

# Crude prices rise on demand bet

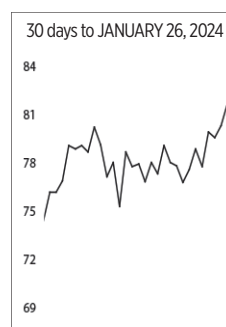
HOUSTON — Oil prices rose for a second week in a row and settled at their highest in nearly two months on Friday as positive US economic growth and signs of Chinese stimulus boosted demand expectations, while Middle East supply concerns added support.

Brent crude futures rose \$1.12 or 1.4% to settle at \$83.55 a barrel, their highest close since Nov. 30. US West Texas Intermediate (WTI) crude climbed 65 cents or 0.8% to \$78.01, also the highest close since November.

Both benchmarks made weekly gains of more than 6%, marking their biggest weekly increase since the week ending Oct. 13 after the start of the Israel-Hamas conflict in Gaza.

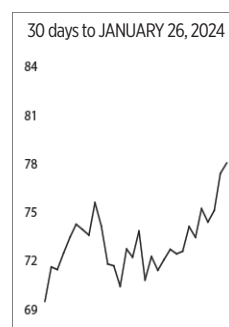
“Economic stimulus from China, stronger-than-expected 4Q GDP growth in the US, cooling US inflation data, ongoing geopolitical risks, and the larger-than-expected 9.2-million-barrel drop

## ASIA-DUBAI (JANUARY CONTRACT)



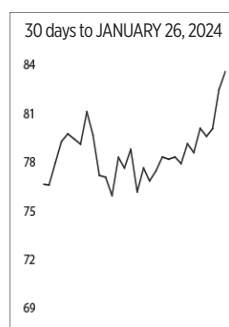
DOLLARS PER BBL

## NEW YORK-WTI (MARCH CONTRACT)



DOLLARS PER BBL

## LONDON-BRENT (MARCH CONTRACT)



DOLLARS PER BBL

Source: REUTERS

in US commercial crude stocks for last week have all combined to wedge prices higher,” said Tim Evans, an independent oil market analyst.

The Houthi military spokesperson said naval forces carried out an operation targeting an oil tanker in the Gulf of Aden, caus-

ing a fire to break out, adding to worries of supply disruptions.

Oil was also boosted earlier this week by a larger-than-expected drawdown in US crude stockpiles.

The depletion in inventories, especially around the WTI delivery point at Cushing in Oklahoma and across the Midwest, could

create a squeeze on nearby futures prices.

Supply concerns are evident in the structure of Brent futures. The premium of the first-month contract to the sixth on both Brent and WTI rose to the highest since November, indicating a perception of tighter prompt supply.

A potential fuel supply disruption after a Ukrainian drone attack on an export-oriented oil refinery in southern Russia also supported prices.

On the demand side, the US, the world's biggest oil consumer, registered faster-than-expected economic growth in the fourth quarter, data showed on Thursday. Sentiment was also buoyed this week by China's latest measures to boost growth.

Traders, however, bet the US central bank is more likely to start its round of rate cuts in May, rather than March, weighing on crude futures. — Reuters

# S&P 500 ends record highs run on Intel slump

THE S&P 500 ended a five-session streak of record highs on Friday, with Intel slumping after a bleak revenue forecast, while US economic data showed inflation moderating.

Even as the S&P 500 and the Nasdaq ended the session lower, all three major indexes recorded their third straight weekly gain and their 12<sup>th</sup> weekly advance out of 13.

A US Commerce department report showed the personal consumption expenditure index — the US Federal Reserve's preferred inflation gauge — rose moderately in December. This kept the annual increase in inflation below 3% for a third-straight month and bolstered the case for rate cuts this year.

On Thursday, data showed a strong fourth-quarter US economic growth reading.

“These are good numbers,” said Peter Cardillo, chief market economist at Spartan Capital Securities in New York. “Taken with yesterday's GDP numbers, this report strengthens the possibility of a soft landing, which continues to gain traction.”

Intel tumbled 11.9% to a six-week low after it gave a revenue forecast that badly missed

estimates as it plays catch-up in the AI race while also dealing with a weak PC market.

Chip manufacturing tools maker KLA Corp. dropped 6.6% following its disappointing third-quarter revenue forecast.

The Philadelphia SE Semiconductor index fell 2.9%, down for a second day after closing at a record high on Wednesday.

The S&P 500 declined 0.07% to end the session at 4,890.97 points.

The Nasdaq declined 0.36% to 15,455.36 points, while Dow Jones Industrial Average rose 0.16% to 38,109.43 points.

For the week, the S&P 500 added 1.06%; the Dow gained 0.65%; and the Nasdaq advanced 0.94%.

