

STOCK MARKET	ASIAN MARKETS	WORLD MARKETS	PESO-DOLLAR RATES	ASIAN MONIES-US\$ RATE	WORLD CURRENCIES	DUBAI CRUDE OIL																																																																																																			
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 2012 Pts. 0.29% 30 DAYS TO FEBRUARY 8, 2024	FEBRUARY 9, 2024 <table border="1"> <tr><th></th><th>CLOSE</th><th>NET</th><th>%</th></tr> <tr><td>JAPAN (NIKKEI 225)</td><td>36,897.42</td><td>▲34.14</td><td>0.09</td></tr> <tr><td>HONG KONG (HANG SENG)</td><td>15,746.58</td><td>▲131.49</td><td>-0.83</td></tr> <tr><td>TAIWAN (WEIGHTED)*</td><td>18,096.07</td><td>▲36.14</td><td>0.20</td></tr> <tr><td>THAILAND (SET INDEX)</td><td>1,388.37</td><td>▲-0.23</td><td>-0.02</td></tr> <tr><td>S.KOREA (KSE COMPOSITE)**</td><td>2,620.32</td><td>▲10.74</td><td>0.41</td></tr> <tr><td>SINGAPORE (STRAITS TIMES)</td><td>3,138.30</td><td>▲-4.61</td><td>-0.15</td></tr> <tr><td>SYDNEY (ALL ORDINARIES)</td><td>7,644.80</td><td>▲5.60</td><td>0.07</td></tr> <tr><td>MALAYSIA (KLC COMPOSITE)</td><td>1,512.28</td><td>▲-0.08</td><td>-0.01</td></tr> </table>		CLOSE	NET	%	JAPAN (NIKKEI 225)	36,897.42	▲34.14	0.09	HONG KONG (HANG SENG)	15,746.58	▲131.49	-0.83	TAIWAN (WEIGHTED)*	18,096.07	▲36.14	0.20	THAILAND (SET INDEX)	1,388.37	▲-0.23	-0.02	S.KOREA (KSE COMPOSITE)**	2,620.32	▲10.74	0.41	SINGAPORE (STRAITS TIMES)	3,138.30	▲-4.61	-0.15	SYDNEY (ALL ORDINARIES)	7,644.80	▲5.60	0.07	MALAYSIA (KLC COMPOSITE)	1,512.28	▲-0.08	-0.01	FEBRUARY 9, 2024 <table border="1"> <tr><th></th><th>CLOSE</th><th>NET</th></tr> <tr><td>Dow Jones</td><td>38,671.690</td><td>▼-54.640</td></tr> <tr><td>NASDAQ</td><td>15,990.664</td><td>▲196.949</td></tr> <tr><td>S&P 500</td><td>5,026.610</td><td>▲28.700</td></tr> <tr><td>FTSE 100</td><td>7,572.580</td><td>▼-22.900</td></tr> <tr><td>Euro Stoxx50</td><td>4,215.590</td><td>▼-5.270</td></tr> </table>		CLOSE	NET	Dow Jones	38,671.690	▼-54.640	NASDAQ	15,990.664	▲196.949	S&P 500	5,026.610	▲28.700	FTSE 100	7,572.580	▼-22.900	Euro Stoxx50	4,215.590	▼-5.270	FX OPEN P55.980 HIGH P55.850 LOW P56.000 CLOSE P55.911 W.AVE. P55.916 VOL. \$1,195.60 M 30 DAYS TO FEBRUARY 8, 2024 SOURCE: BAP	FEBRUARY 9, 2024 LATEST BID (0900GMT) <table border="1"> <tr><th></th><th>LATEST BID (0900GMT)</th><th>PREVIOUS</th></tr> <tr><td>JAPAN (YEN)</td><td>149.300</td><td>▲148.690</td></tr> <tr><td>HONG KONG (HK DOLLAR)</td><td>7.819</td><td>▲7.821</td></tr> <tr><td>TAIWAN (NT DOLLAR)</td><td>31.368</td><td>▲31.381</td></tr> <tr><td>THAILAND (BAHT)</td><td>35.890</td><td>▲35.830</td></tr> <tr><td>S. KOREA (WON)</td><td>1,330.070</td><td>▲1,329.750</td></tr> <tr><td>SINGAPORE (DOLLAR)</td><td>1.346</td><td>▲1.345</td></tr> <tr><td>INDONESIA (RUPIAH)</td><td>15,630</td><td>▲15,630</td></tr> <tr><td>MALAYSIA (RINGGIT)</td><td>4.760</td><td>▲4.766</td></tr> </table>		LATEST BID (0900GMT)	PREVIOUS	JAPAN (YEN)	149.300	▲148.690	HONG KONG (HK DOLLAR)	7.819	▲7.821	TAIWAN (NT DOLLAR)	31.368	▲31.381	THAILAND (BAHT)	35.890	▲35.830	S. KOREA (WON)	1,330.070	▲1,329.750	SINGAPORE (DOLLAR)	1.346	▲1.345	INDONESIA (RUPIAH)	15,630	▲15,630	MALAYSIA (RINGGIT)	4.760	▲4.766	FEBRUARY 9, 2024 <table border="1"> <tr><th></th><th>CLOSE</th><th>PREVIOUS</th></tr> <tr><td>US\$/UK POUND</td><td>1.2626</td><td>▲1.2629</td></tr> <tr><td>US\$/EURO</td><td>1.0782</td><td>▲1.0779</td></tr> <tr><td>US\$/AUSTRALIAN DOLLAR</td><td>0.6523</td><td>▲0.6508</td></tr> <tr><td>CANADA DOLLAR/US\$</td><td>1.3458</td><td>▲1.3464</td></tr> <tr><td>SWISS FRANC/US\$</td><td>0.8745</td><td>▲0.8724</td></tr> </table>		CLOSE	PREVIOUS	US\$/UK POUND	1.2626	▲1.2629	US\$/EURO	1.0782	▲1.0779	US\$/AUSTRALIAN DOLLAR	0.6523	▲0.6508	CANADA DOLLAR/US\$	1.3458	▲1.3464	SWISS FRANC/US\$	0.8745	▲0.8724	DUBAI CRUDE OIL FUTURES PRICE ON NEAREST MONTH OF DELIVERY \$81.05/BBL 30 DAYS TO FEBRUARY 9, 2024
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PHILIPPINE STOCK EXCHANGE'S 10 MOST ACTIVE STOCKS BY VALUE TURNOVER • FEBRUARY 8, 2024 (PSEi snapshot on S1/2; article on S2/2)

