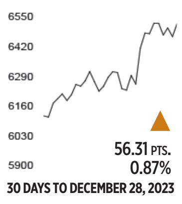
P25
IN METRO MANILA, PHILIPPINES

BusinessWorld

HOLIDAY SCHEDULE
Regular print issue resumes on Jan. 2, 2024. Updates, however, will be available on www.bworldonline.com

STOCK MARKET



PSEi

OPEN:	6,478.60
HIGH:	6,519.11
LOW:	6,472.29
CLOSE:	6,519.11
VOL.:	0.386 B
VAL(P):	2.801 B

ASIAN MARKETS

DECEMBER 28, 2023

	CLOSE		NET	%
Japan (Nikkei 225)	33,539.62	▼	-141.62	-0.42
Hong Kong (Hang Seng)	17,043.53	▲	418.69	2.52
Taiwan (Weighted)	17,910.37	▲	18.87	0.11
Thailand (SET Index)	1,415.85	▲	5.42	0.38
S.Korea (Kse Composite)	2,655.28	▲	41.78	1.60
Singapore (Straits Times)	3,214.40	▲	43.64	1.38
Sydney (All Ordinaries)	7,614.30	▲	53.10	0.70
Malaysia (Klse Composite)	1,457.41	▲	3.19	0.22

WORLD MARKETS

DECEMBER 27, 2023

	CLOSE		NET
Dow Jones	37,656.520	▲	111.190
NASDAQ	15,099.176	▲	24.603
S&P 500	4,781.580	▲	6.830
FTSE 100	7,724.950	▲	27.440
Euro Stoxx50	4,079.440	▲	1.290

PESO-DOLLAR RATES

FX

OPEN	P55.650
HIGH	P55.480
LOW	P55.690
CLOSE	P55.480
W.AVE.	P55.567
VOL.	$1,030.65 M

SOURCE : BAP

ASIAN MONIES-US$ RATE

DECEMBER 28, 2023

	LATEST BID (0900GMT)		PREVIOUS
Japan (yen)	140.760	▲	142.510
Hong Kong (HK dollar)	7.815	▼	7.809
Taiwan (NT dollar)	30.665	▲	30.819
Thailand (baht)	34.150	▲	34.320
S. Korea (won)	1,285.540	▲	1,294.050
Singapore (dollar)	1.317	▲	1.322
Indonesia (rupiah)	15,415	▲	15,425
Malaysia (ringgit)	4.605	▲	4.627

WORLD CURRENCIES

DECEMBER 28, 2023

	CLOSE		PREVIOUS
US$/UK pound	1.2806	▲	1.2726
US$/Euro	1.1136	▲	1.1053
US$/Aust dollar	0.6826	▼	0.6836
Canada dollar/US$	1.3214	▲	1.3206
Swiss Franc/US$	0.8347	▼	0.8524

DUBAI CRUDE OIL

FUTURES PRICE ON NEAREST MONTH OF DELIVERY

$80.20/BBL

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PHILIPPINE STOCK EXCHANGE'S 10 MOST ACTIVE STOCKS BY VALUE TURNOVER • DECEMBER 28, 2023 (PSEi snapshot on *S1/2*; article on *S2/2*)

		Value			
ALI	P34.400	P222,223,200	P0.100	▲	0.292%
BPI	P104.500	P168,083,414	P1.000	▲	0.966%
BDO	P129.100	P165,418,433	P0.500	▲	0.389%
TFHI	P96.050	P143,218,233	-P0.450	▼	-0.466%
MER	P398.000	P115,170,610	P5.000	▲	1.272%
SM	P894.000	P114,726,570	P5.000	▲	0.562%
ICT	P242.200	P106,577,802	P3.200	▲	1.339%
SMPH	P33.600	P91,144,915	P0.200	▲	0.599%
SMC	P111.000	P87,550,417	P1.100	▲	1.001%
JFC	P249.800	P85,453,462	P2.800	▲	1.134%

Budget gap narrows in November

THE National Government's (NG) budget deficit narrowed to P93.3 billion in November from a year ago, amid tepid revenue growth and a decline in spending.

Data from the Bureau of the Treasury (BTr) released on Thursday showed the fiscal gap shrank by 24.8% from the P123.9-billion deficit in November 2022.

Month on month, the November deficit widened from the P34.4 billion in October.

"The National Government ran a P93.3-billion budget deficit in November 2023, declining by 24.75% (P30.7 billion) from a year ago due to the 2.82% growth in revenue collection alongside a 4.69% contraction in public spending," the BTr said in a statement.

In November, revenue collections rose by 2.8% to P340.4 billion, from P331.1 billion in the same month in 2022.

Tax revenues declined by 8.9% year on year to P286 billion in November, amid a drop in collections by the Bureau of Internal Revenue (BIR) and Bureau of Customs.

