BBL ▼ $4.65

30 DAYS TO DECEMBER 13, 2023

VOL. XXXVII • ISSUE 102

FRIDAY • DECEMBER 15, 2023 • www.bworldonline.com

S1/1-10 • 2 SECTIONS, 14 PAGES

PHILIPPINE STOCK EXCHANGE'S 10 MOST ACTIVE STOCKS BY VALUE TURNOVER • DECEMBER 14, 2023 (PSEi snapshot on *S1/4*; article on *S2/2*)

		Value			
ALI	P32.800	P693,376,300	P1.300	▲	4.127%
ICT	P229.200	P587,684,868	-P5.200	▼	-2.218%
SM	P875.000	P521,916,610	P43.000	▲	5.168%
SMPH	P34.150	P493,250,445	P1.350	▲	4.116%
BDO	P130.400	P416,962,502	P3.700	▲	2.920%
AC	P681.000	P284,714,775	P30.000	▲	4.608%
URC	P118.600	P250,588,829	P2.400	▲	2.065%
BPI	P101.500	P247,524,203	P0.700	▲	0.694%
CNPF	P33.250	P226,434,780	P0.150	▲	0.453%
JFC	P245.000	P212,567,738	P9.000	▲	3.814%

BSP keeps key rate steady at 6.5%

By Keisha B. Ta-asan *Reporter*

THE BANGKO SENTRAL ng Pilipinas (BSP) left its key rate unchanged at 6.5% for a second straight meeting on Thursday but signaled a "tighter-for-longer" policy until inflation expectations have become more firmly anchored.

At its last policy meeting for the year, the Monetary Board maintained its target reverse repurchase rate at a 16-year high of 6.5%, as expected by 15 economists in a *BusinessWorld* poll last week.

Interest rates on the overnight deposit and lending facilities were also left unchanged at 6% and 7%, respectively.

"The Monetary Board continues to see the need to keep monetary policy settings sufficiently tight to allow inflation expectations to settle more firmly within the target range," BSP Governor Eli M. Remolona, Jr. said in a statement.

This is the second straight meeting that the BSP stood pat since its 25-basis-point (bp) off-cycle hike on Oct. 26.

The central bank raised borrowing costs by a total of 450 bps from May 2022 to October this year.

According to Mr. Remolona, the balance of risks to the inflation outlook remains significantly on the upside.

"Key upside risks are associated with potential pressures emanating from higher transport charges, increased electricity rates, and higher oil prices," he said.

The BSP lowered its risk-adjusted inflation forecast for 2023 to 6% (from 6.1% in November) and 4.2% (from 4.4%) for 2024. It kept its inflation forecast at 3.4% for 2025.

Meanwhile, the BSP maintained its average inflation baseline forecasts at 6% for 2023, 3.7% for 2024, and 3.2% for 2025.

"Part of the reason for (the adjustment) is some of the risk that we were previously reckoning in the last meeting has been included in the baseline such as the strong El Niño. So, some of the potential upside risks have been made part of the baseline already," BSP Department of Economic Research Director Dennis D. Lapid said.

BSP Senior Assistant Governor Iluminada T. Sicat said they anticipate a strong El Niño episode in the first quarter next year, before moderating in the second quarter. The BSP estimates that the El Niño weather event could impact inflation by 0.02 percentage point in 2024.

BSP, S1/5

PHL growth likely to moderate next year

PHILIPPINE economic growth is expected to moderate in the coming months amid weakening consumption and gross capital formation, ING Bank N.V. Manila said.

In an article on its website dated Dec. 13, ING said it expects Philippine gross domestic product (GDP) growth to settle at 5.3% this year and further ease to 4.5% by 2024.

"Philippine GDP growth surprised on the upside in the third quarter and has, for the most part, outperformed our expectations. Despite this, we believe challenges to the outlook remain with household spending appearing stretched and fiscal spending possibly reaching its limits," ING Senior Economist Nicholas Antonio T. Mapa said.

The economy grew by 5.9% in the third quarter, bringing the nine-month average to 5.5%. This is still below the government's 6-7% target range this year.

For 2024, the government is targeting 6.5-8% growth.

Mr. Mapa said that GDP growth may not be robust and could moderate next year as private consumption, which accounts for about three-fourths of GDP, is growing at a slower pace.

"We had initially expected spending on basic food items to recover as inflation moderated by mid-2023. However, spending on these items has remained flat. This trend could be explained by the unexpectedly strong household spending at restaurants, with households substituting having meals at home for dining out," ING said.

