P25 IN METRO MANILA, PHILIPPINES

# BusinessWorld

**STOCK MARKET**

**PSEi**

| | |
|---|---|
| OPEN: | 6,844.61 |
| HIGH: | 6,931.55 |
| LOW: | 6,844.61 |
| CLOSE: | 6,850.16 |
| VOL.: | 0.536 B |
| VAL(P): | 6.891 B |

▲ 20.12 PTS. 0.29%

30 DAYS TO FEBRUARY 8, 2024

**ASIAN MARKETS**

FEBRUARY 8, 2024

| | CLOSE | | NET | % |
|---|---|---|---|---|
| Japan (Nikkei 225) | 36,863.28 | ▲ | 743.36 | 2.06 |
| Hong Kong (Hang Seng) | 15,878.07 | ▼ | -203.82 | -1.27 |
| Taiwan (Weighted) | 18,096.07 | ▲ | 36.14 | 0.20 |
| Thailand (SET Index) | 1,390.87 | ▼ | -9.15 | -0.65 |
| S.Korea (Kse Composite) | 2,620.32 | ▲ | 10.74 | 0.41 |
| Singapore (Straits Times) | 3,140.27 | ▼ | -15.88 | -0.50 |
| Sydney (All Ordinaries) | 7,639.20 | ▲ | 23.40 | 0.31 |
| Malaysia (Klse Composite) | 1,512.36 | ▼ | -0.75 | -0.05 |

* CLOSING PRICE AS OF FEBRUARY 5, 2024

**WORLD MARKETS**

FEBRUARY 7, 2024

| | CLOSE | | NET |
|---|---|---|---|
| Dow Jones | 38,677.360 | ▲ | 156.000 |
| NASDAQ | 15,756.644 | ▲ | 147.646 |
| S&P 500 | 4,995.060 | ▲ | 40.830 |
| FTSE 100 | 7,628.750 | ▼ | -52.260 |
| Euro Stoxx50 | 4,235.220 | ▼ | -8.710 |

**PESO-DOLLAR RATES**

**FX**

| | |
|---|---|
| OPEN | P55.980 |
| HIGH | P55.850 |
| LOW | P56.000 |
| CLOSE | P55.911 |
| W.AVE. | P55.916 |
| VOL. | $1,195.60 M |

▲ 3.90 CTVS

30 DAYS TO FEBRUARY 8, 2024

SOURCE : BAP

**ASIAN MONIES-US$ RATE**

FEBRUARY 8, 2024

| | LATEST BID (0900GMT) | | PREVIOUS |
|---|---|---|---|
| Japan (yen) | 148.690 | ▼ | 147.930 |
| Hong Kong (HK dollar) | 7.821 | ▼ | 7.820 |
| Taiwan (NT dollar) | 31.381 | ▼ | 31.328 |
| Thailand (baht) | 35.830 | ▼ | 35.590 |
| S. Korea (won) | 1,329.750 | ▼ | 1,327.010 |
| Singapore (dollar) | 1.345 | ▼ | 1.343 |
| Indonesia (rupiah) | 15,630 | — | 15,630 |
| Malaysia (ringgit) | 4.766 | ▼ | 4.759 |

**WORLD CURRENCIES**

FEBRUARY 8, 2024

| | CLOSE | | PREVIOUS |
|---|---|---|---|
| US$/UK pound | 1.2629 | ▼ | 1.2631 |
| US$/Euro | 1.0779 | ▲ | 1.0766 |
| US$/Aust dollar | 0.6508 | ▼ | 0.6527 |
| Canada dollar/US$ | 1.3464 | ▼ | 1.3473 |
| Swiss Franc/US$ | 0.8724 | ▲ | 0.8712 |

**DUBAI CRUDE OIL**

FUTURES PRICE ON NEAREST MONTH OF DELIVERY

$78.50/bbl

▲ $0.50

30 DAYS TO FEBRUARY 7, 2024

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S1/1-10 • 3 SECTIONS, 20 PAGES

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

| | | Value | | | |
|---|---|---|---|---|---|
| BDO | P153.600 | P990,533,841 | P3.600 | ▲ | 2.400% |
| BPI | P113.400 | P571,266,548 | P0.800 | ▲ | 0.710% |
| ICT | P271.000 | P559,386,688 | P1.000 | ▲ | 0.370% |
| ALI | P34.900 | P442,257,185 | P0.400 | ▲ | 1.159% |
| URC | P111.300 | P437,500,185 | -P0.100 | ▼ | -0.090% |
| SMPH | P34.650 | P428,072,285 | -P0.150 | ▼ | -0.431% |
| AC | P700.000 | P408,283,090 | -P15.000 | ▼ | -2.098% |
| SM | P915.000 | P371,448,655 | P5.000 | ▲ | 0.549% |
| MBT | P59.200 | P363,089,356 | P1.500 | ▲ | 2.600% |
| MONDE | P9.950 | P193,963,763 | P0.270 | ▲ | 2.789% |

