P25 IN METRO MANILA, PHILIPPINES

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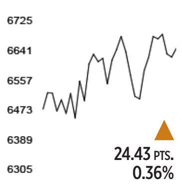
STOCK MARKET



PSEi	
OPEN:	6,633.45
HIGH:	6,722.32
LOW:	6,633.45
CLOSE:	6,646.44
VOL.:	0.424 B
VAL(P):	6.759 B

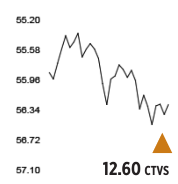
ASIAN MARKETS — JANUARY 31, 2024

	CLOSE		NET	%
Japan (Nikkei 225)	36,286.71	▲	220.85	0.61
Hong Kong (Hang Seng)	15,485.07	▼	-218.38	-1.39
Taiwan (Weighted)	17,889.56	▼	-145.07	-0.80
Thailand (SET Index)	1,365.27	▼	-7.87	-0.57
S.Korea (Kse Composite)	2,497.09	▼	-1.72	-0.07
Singapore (Straits Times)	3,154.62	▲	4.58	0.15
Sydney (All Ordinaries)	7,680.70	▲	80.50	1.06
Malaysia (Klse Composite)	1,512.98	▲	0.23	0.02

WORLD MARKETS — JANUARY 30, 2024

	CLOSE		NET
Dow Jones	38,467.310	▲	133.860
NASDAQ	15,509.897	▼	-118.147
S&P 500	4,924.970	▼	-2.960
FTSE 100	7,666.310	▲	33.570
Euro Stoxx50	4,215.710	▲	2.4700

PESO-DOLLAR RATES



FX	
OPEN	P56.450
HIGH	P56.270
LOW	P56.500
CLOSE	P56.275
W.AVE.	P56.403
VOL.	$1,184.09 M

SOURCE : BAP

ASIAN MONIES-US$ RATE — JANUARY 31, 2024

	LATEST BID (0900GMT)		PREVIOUS
Japan (yen)	147.440	▼	147.330
Hong Kong (HK dollar)	7.819	▼	7.816
Taiwan (NT dollar)	31.270	▼	31.103
Thailand (baht)	35.440	▼	35.360
S. Korea (won)	1,334.040	▼	1,329.360
Singapore (dollar)	1.339	▲	1.340
Indonesia (rupiah)	15,775	▲	15,777
Malaysia (ringgit)	4.729	▼	4.725

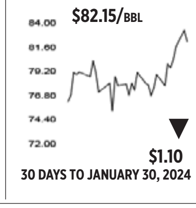
WORLD CURRENCIES — JANUARY 31, 2024

	CLOSE		PREVIOUS
US$/UK pound	1.2680	▲	1.2670
US$/Euro	1.0833	▲	1.0818
US$/Aust dollar	0.6586	▼	0.6598
Canada dollar/US$	1.3413	▲	1.3406
Swiss Franc/US$	0.8618	▼	0.8635

DUBAI CRUDE OIL

FUTURES PRICE ON NEAREST MONTH OF DELIVERY

$82.15/BBL



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PHILIPPINE STOCK EXCHANGE'S 10 MOST ACTIVE STOCKS BY VALUE TURNOVER • JANUARY 31, 2024 (PSEi snapshot on *S1/2*; article on *S2/2*)

		Value			
ICT	P243.000	P988,632,368	P3.600	▲	1.504%
SM	P900.000	P688,113,775	-P23.000	▼	-2.492%
BDO	P145.000	P616,913,987	P1.600	▲	1.116%
SMPH	P34.250	P510,584,185	P0.550	▲	1.632%
ALI	P34.100	P489,724,815	P1.100	▲	3.333%
URC	P111.500	P310,317,939	-P1.000	▼	-0.889%
JFC	P254.000	P264,498,574	-P5.000	▼	-1.931%
AC	P679.000	P264,440,035	P19.000	▲	2.879%
PLUS	P8.080	P244,725,393	P0.070	▲	0.874%
BPI	P110.600	P236,900,739	P0.200	▲	0.181%

GDP grows 5.6%, falls short of target

By Luisa Maria Jacinta C. Jocson *Reporter*

THE PHILIPPINE ECONOMY grew by 5.6% in 2023, falling short of the government's full-year target as state spending and exports declined and high interest rates dampened consumption.

