

STOCK MARKET	ASIAN MARKETS	WORLD MARKETS	PESO-DOLLAR RATES	ASIAN MONIES-US\$ RATE	WORLD CURRENCIES	DUBAI CRUDE OIL
PSEi OPEN: 6,514.75 HIGH: 6,528.83 LOW: 6,450.04 CLOSE: 6,450.04 VOL.: 1.118 B VAL(P): 4.876 B	DECEMBER 29, 2023 JAPAN (NIKKEI 225) 33,464.17 ▼ -75.45 -0.22 HONG KONG (HANG SENG) 17,047.39 ▲ 3.86 0.02 TAIWAN (WEIGHTED) 17,930.81 ▲ 20.44 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) 3,240.27 ▲ 25.87 0.80 SYDNEY (ALL ORDINARIES) 7,590.80 ▼ -23.50 -0.31 MALAYSIA (KLSE COMPOSITE) 1,454.66 ▼ -2.75 -0.19	DECEMBER 29, 2023 Dow Jones 37,689.540 ▼ -20.560 NASDAQ 15,011.352 ▼ -83.784 S&P 500 4,769.830 ▼ -15.520 FTSE 100 7,733.240 ▼ 10.500 Euro Stoxx50 4093.3700 ▲ 13.050	FX OPEN P55.460 HIGH P55.340 LOW P55.550 CLOSE P55.370 W.AVE. P55.418 VOL. \$1,323.18 M 11.00 CTVS SOURCE : BAP	DECEMBER 29, 2023 LATEST BID (0900GMT) JAPAN (YEN) 141.060 ▼ 140.760 HONG KONG (HK DOLLAR) 7.809 ▲ 7.815 TAIWAN (NT DOLLAR) 30.682 ▼ 30.665 THAILAND (BAHT) 34.350 ▼ 34.150 S. KOREA (WON) 1,293.540 ▼ 1,285.540 SINGAPORE (DOLLAR) 1.319 ▼ 1.317 INDONESIA (RUPIAH) 15,395 ▼ 15,415 MALAYSIA (RINGGIT) 4.590 ▲ 4.605	DECEMBER 29, 2023 CLOSE PREVIOUS US\$/UK POUND 1.2729 ▲ 1.2806 US\$/EURO 1.1036 ▲ 1.1136 US\$/AUSTRALIAN DOLLAR 0.6810 ▼ 0.6862 CANADA DOLLAR/US\$ 1.3245 ▲ 1.3214 SWISS FRANC/US\$ 0.8415 ▼ 0.8347	DUBAI CRUDE OIL FUTURES PRICE ON NEAREST MONTH OF DELIVERY \$77.10/BBL ▼ \$2.00 30 DAYS TO DECEMBER 29, 2023

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SI/1-10 • 2 SECTIONS, 14 PAGES

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

SMPH P32.900 Value P432,689,770 -P0.700 ▼ -2.083%	SM P872.000 Value P317,142,065 -P22.000 ▼ -2.461%	URC P118.200 Value P264,768,393 ▲ P1.500 ▲ 1.285%	JFC P251.400 Value P242,494,470 ▲ P1.600 ▲ 0.641%	ICT P246.800 Value P242,145,198 ▲ P4.600 ▲ 1.899%	VREIT P1.670 Value P203,964,750 -P0.010 ▼ -0.595%	ALI P34.450 Value P193,350,700 ▲ P0.050 ▲ 0.145%	BDO P130.500 Value P139,081,936 ▲ P1.400 ▲ 1.084%	AC P681.000 Value P134,090,120 -P24.000 ▼ -3.404%	BPI P103.800 Value P127,799,560 -P0.700 ▼ -0.670%
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Inflation likely cooled to 4% in Dec.

By Keisha B. Ta-asan
Reporter

HEADLINE INFLATION may have further eased in December and settled to within the 2-4% target for the first time in almost two years amid lower prices of fruits and vegetables, electricity and fuel, analysts said.

Inflation likely eased to 4% last month, according to a median estimate of a *BusinessWorld* poll last week. This is within the 3.6% to 4.4% forecast given by the Bangko Sentral ng Pilipinas (BSP) last week.

December could mark the first time inflation returned to the BSP's 2-4% target after 20 straight months of going above target. It would also be the slowest since 3% in February 2022.

At 4%, the December inflation would be a tad slower than 4.1% in November and significantly lower than 8.1% in December 2022.

This would also bring the full-year inflation to 6%, matching the BSP's average baseline forecast for 2023.

The Philippine Statistics Authority is scheduled to release consumer price index data for December on Jan. 5.

In a statement on Friday, the BSP said lower prices of

vegetables, fruits, fish, electricity and fuel might have contributed to the downward price pressure.

