

STOCK MARKET	ASIAN MARKETS	WORLD MARKETS	PESO-DOLLAR RATES	ASIAN MONIES-US\$ RATE	WORLD CURRENCIES	DUBAI CRUDE OIL																																																																																										
<b>PSEi</b> OPEN: 6,567.29 HIGH: 6,570.30 LOW: 6,500.31 CLOSE: 6,510.87 VOL.: 0.315 B VAL(P): 5.268 B 61.64 pts. 0.93% 30 DAYS TO JANUARY 18, 2024	<b>JANUARY 18, 2024</b> <table border="1"> <tr><th></th><th>CLOSE</th><th>NET</th><th>%</th></tr> <tr><td>JAPAN (NIKKEI 225)</td><td>35,466.17</td><td>▼11.58</td><td>-0.03</td></tr> <tr><td>HONG KONG (HANG SENG)</td><td>15,391.79</td><td>▲114.89</td><td>0.75</td></tr> <tr><td>TAIWAN (TAIEX)</td><td>17,227.79</td><td>▲66.00</td><td>0.38</td></tr> <tr><td>THAILAND (SET INDEX)</td><td>1,379.15</td><td>▼1.50</td><td>-0.11</td></tr> <tr><td>S.KOREA (KSE COMPOSITE)</td><td>2,440.04</td><td>▲4.14</td><td>0.17</td></tr> <tr><td>SINGAPORE (STRAITS TIMES)</td><td>3,138.82</td><td>▼3.40</td><td>-0.11</td></tr> <tr><td>SYDNEY (ALL ORDINARIES)</td><td>7,346.50</td><td>▼46.60</td><td>-0.63</td></tr> <tr><td>MALAYSIA (KLSE COMPOSITE)</td><td>1,479.18</td><td>▼12.03</td><td>-0.81</td></tr> </table>		CLOSE	NET	%	JAPAN (NIKKEI 225)	35,466.17	▼11.58	-0.03	HONG KONG (HANG SENG)	15,391.79	▲114.89	0.75	TAIWAN (TAIEX)	17,227.79	▲66.00	0.38	THAILAND (SET INDEX)	1,379.15	▼1.50	-0.11	S.KOREA (KSE COMPOSITE)	2,440.04	▲4.14	0.17	SINGAPORE (STRAITS TIMES)	3,138.82	▼3.40	-0.11	SYDNEY (ALL ORDINARIES)	7,346.50	▼46.60	-0.63	MALAYSIA (KLSE COMPOSITE)	1,479.18	▼12.03	-0.81	<b>JANUARY 17, 2024</b> <table border="1"> <tr><th></th><th>CLOSE</th><th>NET</th></tr> <tr><td>Dow Jones</td><td>37,266.670</td><td>▼94,450</td></tr> <tr><td>NASDAQ</td><td>14,855.622</td><td>▼88,725</td></tr> <tr><td>S&amp;P 500</td><td>4,739.210</td><td>▼26,770</td></tr> <tr><td>FTSE 100</td><td>7,446.290</td><td>▼112,050</td></tr> <tr><td>Euro Stoxx50</td><td>4033.4000</td><td>▼39,100</td></tr> </table>		CLOSE	NET	Dow Jones	37,266.670	▼94,450	NASDAQ	14,855.622	▼88,725	S&P 500	4,739.210	▼26,770	FTSE 100	7,446.290	▼112,050	Euro Stoxx50	4033.4000	▼39,100	<b>FX</b> OPEN P55.870 HIGH P55.765 LOW P55.900 CLOSE P55.840 W.AVE. P55.828 VOL. \$1,430.70 M 9.00 CTVS 30 DAYS TO JANUARY 18, 2024 SOURCE: BAP	<b>JANUARY 18, 2024 LATEST BID (0900GMT)</b> <table border="1"> <tr><th></th><th>PREVIOUS</th></tr> <tr><td>JAPAN (YEN)</td><td>147.810 ▼ 147.750</td></tr> <tr><td>HONG KONG (HK DOLLAR)</td><td>7.821 ▲ 7.823</td></tr> <tr><td>TAIWAN (NT DOLLAR)</td><td>31.547 ▲ 31.587</td></tr> <tr><td>THAILAND (BAHT)</td><td>35.570 ▼ 35.530</td></tr> <tr><td>S. KOREA (WON)</td><td>1,337.520 ▼ 1,346.110</td></tr> <tr><td>SINGAPORE (DOLLAR)</td><td>1.3435 ▲ 1.3440</td></tr> <tr><td>INDONESIA (RUPIAH)</td><td>15,615 ▲ 15,635</td></tr> <tr><td>MALAYSIA (RINGGIT)</td><td>4.717 ▼ 4.715</td></tr> </table>		PREVIOUS	JAPAN (YEN)	147.810 ▼ 147.750	HONG KONG (HK DOLLAR)	7.821 ▲ 7.823	TAIWAN (NT DOLLAR)	31.547 ▲ 31.587	THAILAND (BAHT)	35.570 ▼ 35.530	S. KOREA (WON)	1,337.520 ▼ 1,346.110	SINGAPORE (DOLLAR)	1.3435 ▲ 1.3440	INDONESIA (RUPIAH)	15,615 ▲ 15,635	MALAYSIA (RINGGIT)	4.717 ▼ 4.715	<b>JANUARY 18, 2024</b> <table border="1"> <tr><th></th><th>CLOSE</th><th>PREVIOUS</th></tr> <tr><td>US\$/UK POUND</td><td>1.2682</td><td>▲ 1.2647</td></tr> <tr><td>US\$/EURO</td><td>1.0886</td><td>▲ 1.0863</td></tr> <tr><td>US\$/AUSTRALIAN DOLLAR</td><td>0.6559</td><td>▲ 0.6539</td></tr> <tr><td>CANADA DOLLAR/US\$</td><td>1.3497</td><td>▲ 1.3528</td></tr> <tr><td>SWISS FRANC/US\$</td><td>0.8647</td><td>▲ 0.8631</td></tr> </table>		CLOSE	PREVIOUS	US\$/UK POUND	1.2682	▲ 1.2647	US\$/EURO	1.0886	▲ 1.0863	US\$/AUSTRALIAN DOLLAR	0.6559	▲ 0.6539	CANADA DOLLAR/US\$	1.3497	▲ 1.3528	SWISS FRANC/US\$	0.8647	▲ 0.8631	<b>FUTURES PRICE ON NEAREST MONTH OF DELIVERY</b> <b>\$76.75/BBL</b> 30 DAYS TO JANUARY 17, 2024 ▼ \$1.05
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PHILIPPINE STOCK EXCHANGE'S 10 MOST ACTIVE STOCKS BY VALUE TURNOVER • JANUARY 18, 2024 (PSEi snapshot on S1/2; article on S2/2)