The S&P 500 in recent sessions returned to record highs for the first time in two years, extending a rally driven by optimism about the economy and lower interest rates, as well as bets on artificial intelligence (AI).

Of the S&P 500 companies that have reported earnings so far, 78.2% have surpassed expectations, LSEG data showed, compared with a long-term average beat rate of 67%.

Tesla recovered 0.3%, a day after the electric car maker slid 12% following a warning of slower growth in 2024.

American Express jumped 7.1% and hit a record high after the credit card firm forecast a higher-than-expected annual profit. Visa declined 1.7% after the world's largest payments processor's tepid current-quarter revenue growth forecast.

Apple fell 1% ahead of its quarterly report next Thursday. The iPhone maker and Intel were among the stocks weighing most on the S&P 500.

Colgate-Palmolive rose 2% after the toothpaste maker posted upbeat fourth-quarter results.

Volume on US exchanges was relatively light, with 9.6 billion shares traded, compared to an average of 11.6 billion shares over the previous 20 sessions.

Advancing issues outnumbered falling ones within the S&P 500 by a 1.2-to-1 ratio.

The S&P 500 posted 36 new highs and one new low; the Nasdaq recorded 93 new highs and 77 new lows. — Reuters

## SPOT PRICES

FRIDAY, JANUARY 26, 2024

METAL	
PALLADIUM free \$/troy oz	959.20
PALLADIUM JMI base, \$/troy oz	959.00
PLATINUM free \$/troy oz	912.04
PLATINUM JMI base \$/troy oz	914.00
KRUGGERAND, fob \$/troy oz	2,016.00
IRIDIUM, whs rot, \$/troy oz	4,990.00
RHODIUM, whs rot, \$/troy oz	4,540.00

## GRAINS (January 25, 2024)

(FOB Bangkok basis at every Thursday)	
FRAGRANT (100%) 1 <sup>st</sup> Class, \$/ton	896.00
FRAGRANT (100%) 2 <sup>nd</sup> Class, \$/ton	881.00
RICE (5%) White Thai- \$/ton	669.00
RICE (10%) White Thai- \$/ton	667.00
RICE (15%) White Thai- \$/ton	646.00
RICE (25%) White Thai- \$/ton (Super)	646.00
BROKER RICE A-1 Super \$/ton	488.00

## FOOD

COCOA ICCO Dly (SDR/mt)	3,437.04
COCOA ICCO \$/mt	4,582.54
COFFEE ICA comp 2001 cts/lb	181.17
SUGAR ISA FOB Daily Price, Carib. port cts/lb	23.35
SUGAR ISA 15-day ave.	22.02

## LIFFE COFFEE

New Robusta 10 MT - \$/ton

	High	Low	Sett	Psett
March	3,325	3,246	3,269	3,251
May	3,161	3,079	3,112	3,085
July	3,039	2,963	3,000	2,974
Sept.	2,943	2,884	2,910	2,886

## LIFFE COCOA

(Ldn)-10 MT-£/ton

	High	Low	Sett	Psett
March	3,765	3,721	3,749	3,722
May	3,693	3,650	3,679	3,651
July	3,597	3,546	3,587	3,550
Sept.	3,494	3,436	3,488	3,441

## COCONUT

MANILA COPRA (based on 6% moisture)	
Peso/100kg	Buyer/Seller
Lag/Qzn/Luc	23 3,300.00/3,350.00
Philippine Coconut Oil - Crude	
CIF NY/NOLA	58.75
FOB RAIL/NOLA	61.75
COCONUT OIL (PHIL/IDN), \$ per ton,	
CIF Europe	
Oct./Nov.'23	0.00/1,080.00
Nov./Dec.'23	0.00/1,060.00
Dec./Jan.'24	1,010.00/1,050.00
Jan./Feb.'24	1,015.00/1,060.00

## LONDON METAL EXCHANGE

LME FINAL CLOSING PRICES, US\$/MT

	3 MOS.
ALUMINUM H.G.	2,238.50
ALUMINUM Alloy	1,935.00
COPPER	8,568.50
LEAD	2,151.00
NICKEL	16,701.00
TIN	26,648.00
ZINC	2,580.00

# Gold holds steady with spotlight on Fed verdict

GOLD PRICES held steady on Friday as investors' attention shifted to the US Federal Reserve's policy meeting due next week for more insights into the interest rate outlook.

Spot gold was little changed at \$2,016.95 per ounce by 02:15 p.m. ET (1915 GMT), down 0.6% so far this week.

US gold futures settled mostly flat at \$2,017.30.

“We are seeing the gold market consolidating at the moment as the expectations of rate declines aren't quite as soon as the market would like,” said David Meger, director of metals trading at High Ridge Futures.

Markets widely expect the Fed to leave interest rates unchanged at its policy meeting on Jan. 30-31, but have pared back expectations of a rate cut by March, according to the CME FedWatch tool.