BIR revenues decreased by 11% year on year to P210.2 billion last month, while Customs collections slipped by 2.7% to P73.7 billion. Other tax offices collected P2.1 billion, up 90.9% a year prior.

On the other hand, nontax revenues more than tripled to P54.4 billion in November, as the Treasury posted a 686% jump in revenues to P41.5 billion from just P5.3 billion last year. Other offices saw an 8.8% increase in revenues to P12.9 billion.

Income from the Treasury department was "primarily driven by higher dividend remittances and NG share from PAGCOR (Philippine Amusement and Gaming Corp.) income," the BTr said.

Budget gap, S1/11

YEARENDER

PHL likely to miss 2024 growth target — analysts

By Luisa Maria Jacinta C. Jocson *Reporter*

PHILIPPINE economic growth will likely miss the government's target next year amid external headwinds and risks that could derail the country's recovery, analysts said.

To support growth, the government will need to focus on ramping up investments and ensuring inflation continues to ease, they added.

"The probability of recession is moderate, but everything must go right, including effective and efficient spending by the government, to achieve the target growth rate range," Moody's Analytics Chief Asia-Pacific Economist Steven Cochrane said in an e-mail.

The Development Budget Coordination Committee on Dec. 15 revised its growth target for 2024 to 6.5-7.5%, narrower than the previous 6.5-8% goal.

Most multilateral institutions' gross domestic product (GDP) growth forecasts for the Philippines next year are below the government's revised goal.

The World Bank expects Philippine GDP to expand by 5.8% in 2024, while the Asian Development Bank sees growth averaging 6.2% next year.

For its part, the International Monetary Fund (IMF) said the economy could grow by 6% in 2024, while the ASEAN+3 Macroeconomic Research Office sees GDP expanding by 6.3%, and the Organisation for Economic Co-operation and Development has a 6.1% growth forecast for the Philippines next year.

Latest data from the Philippine Statistics Authority (PSA) showed GDP growth averaged 5.5% in the first nine months of the year. To meet the lower end of the government's 6-7% target for 2023, the economy must expand by 7.2% in the fourth quarter.

In 2022, Philippine GDP grew by a stronger-than-expected 7.6%, the highest since 1976.

Mr. Cochrane said he expects Philippine GDP growth to be below the government's target in 2024.

"The greatest risks to the forecast that keep our baseline growth rate somewhat modest are the lack of consistency of fiscal spending and its resulting stimulus, the remaining potential for high inflation, and weak external demand for Philippine export products," he said.

Elevated inflation will continue to be one of the biggest risks to growth next year, IMF Representative to the Philippines Ragnar Gudmundsson said.

Growth, S1/8

AMLC requires firms to report even attempted suspicious transactions

THE Anti-Money Laundering Council (AMLC) has required designated non-financial businesses and professions (DNFBPs) to report all suspicious transactions, whether completed or even just an attempt, as part of the fight against "dirty money" and terrorism financing.

AMLC's Regulatory Issuance No. 2 amended the 2021 Financing Guidelines for DNFBPs which required them to file all covered and suspicious transaction reports (CTR/STR) with the dirty money watchdog.

"DNFBPs shall file all CTRs and STRs, in accordance with the registration and reporting guidelines of the AMLC. STRs shall cover all transactions, whether completed or attempted," the AMLC said.

The AMLC has earlier said that the DNFBPs guidelines apply to jewelry dealers, lawyers, law firms and accountants. It also includes company service providers that act on behalf of juridical persons or arrangements, or manage and arrange clients' funds, investments and securities.