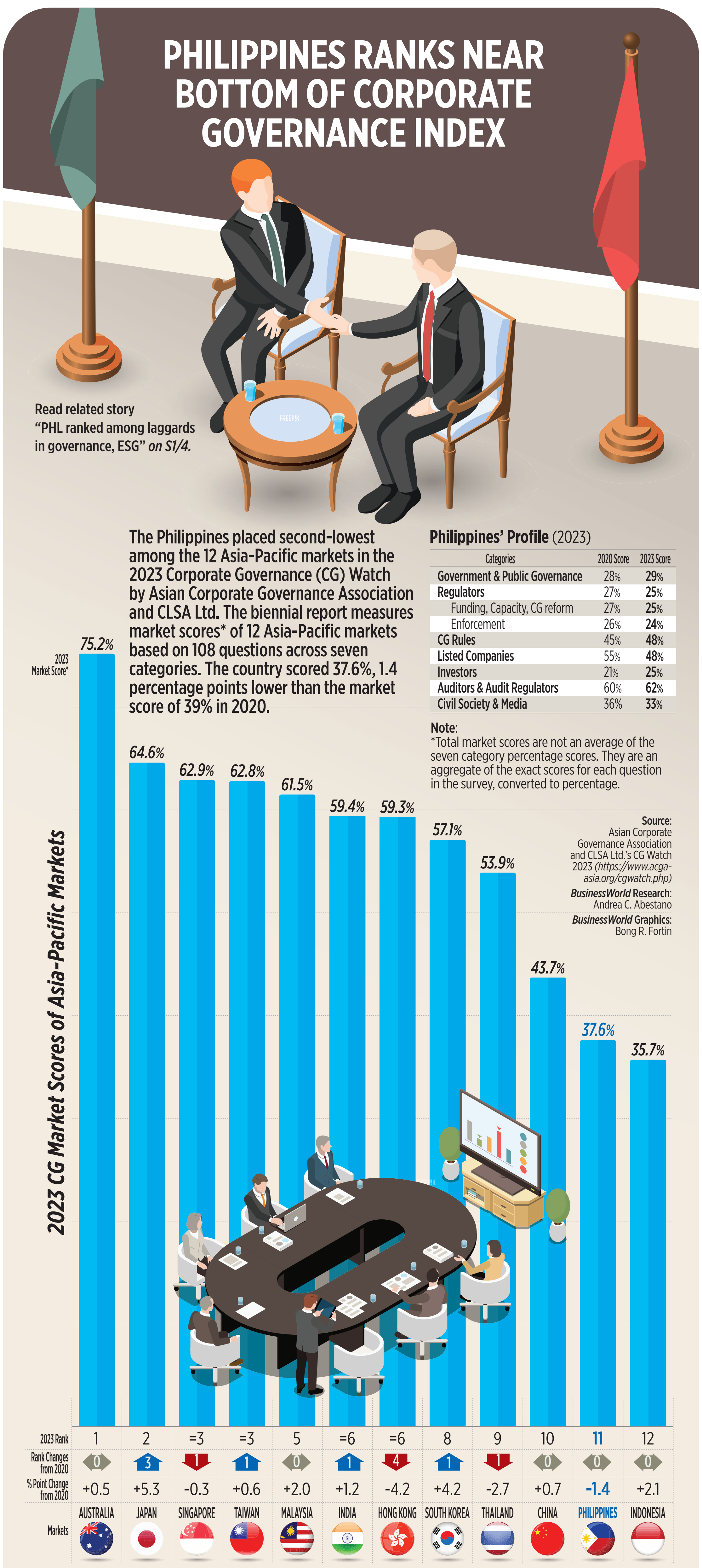
Household consumption grew by 5% in the third quarter, the weakest pace in two years. This was also slower than 8% a year ago and 5.5% in the previous quarter.

Mr. Mapa also said that slower wage growth may mean consumers will cut back on spending.

"With wage adjustments carried out generally once a year, a sharp increase in wages is not likely to take place until mid-2024 at the earliest. The outlook for only modest wage growth suggests that household spending is not likely to rebound sharply next year even if inflation remains within target," he said.

Gross capital formation, or the investment component of the economy, will likely continue to decline.

