

STOCK MARKET		ASIAN MARKETS			WORLD MARKETS			PESO-DOLLAR RATES			ASIAN MONIES-US\$ RATE		WORLD CURRENCIES		DUBAI CRUDE OIL	
<b>PSEi</b> OPEN: 6,633.21 HIGH: 6,661.25 LOW: 6,609.22 CLOSE: 6,609.22 VOL.: 0.413 B VAL(P): 4.280 B 20.42 pts. 0.3% 30 DAYS TO JANUARY 8, 2024		<b>JANUARY 8, 2024</b> JAPAN (Nikkei 225) * 33,377.42 ▲ 89.13 0.27 HONG KONG (HANG SENG) 16,224.45 ▼ -310.88 -1.88 TAIWAN (WEIGHTED) 17,572.66 ▲ 53.52 0.31 THAILAND (SET INDEX) 1,420.08 ▼ -7.88 -0.55 S.KOREA (KSE COMPOSITE) 2,567.82 ▼ -10.26 -0.40 SINGAPORE (STRAITS TIMES) 3,189.00 ▲ 4.70 0.15 SYDNEY (ALL ORDINARIES) 7,451.50 ▼ -37.60 -0.50 MALAYSIA (KLSX COMPOSITE) 1,495.70 ▲ 8.09 0.54 <small>* CLOSING PRICE AS OF JANUARY 5, 2024</small>			<b>JANUARY 5, 2024</b> Dow Jones 37,466.110 ▲ 25.770 NASDAQ 14,524.073 ▲ 13.773 S&P 500 4,697.240 ▲ 8.560 FTSE 100 7,689.610 ▼ -33.460 Euro Stoxx50 4,097.420 ▼ -11.300			<b>FX</b> OPEN P55.500 HIGH P55.440 LOW P55.708 CLOSE P55.690 W.AVE. P55.553 VOL. \$1,542.90 M SOURCE: BAP 12.00 ctyvs 30 DAYS TO JANUARY 8, 2024			<b>JANUARY 8, 2024</b> LATEST BID (0900GMT) JAPAN (YEN) 144.550 ▲ 144.650 HONG KONG (HK DOLLAR) 7.807 ▲ 7.811 TAIWAN (NT DOLLAR) 31.018 ▲ 30.952 THAILAND (BAHT) 35.060 ▲ 34.660 S. KOREA (WON) 1,319.360 ▼ 1,314.160 SINGAPORE (DOLLAR) 1.331 ▼ 1.329 INDONESIA (RUPIAH) 15,520 ▼ 15,510 MALAYSIA (RINGGIT) 4.649 ▲ 4.652		<b>JANUARY 8, 2024</b> CLOSE PREVIOUS US\$/UK POUND 1.2675 ▼ 1.2716 US\$/EURO 1.0926 ▼ 1.0941 US\$/AUSTRALIAN DOLLAR 0.6686 ▼ 0.6713 CANADA DOLLAR/US\$ 1.3386 ▼ 1.3362 SWISS FRANC/US\$ 0.8515 ▲ 0.8498		<b>FUTURES PRICE ON NEAREST MONTH OF DELIVERY</b> \$77.75/BBL \$0.90 30 DAYS TO JANUARY 5, 2024	

VOL. XXXVII • ISSUE 116

TUESDAY • JANUARY 9, 2024 • www.bworldonline.com

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PHILIPPINE STOCK EXCHANGE'S 10 MOST ACTIVE STOCKS BY VALUE TURNOVER • JANUARY 8, 2024 (PSEi snapshot on S1/2; article on S2/2)

BDO P132.300	ALI P34.000	SMHP P33.500	AC P701.500	SM P890.000	BPI P104.000	GTCAP P610.000	CNVRG P9.700	ICT P249.000	MBT P54.200
Value P366,777,719	Value P333,854,070	Value P226,352,190	Value P197,045,905	Value P159,390,800	Value P157,780,998	Value P143,739,185	Value P120,332,024	Value P114,468,018	Value P112,124,764
-P0.800 ▼ -0.601%	-P0.300 ▼ -0.875%	P0.400 ▲ 1.208%	-P10.000 ▼ -1.405%	-P6.000 ▼ -0.670%	-P0.500 ▼ -0.478%	P4.000 ▲ 0.660%	P0.280 ▲ 2.972%	-P3.000 ▼ -1.190%	-P0.250 ▼ -0.459%

## Gov't eyes global bonds in 1st half

### BSP may cut rates by up to 100 bps this year

**THE BANGKO SENTRAL** ng Pilipinas (BSP) may cut borrowing costs by as much as 100 basis points (bps) this year as inflation is seen to stay mostly within the 2-4% target band, the Philippines' Finance chief said on Monday.