Lower interest rates decrease the opportunity cost of holding bullion.

US prices rose moderately in December, keeping the annual increase in inflation below 3% for a third straight month, which could allow the Fed to start cutting interest rates this year. Another set of data on Thursday showed the US economy grew faster than projected in the fourth quarter.

In the short term, the direction of gold and silver will continue to be dictated by incoming economic data and their impact on the dollar, yields, and rate cut expectations, said Ole Hansen, Saxo Bank's head of commodity strategy in a note.

Spot silver lost 0.8% to \$22.75 per ounce and headed for its best week in five.

Platinum rose 2.6% to \$914.33 and palladium gained 1.9% to \$958.81, with both on track for a weekly increase. — Reuters

## PHILIPPINE ECONOMIC growth may have slowed in the fourth quarter of 2023.



PHILIPPINE STAR/WALTER BOLLOZOS

## GDP, from SI/1

Meanwhile, latest PSA data showed that the unemployment rate slipped to 3.6% in November 2023. This marked the lowest rate of unemployment since April 2005, when the statistics agency revised its definition of unemployment to refer to people aged 15 years and older, who do not have a job, are available for work, and are actively seeking employment.

In November, the number of unemployed Filipinos decreased by 12.3% or 257,000 to 1.83 million from 2.09 million in October 2023.

“We believe that the unhealthy rise in consumer prices and a sharp increase in interest rates weighed down household spending and fixed capital formation,” Alvin Joseph A. Arogo, economist at Philippine National Bank, said in an e-mail.

He also added that government spending and reduced imports cannot sustainably drive a strong rate of economic expansion due to fiscal constraints.

Headline inflation slowed to 3.9% in December bringing the full-year 2023 average to 6%, the highest reading since the 8.2% posted in 2008.

Meanwhile, the central bank kept its benchmark interest rate at a 16-year high of 6.5% in its latest policy meeting. The central bank hiked interest rates by a cumulative of 450 basis points between May 2022 and October 2023 in its efforts to tame inflation.

Due to broad-based weakness, the Philippine economy slowed from the third quarter, said Shivaan Tandon, economist at Capital Economics.

“Admittedly, price pressures eased in the last quarter, which will have supported real incomes. But this is likely to have been partially offset by other factors... Elevated interest rates are also likely to have weighed on domestic demand,” he said in an e-mail exchange.

Sarah Tan, an economist from Moody's Analytics, said the economy likely expanded by 4.9% in the fourth quarter, supported by the improvement in private consumption due to easing inflation, a tight labor market, and robust remittances.

She added that government agencies ramped up spending by yearend, while a softening global economy likely moderated private investment and trade.

Cash remittances coursed through banks during the January-to-November period grew by 2.8% to \$30.211 billion, falling below the Bangko Sentral ng Pilipinas' (BSP) remittance growth projection of 3% for 2023.

## GLOBAL SLOWDOWN

In 2023, Ms. Tan said monetary tightening and the global economic slowdown impacted the Philippine economy.

“High borrowing costs kept Philippine households and businesses cautious in their spending through 2023, capping private consumption and investment growth,” she added.

Miguel Chanco, chief emerging Asia economist at Pantheon Macroeconomics, said that the economy seems to have suffered a general reduction in domestic demand in the fourth quarter, but this may have been offset by a boost in net trade due to a pullback in imports.

He also added that external developments impacted exports, but the main concern was the slowdown in private consumption growth throughout the entire year.

“Monetary policy affects the economy with a lag, and the BSP's overly aggressive rate hiking cycle, in our view, will continue to depress domestic demand this year, as it did in the last 12 months,” he said.

For Nicholas Antonio T. Mapa, senior economist at ING Bank N.V. Manila, the economy is less reliant on global developments and more driven by domestic factors. He noted GDP could have expanded at a faster pace if the BSP had not hiked interest rates aggressively.

This could have also resulted in a negligible and negative contribution from capital formation during the second and third quarters of 2023.

Gross capital formation — the investment component of the economy — fell by 1.6% in the third quarter of 2023, ending nine straight quarters of growth.

## OUTLOOK

For this year, economists expect slower economic growth due to the global slowdown, decelerating inflation, and declining interest rates, among others.

Economic managers target GDP growth to settle within 6.5%-7.5% in 2024.

“We think most of the headwinds will likely persist into 2024. Particularly, the impact of past monetary tightening will continue to weigh on domestic demand even if the BSP pivots to rate cuts during the year, as monetary policy works with lags,” Oxford Economics' Mr. Tsuchiya said.

He also added that the global economic slowdown will weigh on external demand.

Maybank's Mr. Dzulkafli said he expects slower growth in the first quarter of 2024 due to elevated food inflation, high-interest rates, and global uncertainty. However, growth is expected to pick up in the second half of the year as the central bank is seen to start cutting policy interest rates.