On the other hand, higher prices of rice and meat would likely be the primary sources of upward pressures, the central bank said.

"Going forward, the BSP will continue to monitor developments affecting the outlook for inflation and growth in line with its data-dependent approach to

monetary policy decision making," it added.

Philippine National Bank economist Alvin Joseph A. Arogo said in an e-mail that inflation might have slowed to 4% in December due to base effects and lower electricity rates.

Manila Electric Co. cut the rate for a typical household by P0.6606 to P6.5332 per kilowatt-hour last month.

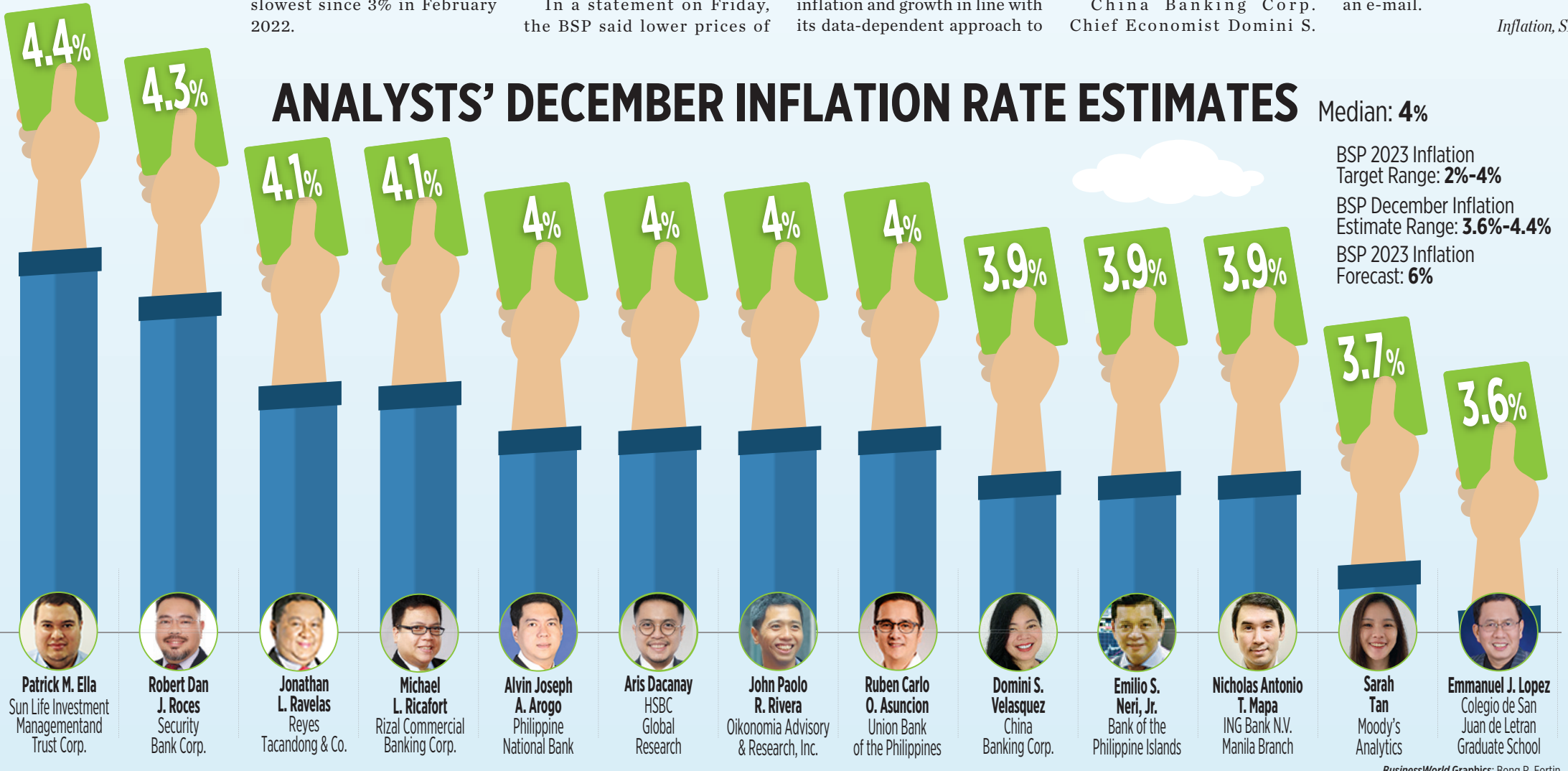
China Banking Corp. Chief Economist Domini S.

Velasquez noted that most of the upward price pressures last month came from food items.

"However, their impact was partially offset by declines in the prices of vegetables, eggs, sugar and electricity. Additionally, despite recent oil price hikes, domestic pump prices, on average, were lower month on month," she said in an e-mail.