Finance Secretary and Monetary Board member Benjamin E. Diokno said the BSP could mirror the policy moves of the US Federal Reserve this year.

"So, a 75-basis-point cut by the Fed this year could actually be matched by the central bank. Or even 100 bps. Right now, the policy rate is at 6.5%, so I see something like 5.5% by the end of 2024," Mr. Diokno said in an interview with Bloomberg TV.

"The timing, of course, would be data dependent and probably towards the second semester."

The BSP kept the benchmark rate steady at a 16-year high of 6.5% at its December meeting. This was after the Monetary

Board tightened rates by 450 bps from May 2022 to October 2023 to tame inflation.

Inflation averaged 6% in 2023, higher than 5.8% in 2022. It marked the second straight year that average inflation breached the BSP's 2-4% target.

According to Mr. Diokno, inflation is expected to be within the 2-4% range throughout the first quarter of the year.

"Inflation might increase slightly in the second quarter because of base effects. But for the whole year of 2024, it will be within the target band of 2-4%, so that's good news," he said.

The central bank expects full-year inflation to ease to 3.7% this year and 3.2% in 2025, according to its baseline inflation forecasts.

Mr. Diokno noted the inflation rate for 2025 may continue to be within the 2-4% range, or around 3.5%.

Rates, S1/8

### BoC revenues hit P884B, exceed full-year target

**THE BUREAU** of Customs (BoC) surpassed its revenue target for 2023 amid improved collection, trade facilitation and anti-smuggling activities, the Department of Finance (DoF) said on Monday.

Data from the DoF showed that the agency collected P883.624 billion as of Dec. 31, 2023, exceeding its P874.166-billion full-year target by 1.08%.

This was also 2.46% higher than its P862.419-billion collection in 2022.

Collections by the agency's Post Clearance Audit Group rose by 6.43% to P1.959 billion last year.

The BoC also generated P1.793 billion in revenues from Prior Disclosure Program applications, P166.286 million from other audit findings, and P164.503 million from the sale of forfeited goods through public auctions.