Symbol	Value	Change																											
BDO	P135,800	▼	ALI	P31,550	▼	BPI	P109,800	▲	URC	P113,500	▼	JFC	P261,000	▼	SM	P873,000	▼	ICT	P247,800	▼	AC	P676,000	▼	SMPH	P32,650	▼	MBT	P55,250	▼
Value	P626,387,955		Value	P597,019,150		Value	P356,942,097		Value	P329,728,212		Value	P271,317,898		Value	P196,403,595		Value	P174,088,014		Value	P165,390,920		Value	P152,566,955		Value	P144,481,864	
	▼ -2.443%			▼ -2.322%			▲ 0.734%			▼ -2.908%			▼ -0.229%			▼ -0.229%			▼ -0.081%			▼ -1.025%			▼ -2.099%			▼ -0.450%	

# House panel endorses CREATE MORE

## PHL to grow fastest in the region this year — AMRO

By Luisa Maria Jacinta C. Jocsan Reporter

THE PHILIPPINES is projected to be the fastest-growing economy in the region this year amid resilient domestic demand, the ASEAN+3 Macroeconomic Research Office (AMRO) said on Thursday.

“The Philippine economy has held up very well despite high inflation and interest rates, and it’s much less dependent on exports than other countries in the region,” AMRO Chief Economist Hoe Ee Khor said in a virtual briefing on Thursday.

In its latest Regional Economic Outlook quarterly update, AMRO kept its Philippine gross domestic product (GDP) growth projection at 6.3% for this year, unchanged from its annual consultation report in November.

The Philippines’ growth is the fastest among Association of Southeast Asian Nations (ASEAN) members, ahead of Cambodia (6.2%), Vietnam (6%), Indonesia (5.2%), Malaysia (5%), Laos (4.7%), Thailand (3.3%), Myanmar (3.2%), Singapore (2.6%), and Brunei Darussalam (2.4%).

In the ASEAN+3 region, the Philippines is also ahead of China

(5.3%), Hong Kong (3.5%), South Korea (2.3%), and Japan (1.1%).

If the 6.3% GDP growth is realized, however, this would be below the Philippine government’s 6.5-7.5% target for 2024.