Growth, S1/9



Philippines' Profile (2023)

Categories	2020 Score	2023 Score
Government & Public Governance	28%	29%
Regulators	27%	25%
Funding, Capacity, CG reform	27%	25%
Enforcement	26%	24%
CG Rules	45%	48%
Listed Companies	55%	48%
Investors	21%	25%
Auditors & Audit Regulators	60%	62%
Civil Society & Media	36%	33%

Markets	2023 Rank	Rank Changes from 2020	% Point Change from 2020
AUSTRALIA	1	0	+0.5
JAPAN	2	▲3	+5.3
SINGAPORE	=3	▼1	-0.3
TAIWAN	=3	▲1	+0.6
MALAYSIA	5	0	+2.0
INDIA	=6	▲1	+1.2
HONG KONG	=6	▼4	-4.2
SOUTH KOREA	8	▲1	+4.2
THAILAND	9	▼1	-2.7
CHINA	10	0	+0.7
PHILIPPINES	11	0	-1.4
INDONESIA	12	0	+2.1

PEZA approves P160B worth of investments

By Justine Irish D. Tabile *Reporter*

THE PHILIPPINE Economic Zone Authority (PEZA) has approved P160.44 billion worth of investments as of Dec. 7, surpassing its full-year target.

"Locator investments represented the bulk of the increase in investments, particularly reinvestments by existing locators," PEZA Director-General Tereso O. Panga said in a Viber message.

According to Mr. Panga, the value of the projects approved from January to Dec. 7 has already exceeded its full-year target of P154.77 billion.

The tally is also 14% higher than the P140.7-billion worth of projects approved in the same period a year ago.

The amount of approved PEZA investments is still expected to increase. Mr. Panga said the PEZA Board will have its last meeting for the year on Dec. 19.

PEZA data showed 24 projects worth a combined P19.56 billion were approved during last week's board meeting. However, this was lower than the 13 projects worth P83.65-billion approved a year ago.

Of the 24 approved projects, 21 were locator projects, while three were developer projects.

Twelve of the locator investments are from existing enterprises with new and expansion projects, while the remaining four are from new businesses.

The three developer-operator projects involve information technology centers to be developed in Capas, Tarlac; Bataraza, Palawan; and San Miguel, Tarlac.

By sector, the export sector accounted for the bulk or 14 of the projects that were greenlit last week. Four projects involve facilities enterprise, while three were information technology projects.

The projected direct employment of 4,515 from the projects approved last week is almost seven times the 643 projected employment from the projects approved a year ago.

Despite the lower investments, the value of the projected exports from the projects approved on Dec. 7 is five times higher at $286.9 million than the $56.47 million last year.

"We don't have economic zone exports by destination. But whatever is reflected in the Philippine Statistics Authority's (PSA) data on commodity exports, around 60% of that comes from PEZA," Mr. Panga said.

From January to Dec. 7, PEZA has approved a total of 221 projects, 13.9% higher than the 194 projects greenlit during the same period a year ago.

Exports from the 221 projects are expected to reach $3.71 billion, nearly double the $1.98-billion projected exports from the 194 projects approved in the same period last year.

Marcos extends lower tariffs on rice, pork

THE NATIONAL Economic and Development Authority (NEDA) Board, chaired by President Ferdinand R. Marcos, Jr., has approved another one-year extension of the lower tariff rates on rice, pork, and corn as the country continues to battle inflation.

NEDA Secretary Arsenio M. Balisacan on Thursday said the NEDA Board approved the proposed executive order (EO) to extend the reduced most favored nation tariff rates on several commodities, including rice, pork, and corn until Dec. 31, 2024.

A copy of the new EO, which will be signed by Mr. Marcos, has yet to be released as of press time.

Originally approved in 2021 by then-President Rodrigo R. Duterte, the modified rates for these commodities have been extended twice. The current order, EO 10, is set to expire on Dec. 31, 2023.

"The proposed extension of reduced tariffs will help ensure an adequate supply of agricultural commodities and maintain stable and affordable prices, thereby better managing potential inflationary pressures," Mr. Balisacan said during a Palace briefing.

Once signed, the EO will maintain tariff rates for imports of swine meat or pork at 15% for shipments within the minimum access volume (MAV) quota and 25% for those exceeding the quota.

The tariff rates for corn will be kept at 5% (within the MAV quota) and 15% (exceeding the MAV quota).

Tariff rates for imports of rice will remain at 35% for both in-quota and out-quota.

"The tariffs while reduced are still high so it doesn't really reduce the protection on our farmers," the NEDA chief said.

Mr. Balisacan said the lower tariff rates on pork, corn, and rice will be reviewed every six months.

Tariffs, S1/5