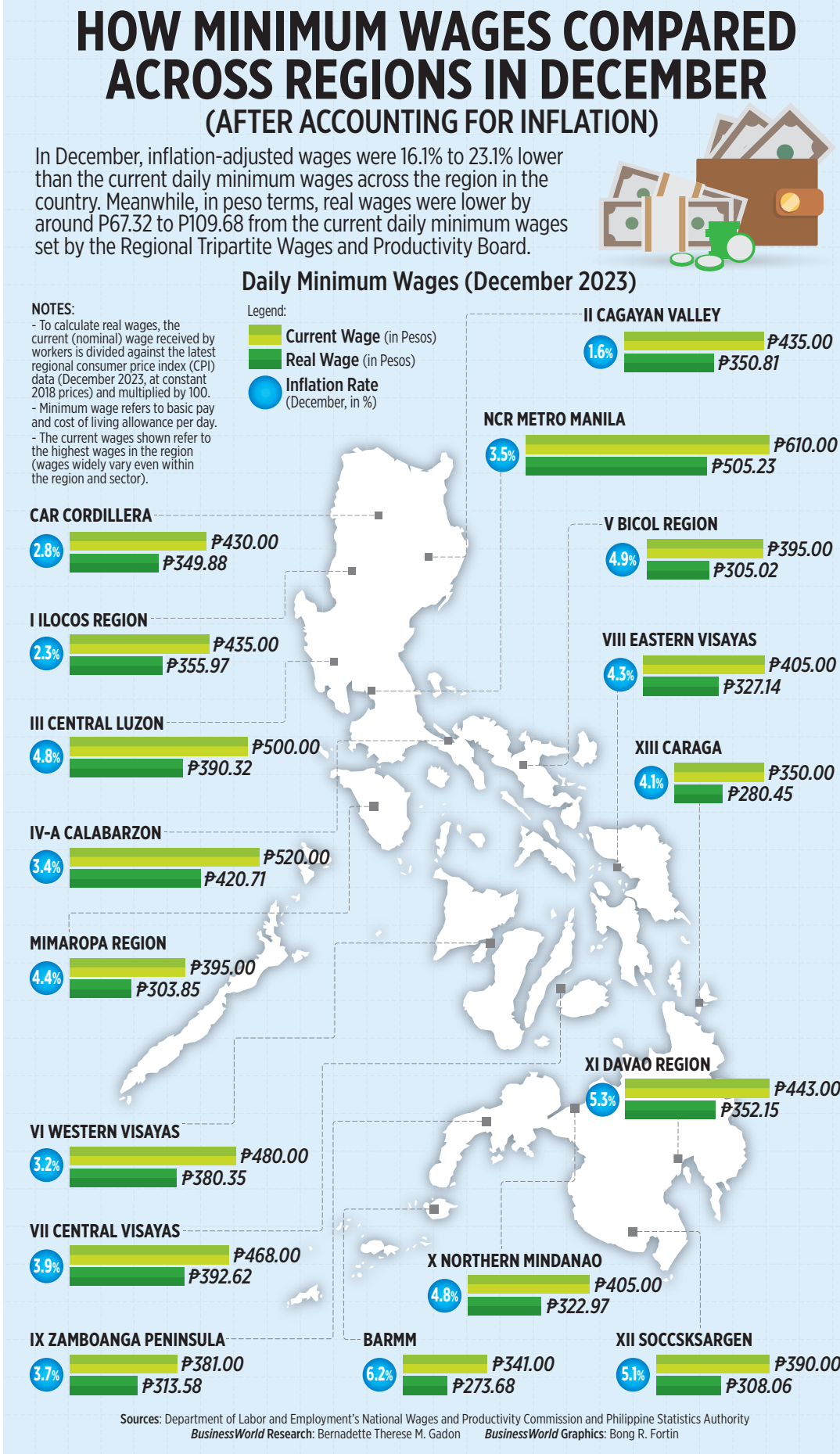
Customs said as of end-2023 its digitalization rate stood at 96.99%, which is equivalent to 161 out of 166 customs processes.

"Several initiatives in the pipeline include the BoC e-Pay Portal System, the e-Auction System, the Automated Export Declaration System (AEDS), and the National Customs Intelligence System," it added.

In 2023, Customs also said that it seized P43.295 billion worth of smuggled goods.

The BoC filed 90 criminal cases before the Department of Justice. Of this, 60 cases were related to agricultural smuggling. This was followed by 13 cases related to fuel, four related to food items, four related to illegal drugs, four related to general merchandise, one related to cigarettes and one related to used clothing.

BoC, S1/11



**THE GOVERNMENT** is eyeing the launch of foreign currency-denominated bonds before end-June, amid expectations of easing interest rates, Finance Secretary Benjamin E. Diokno said.

"Maybe towards the end of the first semester. We will try to look at the market situation. We're not in a hurry to raise that yet because we expect interest rates to go down," Mr. Diokno said in an interview with Bloomberg Television on Monday.

He said the government is planning to raise around \$5 billion (around P277 billion) from the issuance of foreign bonds this year.

The government set its borrowing program at P2.46 trillion this year, of which P606.85 billion will come from external sources.

In 2023, the Philippine government raised \$3 billion from its dollar bond issuance in January and \$1.26 billion from its retail dollar bond offering in October. It also generated \$1 billion from its inaugural Sukuk bond issuance, which was settled in December.

The government borrows from local and external sources to help fund a budget deficit capped at 5.1% of the gross domestic product (GDP) this year.

Mr. Diokno said that the government is so far on track to bring down its deficit-to-GDP ratio, which stood at 5.71% as of end-September 2023. The Marcos administration is targeting to lower the ratio to 3% by 2028.