However, Mr. Khor cited several risks that could dampen growth this year, such as a spike in global commodity prices; weaker economic growth in China, financial spillovers from tighter US monetary policy, a potential recession in the US and Europe, and US-China geopolitical tensions.

He also flagged the possible impact of the El Niño, which may stoke rice prices.

The latest data from the state weather bureau showed that a strong El Niño is expected to continue through January and is seen to persist until May.

AMRO said the Philippines likely grew by 5.6% in 2023, the same projection it gave in November. This also makes it the economy with the fastest growth in the region but falls short of the government’s 6-7% target.

“As it turns out, I think we were too optimistic on the growth momentum. Momentum is weaker than expected,” Mr. Khor said.

AMRO, S1/5

## Regulator lifts suspension of the FIT-All collection

By Sheldeen Joy Talavera Reporter

HIGHER ELECTRICITY BILLS loom as the Energy Regulatory Commission (ERC) lifted the suspension of the collection of feed-in tariff allowance (FIT-All) starting February.

In a statement, the ERC said that it has decided to lift the 13-month collection suspension due to the projected deficit in the FIT-All fund.

“As the Commission reevaluated the balance of the FIT-All fund as of Jan. 5, 2024, inclusive of the Cost Recovery Revenue (CRR) collections in November 2023, the ERC found that the projected FIT-All fund would be in deficit in the February 2024 customer monthly billing. In view of this, the Commission resolved to approve and adopt the lifting of the suspension and to resume the collection of the FIT-All charges,” it said.

The FIT-All is a P0.0364 per kilowatt-hour (kWh) charge

reflected in the bills of electricity consumers that is collected from on-grid electricity customers to support the development and promotion of renewable energy.

Payments are remitted to the FIT-All fund established and administered by the National Transmission Corp., which keeps the funds with a government financial institution.

The fund goes towards paying renewable energy (RE) developers who have obtained fixed rates for electricity generated by their projects.

According to ERC Chairperson Monalisa C. Dimalanta, the FIT-All fund needs to pay around P2.2 billion a month to RE suppliers.

“The fund has about P2.98 billion remaining as of Jan. 5, 2024, so it needs to start building up amounts again to make sure the RE developers that supply in the next months can be paid for their supply,” she said in a Viber message.

FIT-All, S1/5

### Picodi

## FILIPINOS’ FOOD SHARE TO MINIMUM NET PAY RISES

Select East and Southeast Asian Countries

Basic Food Costs (as Share of Net Minimum Wage)

2024 Overall Rank (67) Country

25	SOUTH KOREA	18.4%	18.5%
33	TAIWAN	23.7%	23.6%
40	HONG KONG	23.8%	26.0%
48	MALAYSIA	30.6%	33.1%
59	INDONESIA	50.8%	49.8%
61	THAILAND	54.3%	54.4%
63	VIETNAM	63.3%	65.6%
64	PHILIPPINES	65.8%	66.2%

Price of Basic Food Products in the Philippines

Food Items	Jan. 2023	Jan. 2024	Growth Rate
Milk (10 liters)	P910	P961	▲ 5.6%
Bread (10 loaves)	P649	P679	▲ 4.6%
Rice (1.5 kg)	P75	P78	▲ 4.0%
Eggs (20 pieces)	P159	P189	▲ 18.9%
Cheese (1 kg)	P355	P395	▲ 11.3%
Meat (6 kg)	P1,706	P1,843	▲ 8.0%
Fruits (6 kg)	P703	P774	▲ 10.1%
Vegetables (8 kg)	P747	P857	▲ 14.7%
<b>TOTAL</b>	<b>P5,304</b>	<b>P5,776</b>	<b>▲ 8.9%</b>

Notes:  
 - Product prices and minimum wages are as of January 2024 and January 2023.  
 - The mean value of all net wages is calculated in economies where minimum wages differ by region.  
 - According to Picodi.com, product prices came from Numbeo.com, where the data were gathered by internet users from all over the world.  
 - The shopping basket for essential food items (survival basket) is said to meet only the minimum nutritional needs of one adult person per month.  
 - For the conversion to local currencies, Picodi.com used the average Google Finance rates for the fourth quarter of 2023.