# January dollar reserves inch down

## Meralco customers to see higher bills in February

**By Sheldeen Joy Talavera**
*Reporter*

RESIDENTIAL CUSTOMERS in areas served by Manila Electric Co. (Meralco) will see higher electricity bills this month due to an increase in the generation charge.

The overall rate will rise by P0.5738 per kilowatt-hour (kWh) to P11.9168 per kWh this month from P11.3430 in January, Meralco said in a statement on Thursday.

Typical households consuming 200 kWh will see their monthly electricity bills rise by about P115 this month.

Meanwhile, residential customers consuming 300 kWh, 400 kWh, and 500 kWh will see increases of P173, P231 and P290, respectively, in their February bills.

The generation charge mainly drove the increase in the rate as it went up by P0.4552 to P7.1020 per kWh, Meralco said.

The generation charge accounts for nearly 80% of a consumer's monthly electricity bill.

The power distributor attributed the rise in the generation charge to higher charges from independent power producers (IPP) and power supply agreements (PSA).

"Charges from IPPs increased by P1.4764 per kWh due to higher fuel costs of First Gas - Sta. Rita and San Lorenzo power plants, mainly resulting from the increased use of imported liquefied natural gas (LNG), which was around 35% to 40% more expensive than Malampaya gas," Meralco said.

The price of Malampaya gas, the country's sole natural gas provider, also inched up, Joe R. Zaldarriaga, Meralco's spokesperson and vice-president for corporate communications, said at a briefing.

"The Malampaya gas price to the Sta. Rita plant increased by almost 12% following the signing of a new gas supply and purchase agreement between First Gas and the [Malampaya] consortium," he said, adding that the San Lorenzo plant also had an increase of less than 2%.

The peso's depreciation also contributed to the increase in IPP charges, he added.

The peso closed at P56.275 a dollar on Jan. 31, weakening by 90.5 centavos from its finish of P55.37 on Dec. 29, based on Bankers Association of the Philippines data.

Charges from PSAs went up by P0.1158 per kWh following higher charges from emergency PSAs and the peso's weakness that affected about 11% of costs that were dollar-denominated.

*Meralco, S1/8*

## BIR fails to meet 2023 revenue collection goal

**By Luisa Maria Jacinta C. Jocson** *Reporter*

THE BUREAU of Internal Revenue (BIR) collected about P2.53 trillion in 2023, surpassing the previous year's level but falling short of its full-year target.

"In 2023, we collected more than P2.5 trillion, which is around 7.5% higher than our tax collection in 2022," BIR Commissioner Romeo D. Lumagui, Jr. said in a speech at the agency's National Tax Campaign Kick-off event on Thursday.

"The additional revenue funded a wide array of government projects and initiatives. Notably, last year's collection is the highest revenue collection ever recorded in the bureau's history," he added.

The agency's revenue collections last year rose from P2.34 trillion in 2022, but it missed the P2.64-trillion target for 2023.

Mr. Lumagui said this was mainly due to the change in the deadline of value-added tax (VAT) filings to quarterly from monthly.

"First of all, this was due to the change in VAT compliance. VAT requirements became quarterly from monthly. That's big, because in 2022 the VAT payment was filed monthly and now it became quarterly. There's one quarter of VAT payments that was not counted for 2023," he said in mixed English and Filipino.

"One of the reasons for that would be that the last quarter for VAT was paid in 2024. But essentially, I think they did a good job. I think the bigger challenge will be for 2024, because the revenue targets are high as well," Finance Secretary Ralph G. Recto told reporters on the sidelines of the same event.

This year, the BIR is expected to generate P3.05 trillion in revenues. The agency collects about 70% of the government's revenues.

Mr. Lumagui said he expects the agency's planned programs and initiatives this year to help it achieve its collection target.