Inflation, SI/9

ANALYSTS' DECEMBER INFLATION RATE ESTIMATES



Fireworks light up SM City Clark
SM CITY CLARK capped the year with the annual Sky Line Fireworks Festival on Dec. 30. Visitors were treated to a 10-minute fireworks display launched from the Tech Hub buildings.

November debt service bill slips

THE NATIONAL Government's (NG) debt service bill slipped by 7.7% in November due to a drop in amortization payments, according to the Bureau of the Treasury (BTr).

Data from the BTr showed debt payments fell to P56.674 billion from P61.393 billion a year earlier.

Month on month, debt payments declined by 27% from P77.6 billion in October.

Interest payments rose by 86% year on year to P48.55 billion in November, accounting for 86% of the total debt service bill.

Interest paid on domestic debt jumped by 89.72% to

P35.257 billion. This consisted of P26.026 billion in fixed-rate Treasury bonds, P7.734 billion in retail Treasury bonds and P1.478 billion in Treasury bills.

Interest paid to foreign creditors also increased by 77% to P13.291 billion.

Meanwhile, principal payments slid by 77% to P8.126 billion in November from P35.301 billion a year earlier.

Principal payments on foreign debt slid by 77% year on year to P8.03 billion, while amortization on domestic debt slumped by 54% to P96 million.

"Debt service payments eased in November 2023 as government debt maturities are relatively lower towards the holiday season," Rizal Commercial Banking Corp. Chief Economist Michael L. Ricafort said in a Viber message.

In the first eleven months of 2023, debt payments rose by 55% to P1.535 trillion from P991.056 billion a year ago.

The bulk of the debt service bill in January to November consisted of principal payments, which jumped by 81.85% to P967.09 billion as of end-November from P531.803 billion a year ago.

Debt service, SI/3

FUEL PRICE TRACKER
(week-on-week change)

Fuel Type	Dec. 19	Dec. 26	Jan. 2
GASOLINE	P1.60	P1.60	P0.10
DIESEL	P0.10	P1.70	P0.35
KEROSENE	P0.85	P1.54	P1.40

• Jan. 2, 12:01 a.m. — Caltex Philippines
• Jan. 2, 6 a.m. — Petron Corp.; Phoenix Petroleum; Pilipinas Shell Petroleum Corp.; PTT Philippines Corp.; Seaoil Philippines, Inc.
• Jan. 2, 8:01 a.m. — Cleanfuel (Shaw Autogas, Inc.)

DoE eyes implementation of higher biodiesel blend in July

By Sheldeen Joy Talavera
Reporter

THE DEPARTMENT of Energy (DoE) is proposing to implement the long-delayed increase in the coco biodiesel blend to 3% starting July 1.

In a draft department circular, the DoE proposed that all diesel fuel sold in the country contain a biodiesel blend at 3% effective July 1, from 2%.

It also proposed to hike the biodiesel blend to 4%, effective July 1, 2025, and to 5% on July 1, 2026.

The Biofuels Act of 2006 mandates that all liquid fuels for motors and engines contain locally sourced biofuel components.

Oil companies must use a 2% biodiesel blend by volume in all diesel fuel sold and distributed in the country since February 2009.

"The downstream oil sector may offer consumers a gasoline fuel containing 20% bioethanol blend on a voluntary basis," the DoE said in the circular.

Since February 2012, oil retailers have been required to implement a 10% bioethanol

blend in gasoline fuel sold locally.

In November, the Cabinet-level National Biofuels Board recommended the higher biodiesel blend starting this year, as well as the voluntary implementation of the higher bioethanol blend.

Once approved, the DoE said the circular would be applied to all participants in the downstream oil and the local biofuel producer industries.

With the proposed policy, the DoE said the downstream oil industry should prepare "to ensure the managerial and operational requirements for the

transition to the higher biofuel blend."

Companies should ensure enough storage capacity for increased biofuel supply, as well as sufficient blending facilities and a compatible transport system.

Fuel retailers that will implement the 20% bioethanol blend are expected to have a dedicated storage tank and dispensing pump. Pump attendants should ensure that vehicles can handle the 20% bioethanol blend.

Biofuel producers are also encouraged to prepare for the expected increase in demand,

such as ensuring access to sufficient feedstock.

In October, Energy Secretary Raphael P.M. Lotilla said increasing the ethanol blend could cut gasoline prices by as much as P1 a liter.

"This is primarily a price mitigation measure because ethanol, especially imported ethanol, is cheaper than the price of gasoline," Mr. Lotilla said.

Terry L. Ridon, a public investment analyst, said raising the biodiesel blend would "broaden the utilization of coconut oil for biodiesel in the medium term."

Biodiesel, SI/3