Ser Percival K. Peña-Reyes, director of the Ateneo Center for Economic Research and Development, said he has a cautious outlook for 2024, adding the economy's performance would depend on the ability to attract investments.

Domini S. Velasquez, chief economist at China Banking Corp., said that the economy will improve in 2024 due to slowing inflation, monetary easing in the second half of the year, and an increased government budget.

“However, we note that the economy would still have to contend with headwinds such as a global economic slowdown and heightened geopolitical tensions,” she added.

Diwa Guinigundo, Philippines analyst at GlobalSource Partners said that there are still risks to economic growth this year, adding that if geopolitical tensions persist, supply chains may not be mitigated while the drift towards geo-economic fragmentation could weaken international trade.

Resource-wise, he said that the current level of public debt could cause a diversion of public funds from the provision of infrastructure and social services to debt servicing.

## PLDT & Smart, PAGEONE clinch top honors at 20<sup>th</sup> Philippine Quill Awards

Other big winners include Light Rail Manila Corp., CarbonDigital, and BPI, and De La Salle-College of Saint Benilde for the 10<sup>th</sup> Student Quills

PLDT & Smart and PAGEONE once again bagged Company of the Year (COY) and Agency of the Year (AOY) honors, respectively, at the 20<sup>th</sup> Philippine Quill Awards, held last night at the Manila Marriott Hotel Grand Ballroom. Both organizations won the same titles at the 19<sup>th</sup> Philippine Quill Awards.

Manila Electric Company and SM Foundation, Inc. made up the rest of the top three companies for this awards cycle, while DDB Group Philippines and Comm&Sense-Roar were named agency runners-up.

Other big winners included Light Rail Manila Corp. for its “LRMC: Building a foundation for learning and literacy thru Binhi Partnership” campaign, which received the top award for Communication Management; Carbon Digital, Inc. for its “RCEF Seed Program for social media campaign for 2021,” which secured the No. 1 spot for Communication Research; and Bank of the Philippine Islands for its “Going viral? Do it yourself” campaign, which was given the top prize for Communication Skills. There was no top awardee for the Communication Training and Education division this year.

Together with the 20<sup>th</sup> Philippine Quill Awards, the next generation of strategic communicators were also recognized at the 10<sup>th</sup> Student Quill Awards. De La Salle-College of Saint Benilde was named School of the Year (SOY), a repeat of its achievement in the 9<sup>th</sup> Student Quill Awards, followed closely by the University of Santo Tomas and Colegio de San Juan de Letran.

The lone Student Quills winner of a top division award was “Horizons: Apophenia” by Danielle Sabine Lim from De La Salle College of Saint Benilde.

The Philippine Quill Awards and Student Quill Awards are spearheaded by the International Association of Business Communicators (IABC) Philippines. The annual programs honor the best strategic communication campaigns, programs, and tools, with the goal of helping uplift the standards of communication across various industries and institutions, and to prepare the next generation of communicators.

COY, AOY, and SOY honors are given to the company, agency, and school with the

most number of Excellence awards received. In case of a tie, the number of Merit awards received is also considered. For an entry to get an Award of Excellence, it must garner a score of at least 5.75 out of a possible 7. An Award of Merit is given to entries that secure a rating of at least 5.25.

The Philippine Quill and Student Quill Awards use the same rubrics that the US-based IABC utilize in evaluating entries to the international Gold Quill Awards. Entries are evaluated by communication experts across different industries and disciplines.

“Our foremost goal for the Philippine Quills is to elevate communication standards in the corporate, government, and academic sectors. Through the awards that we give out, we aim to showcase the communication campaigns, programs, and tools that use creative, resourceful, and well-thought-out means to generate significant positive outcomes for their stakeholders,” said 20<sup>th</sup> Philippine Quill and 10<sup>th</sup> Student Quill Awards Chair Abigail Ho-Torres.

IABC Philippines President Belle Tiongco also emphasized the importance of the Student Quill Awards, as it serves “not only to recognize the best student works in various fields of communication, but also instills in students the discipline of crafting communication programs and tools that really focus on positive outcomes and not just aspire to go viral.”

This year's theme, “Past Forward,” highlighted the necessity of honoring the past to move forward into the future. Amid technological advancements and societal progress, IABC Philippines called on communication professionals to learn from past glories and mistakes so that they can help shape a better future.

The 20<sup>th</sup> Philippine Quill Awards and 10<sup>th</sup> Student Quill Awards were made possible by Metro Pacific Investments Corp., BDO, Meralco, Pru Life UK, PLDT & Smart, and Red Ribbon, together with media partners Adobo Magazine, Businessworld, Business Mirror, and The Philippine Star. Reyes Tacandong & Co. served as the official tabulator.