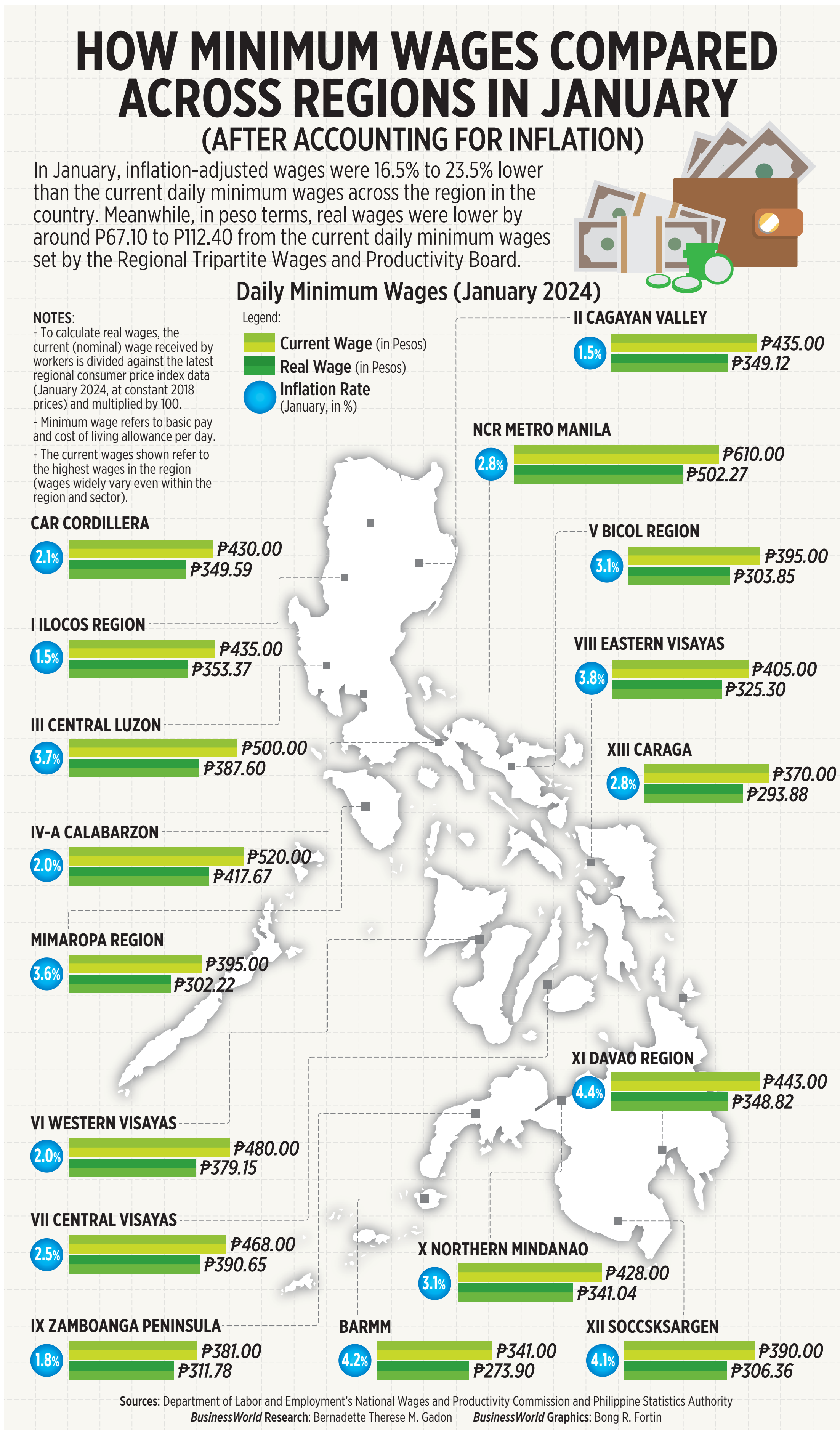
"With all the programs we're doing, we're hoping that it will be enough," he said, citing the recently issued withholding tax on online sellers, increase in enforcement activities and digitalization and streamlining of processes.

"We're hoping with everything we've done, making it easier for the public to pay taxes, that... their compliance will be better and increase this year," he added.

Meanwhile, separate data from the BIR showed it generated P137.18 billion in revenues from operations targeting the illicit trade of cigarettes, vape and other excisable articles in 2023.

It filed 259 cases under its Run After Tax Evaders program with total tax liabilities worth P18.3 billion.

*BIR, S1/8*




**By Keisha B. Ta-asan**
*Reporter*

THE PHILIPPINES' gross international reserves (GIR) inched down in January following three straight months of growth as the National Government paid some of its debt.

Preliminary data released by the Bangko Sentral ng Pilipinas (BSP) on Wednesday showed reserves slipped by 0.3% to $103.41 billion from $103.75 billion at end-December 2023.