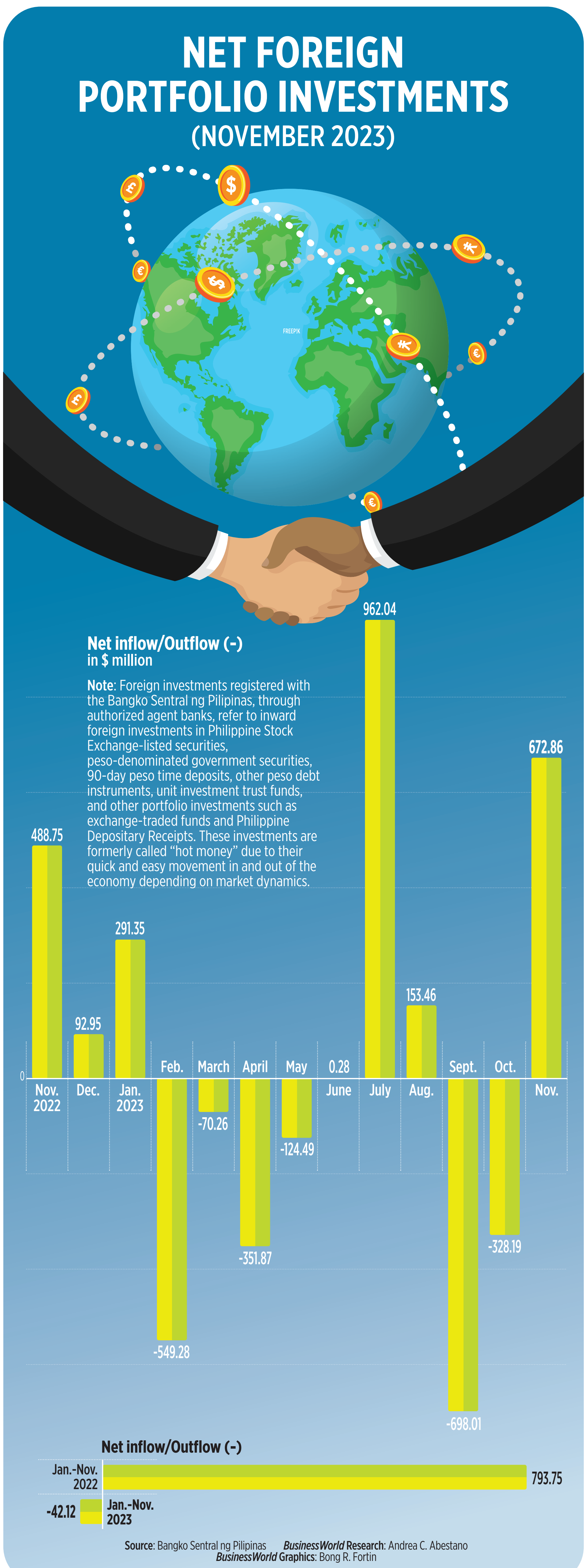
Under the guidelines, DNFBPs should file suspicious transaction reports to the AMLC on the next working day after the incident occurred.

DNFBPs are given five working days to report all covered transactions, unless the AMLC prescribed a different period within the next 15 days from the occurrence of the incident.

"DNFBPs shall... decide with finality whether to file an STR with the AMLC should the suspicion or suspicious nature of the transaction or activity be duly established or determined, or otherwise to document the non-filing thereof," the AMLC said.

"Should a transaction be determined to be both a covered transaction and a suspicious transaction, it shall be reported as a suspicious transaction," it added.

AMLC, S1/11



Hot money swings to net inflows in Nov.

By Keisha B. Ta-asan *Reporter*

FOREIGN portfolio investments reverted to a net inflow in November, ending two straight months of outflows, as global financial market conditions improved, the Bangko Sentral ng Pilipinas (BSP) said.

Foreign portfolio investments registered with the BSP through authorized agent banks posted a net inflow of $672.86 million last month, 37.7% higher than the $488.75 million net inflow a year earlier.

The November figure was a turnaround from the $328.19 million net outflow in October.

Foreign portfolio investments are known as "hot money" because of the ease with which they can enter or exit a jurisdiction, as opposed to foreign direct investments.

In November, gross inflows jumped by 49.5% to $1.57 billion from $1.05 billion a year prior and by 64.9% from the $954.38 million posted in October.

The BSP said investments came from the United Kingdom, Singapore, United States, Luxembourg, and Hong Kong, which together accounted for 91.9% of the monthly total.

The funds mainly went to peso government securities (71.4%), while the remaining 28.6% went to Philippine Stock Exchange-listed securities of banks, holding firms, property, transportation services, and food, beverage and tobacco.

Meanwhile, gross outflows in November increased by 59.5% to $902.01 million from $565.71 million in November 2022.

Month on month, outflows fell by 29.7%.

The BSP said the United States received 58.6% of the total outward remittances in November.

China Banking Corp. Chief Economist Domini S. Velasquez in a Viber message said improving financial conditions globally likely drove investment inflows to emerging markets such as the Philippines.

"Forward guidance from major central banks regarding reaching the peak of interest rate hikes has fueled bullish sentiment in financial markets. In the Philippines, there has been strong investor appetite for bonds and stocks, driving portfolio inflows," she said.

The US Federal Reserve has kept borrowing costs steady at 5.25-5.5% during its November meeting. Fed officials have recently signaled that policy tightening may be over amid slowing inflation.

Back home, the BSP left its key interest rate unchanged at a 16-year high of 6.5% in November.

The Philippine central bank hiked rates by a total of 450 basis points from May 2022 to October this year to tame inflation.

Rizal Commercial Banking Corp. Chief Economist Michael L. Ricafort said the sharp decline in global crude oil prices, which largely helped bring down inflation, contributed to positive investor sentiment.

"As a result, the worst/bottom has been seen already in the US and local financial markets in October 2023 and started to post hefty gains since November 2023," he said in a note.

Headline inflation slowed to 4.1% in November from 4.9% in October. Inflation averaged 6.2% in the 11-month period.

"Thus, net foreign portfolio investments data improved to net inflows amid the gains in the local fixed income/bond markets, peso exchange rate, and stock markets; bargain-hunting/bottom-fishing activities in line with the gains in the US stock and bond/Treasuries markets," Mr. Ricafort said.

Hot money, S1/11