Data from the Philippine Statistics Authority (PSA) showed that gross domestic product (GDP) in 2023 was much slower than the 7.6% expansion in 2022.

However, the full-year GDP was higher than the median 5.5% growth estimate in a *BusinessWorld* poll of 20 economists last week.

"While this growth is below our target of 6-7% for this year, this keeps us in the position of being one of the best-performing economies in Asia," National Economic and Development Authority (NEDA) Secretary Arsenio M. Balisacan said.

In the fourth quarter, GDP expanded by 5.6%, slower than the revised 6% GDP growth in the third quarter and the 7.1% expansion in the fourth quarter of 2022. It was also below market expectations, based on a *BusinessWorld* poll that yielded a 5.7% estimate.

Mr. Balisacan earlier said the economy would had to grow by at least 7.2% in the fourth quarter to meet the lower end of the government's 6-7% target.

Among Asian countries with available data, the Philippines' fourth-quarter growth was also just behind Vietnam (6.7%) and ahead of China (5.2%) and Malaysia (3.4%).

On a seasonally adjusted quarterly basis, Philippine GDP grew by 2.1% in the fourth quarter, slower than 3.8% a quarter earlier.

Mr. Balisacan said that economic growth could have been faster if not for the impact of elevated inflation and high interest rates last year.

Inflation averaged 6% in 2023, marking the second straight year that it breached the Bangko Sentral ng Pilipinas' (BSP) 2-4% target range.

"Expectedly you would have achieved higher growth if inflation was not that high," he said.

To tame inflation, the Monetary Board hiked borrowing costs by a total of 450 basis points (bps) from May 2022 to October 2023, bringing the key rate to a 16-year high of 6.5%.

"The long-term effects of these (tightening), you will feel it a few quarters down the line. This slowing down that we are seeing is possibly the effect of past increases in interest rates early last year and even in 2022," Mr. Balisacan added.