Top 5

2024 Overall Rank (67)	Country	Jan. 2023	Jan. 2024
1	United Kingdom	6.5%	7.2%
2	Ireland	7.4%	7.2%
3	Netherlands	8.9%	7.6%
4	Australia	7.7%	7.7%
5	Luxembourg	9.1%	8.3%

Bottom 5

2024 Overall Rank (67)	Country	Jan. 2023	Jan. 2024
67	Nigeria	160.4%	116.5%
66	Uzbekistan	97.3%	96.1%
65	Armenia	74.6%	78.7%
64	Philippines	65.8%	66.2%
63	Vietnam	63.3%	65.6%

Summary: Philippines

	Jan. 2023	Jan. 2024
Monthly Net Minimum Wage	P8,066 (\$141)	P8,725 (\$156)
Year-on-Year Growth in Net Minimum Wage	▲ 9.2%	▲ 8.2%
Basic Food Costs	P5,304.00	P5,776.00
Basic Food Costs as Share of Net Minimum Wage	65.8%	66.2%

BusinessWorld Research: Abigail Marie P. Yraola BusinessWorld Graphics: Bong R. Fortin

By Beatriz Marie D. Cruz Reporter

A HOUSE of Representatives committee on Thursday endorsed to members a bill that seeks to lower the income tax on both local and foreign companies to 20% under a so-called enhanced deduction regime, while streamlining the tax refund system for corporations.

Substitute House Bill No. 9794 or the CREATE MORE (CREATE to Maximize Opportunities for Reinvigorating the Economy) bill will amend Republic Act No. 11534 or the Corporate Recovery and Tax Incentives for Enterprises (CREATE) Act.

The committee report will be taken up at the House Ways and Means panel next week before it is debated at the plenary.

The measure seeks to enhance fiscal and nonfiscal provisions of the Tax Code and “reconcile disparities between the CREATE Act and its implementing rules,” Albay Rep. Jose Ma. Clemente S. Salceda, who heads the Ways and Means Committee, said in a fact sheet that accompanied the committee report.

The CREATE law had imposed a 25% income tax on companies and limited the 20% rate to local enterprises with income not exceeding P5 million (\$89,513) and assets worth P100 million and below. It also restricted the zero-rating on value-added tax (VAT) on local purchases to the sale of goods and services directly used in a project of a registered exporter.

Under the proposed CREATE MORE, domestic and export companies, including those inside ecozones and freeports, will be entitled duty exemptions, VAT exemption on importation, and the VAT zero-rating of local purchases.

Companies outside ecozones and freeports will also enjoy VAT zero-rating on local purchases as well as duty exemption on the importation of capital equipment, raw materials, spare parts, or accessories, according to a copy of the committee report.

The proposed law also seeks to establish a 20% corporate income tax rate on local and foreign corporations under the enhanced deduction income tax regime.

Registered business enterprises (RBEs) will also enjoy a 200% additional deduction for power cost, to be accumulated during the Income Tax Holiday (ITH) period. They may also enjoy 100% additional deductions in expenses for trade fairs, missions or exhibitions.

CREATE MORE, S1/9

# Loan growth expected to improve with rate cuts seen in the second half

By Keisha B. Ta-anan Reporter

PHILIPPINE BANKS may see an improvement in loan growth this year, as monetary policy easing in the second half may encourage borrowers to take out more credit, BMI Country Risk & Industry Research said.

BMI, a unit of Fitch Solutions, said they expect stronger loan growth in 2024 as better macroeconomic conditions and lower interest rates in the second half may boost credit demand.

“We expect loan growth to accelerate from an estimated 5.7% year on year in 2023 to 10% by the end of 2024,” BMI said in a report dated Jan. 17.

“We also see limited risks to financial stability as the Philippine banking system is underpinned by a strong balance sheet and robust capital buffers.”

Based on the latest data from the central bank, outstanding loans issued by big banks increased by 7% year on year to P11.4 trillion in November 2023 from P10.65 trillion in the same period in 2022.

At 7%, the loan growth rate was a tad slower than the 7.1% expansion recorded in October 2023.

According to BMI, easing inflation will prompt the Bangko Sentral ng Pilipinas (BSP) to start cutting borrowing costs by the second half of the year.

To tame inflation, the BSP tightened policy rates by 450 basis points from May 2022 to October 2023. This brought the

benchmark interest rate to a 16-year high of 6.5%.

The overall year-on-year increase in prices of widely used goods and services eased to 3.9% in December from 4.1% in November and 8.1% a year ago, settling within the central bank’s 2-4% target range for the first time in nearly two years.

However, full-year inflation stood at 6% in 2023, the high-

est in 14 years and above 5.8% in 2022. This marked the second straight year that average inflation breached the BSP’s 2-4% target band.

“This set the stage for policy loosening in the second half, which will encourage lending as borrowing costs decline,” BMI said.

“What surprised us was the resilience of household loans in 2023.

Loan, S1/9