"On the revenue (side), we are on track. We have even exceeded our revenue target (for 2023) and we expect that to happen (this) year because we have several tax measures pending in the upper House. I expect those tax measures to be approved by the first quarter of this year," he said.

Latest data from the Treasury showed that the National Government's budget deficit narrowed by 10.1% to P1.11 trillion in the January-November period.

State revenues rose by 8.8% to P3.6 trillion, accounting for 95.58% of the P3.729-trillion target set for 2023.

For this year, the Development Budget Coordination Committee expects revenues to hit P4.235 trillion, equivalent to 15.5% of GDP.

Global bonds, S1/11

### FUEL PRICE TRACKER

(week-on-week change)

Fuel Type	Date	Price
GASOLINE	Dec. 26	P1.60 ▲
	Jan. 2	P0.10 ▼
	Jan. 9	P0.10 ▼
DIESEL	Dec. 26	P1.70 ▲
	Jan. 2	P0.35 ▼
	Jan. 9	P0.10 ▲
KEROSENE	Dec. 26	P1.54 ▲
	Jan. 2	P1.40 ▼
	Jan. 9	P0.10 ▲

• Jan. 9, 12:01 a.m. — Caltex Philippines  
 • Jan. 9, 6 a.m. — Petron Corp.; Phoenix Petroleum; Pilipinas Shell Petroleum Corp.; PTT Philippines Corp.; Seaoil Philippines, Inc.  
 • Jan. 9, 8:01 a.m. — Cleanfuel (Shaw Autogas, Inc.)

## YEARENDER PHL seeks to unlock AI's potential amid emerging threats

By **Ashley Erika O. Jose**  
Reporter

DIGITALIZATION has become a strategy for many businesses as more companies embraced the trend when the pandemic forced them to accelerate their digital transformation.

Amid the shift in the digital and business space, artificial intelligence (AI) has emerged as the latest buzzword.

In the Philippines, many companies have shifted their operations to digital, signaling the country's preparedness to adopt innovative technologies like machine learning technology.

President Ferdinand R. Marcos, Jr. in November said the country

is ready to head towards this technological trend with the crafting of the national AI roadmap that is meant to drive innovation while also upskilling the country's workforce.

At the same time, the country has been hit with cyberattacks, increasing the potential risks that this technological innovation may be used maliciously amid the growing sophistication among cyberattackers.

According to a report by cybersecurity company Palo Alto Networks, the Philippines has been hit by the highest number of cyberattacks compared with its Southeast Asian peers this year.

Twenty-nine percent of Filipino organizations have reported an increase in cybersecurity-related incidents of 50% or more, with

51% saying that they are at high risk from threats, the report said.

The report has identified cyberattacks affecting businesses in the country including malware (66%), phishing and spear phishing attacks (63%), and password attacks (56%), it added.

Organizations now need to look for more extensive cybersecurity solutions due to the growth in digital transactions, which could expose their corporate network, it said.

Last year, several government agencies experienced cyberattacks. For instance, the Philippine Health Insurance Corp. was hit by Medusa ransomware where more than 600 gigabytes worth of its members' data were obtained.

Information and Communications Technology Assistant Secre-

tary Renato A. Paraiso said cyberattacks have become more frequent.

"On a daily basis, there are constant attempts to infiltrate and breach various systems, not only government systems but even private sectors," he told *BusinessWorld* by phone.

For the Department of Information and Communications Technology (DICT), strengthening cybersecurity and upskilling of personnel are crucial in harnessing the potential of any emerging technologies.

However, technology firm Cisco said organizations in the country are unprepared to leverage the power of AI as its study found that only 17% of businesses in the country are prepared to utilize and deploy AI.

**UNCHARTED THREATS**  
 This year, the Philippines may face more cybersecurity attacks, prompting calls for the strengthening of infrastructure enterprises through cybersecurity solutions.

"Cyberattacks are a global phenomenon. It is not isolated within the Philippines. Worse incidents have happened even in established, progressive countries," Mr. Paraiso said.

Several firms like telecommunications and information communications technology companies have announced the integration or adoption of AI in their operations. Some are integrating AI technology in their contact services operations, cloud platforms, and even financial services platforms.

AI, S1/8