Year on year, dollar reserves rose by 2.7%.

"The month-on-month decline in the GIR level reflected mainly the National Government's payments of its foreign currency debt," the central bank said in a statement.

The BSP also attributed the lower GIR level to downward adjustments in the valuation of its gold holdings, as the price of gold in the international market fell.

"Despite the slight month-on-month decline, the GIR level remains at a sufficient level to support the country's external obligations and to stem any excessive volatility and depreciation of the Philippine peso," China Banking Corp. Chief Economist Domini S. Velasquez said in a Viber message.

GIR levels continue to be at the $100-billion level, which means the country has ample supply of foreign currency for any episodes of dollar liquidity shortage, ING Bank N.V. Manila Senior Economist Nicholas Antonio T. Mapa said in an e-mail.

"GIR has largely maintained these levels despite outsized concerns of GIR 'depletion' and we can expect it to remain at these levels for the rest of the year," he said.

As of end-January, the level of dollar reserves was enough to cover about six times the country's short-term external debt based on original maturity and 3.9 times based on residual maturity.

It was also equivalent to 7.7 months' worth of imports of goods and payments of services and primary income.

*Dollar, S1/8*

## Banks' end-2023 NPL ratio drops to one-year low

PHILIPPINE BANKS' nonperforming loan (NPL) ratio fell to the lowest in a year in December as borrowers were more capable of paying their debts amid low unemployment rates and slower inflation, analysts said.

The banking industry's bad loan ratio went down to 3.23% as of end-December from 3.41% at end-November, preliminary data posted on the Bangko Sentral ng Pilipinas (BSP) website showed.

It was the lowest since the 3.16% recorded at end-December 2022.

Lenders' gross NPLs stood at P446.99 billion as of December, rising by 12.09% from a year earlier but down by 1.6% from end-November.

Meanwhile, the loan portfolio of Philippine banks grew by 9.58% to P13.84 trillion at end-2023 from a year ago, and by 3.75% from P13.34 trillion in the prior month.

"Among others, the strong Philippine job numbers and slower inflation likely boosted the paying capacity of consumers, which likely underpinned the decline in NPLs," Bank of the Philippine Islands (BPI) Lead Economist Emilio S. Neri, Jr. said in a Viber message.

High employment rates recently might have significantly improved borrowers' capacity to pay off their debts, John Paolo R. Rivera, president and chief economist at Oikonomia Advisory & Research, Inc., said in a Viber message.

The Philippine consumer price index eased to 3.9% in December from 4.1% in November, the slowest in 22 months.

Headline inflation averaged 6% in 2023, slightly higher than 5.8% in 2022.

Meanwhile, the country's unemployment rate dropped to a new record of 3.1% in December from 3.6% in November, bringing the full-year jobless rate to 4.3%, the lowest in almost two decades.

In December, the ranks of unemployed Filipinos dropped to 1.6 million, more than half-a-million fewer than 2.22 million a year ago. There were 2.19 million jobless Filipinos last year, lower than 2.67 million in 2022.

The employment rate in December also rose to a record 96.9%, above the 96.4% in November and 95.7% in December 2022. In absolute terms, employed Filipinos in December reached 50.52 million, up by 889,000 from a month ago.

On an annual basis, the country added 1.52 million jobs from 49 million in the previous year.

BSP data showed past due loans held by banks increased by 14.3% year on year to P547.37 billion as of end-December. This brought the past due ratio to 3.95% as of end-2023 from 3.79% a year earlier.

Meanwhile, restructured loans declined by 8.3% to P302.493 billion as of December from a year earlier. These borrowings made up 2.19% of banks' portfolios, down from 2.61% at end-December 2022.

The industry's loan loss reserves stood at P456.514 billion as of end-December, growing by 7% year on year. This was equivalent to 3.3% of banks' total loans, lower than 3.38% a year earlier.

NPL coverage ratio at end-2023 stood at 102.13%, inching down from 107% as of end-2022.

"As interest rates are expected to be lower this 2024 since inflation is relaxing, there is a greater likelihood of (borrowers) being able to pay debts," Mr. Rivera said.

The Monetary Board raised borrowing costs by 450 basis points from May 2022 to March 2023, bringing its policy rate to a 16-year high of 6.5%.

BSP Governor Eli M. Remolona, Jr. earlier said they might consider cutting benchmark interest rates in the second half if there is a sustained downtrend in inflation.

The Monetary Board will hold its first policy review this year on Feb. 15. — **Keisha B. Ta-asan**