GOV'T SPENDING DOWN

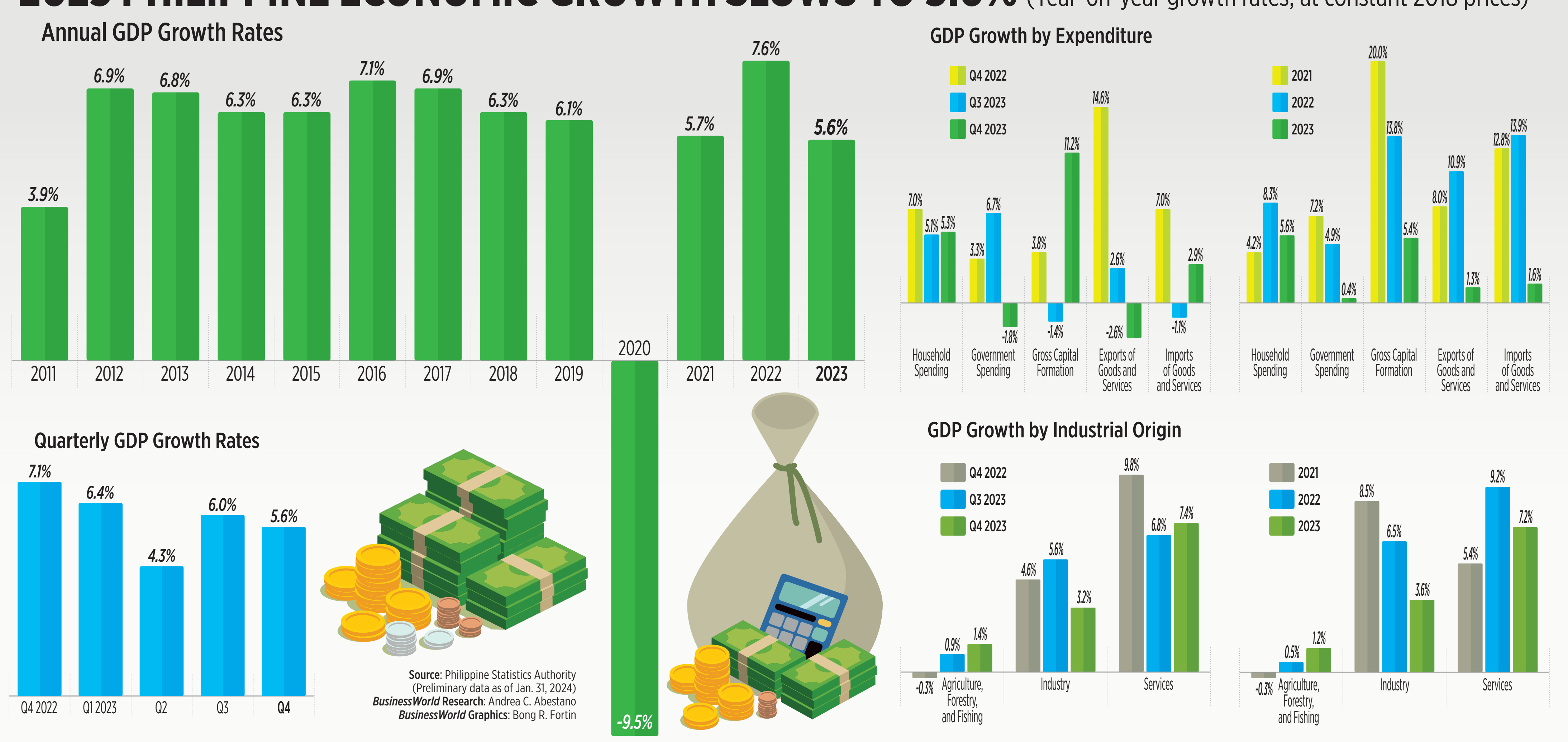
Data from the PSA also showed that government spending contracted by 1.8% in the fourth quarter, a reversal of the 6.7% growth in the previous quarter and 3.3% a year ago.

For the full year, government spending posted flat growth of 0.4%, slower than the 4.9% in 2022.

Mr. Balisacan said that slower state spending was due to the government's fiscal consolidation plan.

GDP, S1/10

2023 PHILIPPINE ECONOMIC GROWTH SLOWS TO 5.6% (Year-on-year growth rates, at constant 2018 prices)



Source: Philippine Statistics Authority (Preliminary data as of Jan. 31, 2024)
BusinessWorld Research: Andrea C. Abestano
BusinessWorld Graphics: Bong R. Fortin

2023 debt-to-GDP ratio ends at 60.2%

THE NATIONAL Government's (NG) outstanding debt as a share of gross domestic product (GDP) further eased to 60.2% at the end of 2023, the Bureau of the Treasury (BTr) said.

Treasury data showed that the NG's outstanding debt hit a record P14.62 trillion as of end-2023, 8.92% or P1.2 trillion higher than a year earlier.

The ratio was lower than 60.9% at the end of 2022. It was also below the 61.2% target under the government's Medium-Term Fiscal Framework.

However, it was still slightly above the 60% threshold considered by multilateral lenders to be manageable for developing economies.

"Our debt right now remains at a very manageable level, and we are on track to bringing down the debt-to-GDP ratio to less than 60% by 2025. We have a sound and prudent strategy in place to effectively manage our debt and financing requirements," Finance Secretary Ralph G. Recto said in a statement.

Data from the BTr showed the bulk or 68.5% of the debt portfolio came from domestic sources, while the remaining 31.5% was from foreign creditors.

Domestic debt rose by 8.79% to P10.02 trillion as of end-December from P9.21 trillion in 2022. It slipped by 0.06% from the previous month due to the net redemption of government securities.

The domestic borrowing mix was composed almost entirely of government debt.

"Gross issuance of domestic debt in December 2023 totaled P29.69 billion, while principal payments amounted to P36.08 billion, resulting in a net repayment of P6.39 billion," the BTr said.

"Meanwhile, the effect of local currency appreciation against the US dollar on debt stock valuation further trimmed P0.09 billion from the December total," it added.

Data from the Treasury showed that the peso closed at P55.418 at end-December, appreciating by 0.71% from the P55.815 close at end-December 2022.

Meanwhile, foreign borrowings jumped by 9.21% to P4.6 trillion from P4.21 trillion in 2022. Month on month, it went up by 2.54% from P4.48 trillion.

Debt, S1/10

Central bank sees 2.8-3.6% inflation in January

By Keisha B. Ta-asan *Reporter*

HEADLINE INFLATION may have settled within 2.8-3.6% in January due to lower vegetable and sugar prices, the Bangko Sentral ng Pilipinas (BSP) said on Wednesday.

The BSP's month-ahead forecast shows that inflation likely further eased from the 22-month low of 3.9% in December and 8.7% in January 2023.

The lower end of the forecast or 2.8% could be the slowest since 2.3% in October 2020 amid the coronavirus pandemic.

January would also mark the second straight month that inflation would settle within the BSP's 2-4% target.

The Philippine Statistics Authority will report January inflation data on Feb. 6.

"Higher prices of some agricultural items like rice, meat, fruits and fish, along with increased petroleum prices, electricity and water rates, annual adjustment in sin taxes, and the depreciation of the peso are the primary sources of upward price pressures for the month," the BSP said.

Data from the Department of Agriculture showed that as of Jan. 31, prices of regular milled rice had risen to as much as P53 per kilo from P52 on Dec. 29.

Fuel retailers implemented price hikes in January. For the month, pump price adjustments stood at a net increase of P4.40 a liter for gasoline, P2.90 a liter for diesel and P0.85 a liter for kerosene.

Manila Electric Co. (Meralco) earlier said the rate for a typical household went up by P0.6232 to P10.9001 per kilowatt-hour (kWh) in January.

Metro Manila's two main water concessionaires also began implementing higher rates in January. Manila Water Co. raised rates by P6.41 per cubic meter, while Maynilad Water Services, Inc. hiked rates by P7.87 per cubic meter.

The peso also weakened to the P56-a-dollar mark in January, closing the month at P56.275 on Wednesday, down by 90.5 centavos or 1.6% from its P55.37 finish on Dec. 29, 2023.

"Lower prices of vegetables and sugar could contribute to downward price pressures," the BSP said.

Inflation, S1/10

Asian economies 'on track' to fuel global growth — IMF

ECONOMIES in the Asia region are expected to continue contributing significantly to global growth, as Asian central banks loosen monetary policy later this year amid easing inflation, the International Monetary Fund (IMF) said.

Krishna Srinivasan, director of the IMF's Asia and Pacific Department, said the multilateral lender now expects Asia to grow by 4.5% this year, up from 4.2% projected in October.

"Overall, Asia is on track to deliver again two-thirds to global growth in 2024, as it did in 2023," he said at a news conference on Wednesday.

For 2023, the IMF said Asia is projected to have expanded by 4.7%, slightly faster than its previous forecast of 4.6% amid higher-than-expected economic activity in China and India.

Average inflation in the region also fell to 2.6% in 2023 from 3.8% in 2022, Mr. Srinivasan said, noting there is swift progress particularly in emerging economies.

"Many regional central banks are on course to reach their inflation targets in 2024. Provided policy makers hold steady until inflation is firmly re-anchored, the scope for monetary easing may emerge later in the year," he said.

However, growth in the region may ease to 4.3% in 2025 as the Chinese economy is largely expected to slow down, he said.

Meanwhile, IMF Regional Office for Asia and the Pacific Director Akihiko Yoshida said the Philippine economy would likely rebound in 2024 from the slowdown in 2023.

"We expected growth in the Philippines to bottom out in 2023 before bouncing back to 6% in 2024," he said at the news briefing.

IMF, S1/10