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

BSP may keep rates steady — poll

By Keisha B. Ta-asan
Reporter

THE BANGKO SENTRAL ng Pilipinas (BSP) is widely expected to keep its policy rate at a 16-year high for a third straight meeting on Thursday amid upside risks to inflation and as economic growth remains robust, analysts said.

The Monetary Board is also not expected to cut borrowing costs ahead of the US Federal Reserve as a narrower interest rate differential with the US could cause the peso to weaken further, they said.

A *BusinessWorld* poll of 17 analysts held last week showed 15 analysts expect the Monetary Board to maintain its target reverse repurchase (RRP) rate at a 16-

year high of 6.5% at its review this week. The BSP has kept its key rate at this level for two straight meetings since November.

On the other hand, two analysts said the BSP may cut the policy rate by 25 basis points (bps) to 6.25% at the Feb. 15 meeting after inflation slowed in January.

"We expect the BSP to remain on hold at its next meeting. Although inflation slowed to a more than three-year low of 2.8% in January, this is largely due to base effects," Makoto Tsuchiya, an economist from Oxford Economics, said in an e-mail.

Headline inflation fell to 2.8% in January from 3.9% in December and 8.7% in the same month a year ago, marking the slowest print since the 2.3% in October 2020.

January was also the second straight month that inflation was within the BSP's 2-4% target range. The consumer price index for the month was below the 3.1% median estimate in a *BusinessWorld* poll.

Finance Secretary and Monetary Board member Ralph G. Recto told reporters on the sidelines of an event on Thursday that the BSP may not deliver any more rate hikes this year amid slowing inflation.

"Inflation is on its way down. Assuming it continues to go down and is within the (2-4%) range, then realistically, what will happen next is the lowering of interest rates," he said in mixed English and Filipino.

However, Philippine National Bank (PNB) economist Alvin Joseph A. Arogo said inflation

may still pick up in the coming months, which could give the BSP a reason to keep rates elevated for now.

"Although headline inflation was within the 2-4% target range during the past two months, we think that the risk of a transient re-acceleration is material enough due to the threats from El Niño, Middle East conflict escalation, and lagged impact of minimum wage hikes," he said.

Colegio de San Juan de Letran Graduate School Associate Professor Emmanuel J. Lopez likewise said the inflation outlook remains uncertain as the agriculture sector has started to feel the effects of El Niño.

Oil price hikes may also lead to higher transport costs of delivering goods and food products, he said.

Poll, S1/3

Analysts' Expectations on Policy Rates (February 2024)

CURRENT POLICY SETTINGS

Overnight Deposit Rate	6.00%
Target Reverse Repurchase Rate	6.50%
Overnight Lending Rate	7.00%

KEEP

FORECAST

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BusinessWorld Graphics: Bong R. Fortin

PDEX expects bond issuances to exceed P400B this year

CORPORATE BOND issuances this year may surpass the Philippine Dealing & Exchange Corp.'s (PDEX) initial target of P400 billion amid expectations of increased offerings by the banking sector, its top official said.

"(The outlook) is a more robust year compared to last year... I think (we will surpass)," PDEX President and Chief Executive Officer Antonino A. Nakpil said on the sidelines of a listing ceremony last week when asked if they can hit the P400-billion target for 2024.

The full-year goal is almost double the P209 billion in issuances seen in 2023, but below the P508 billion raised in 2022.

"We started with [around] P70 billion just within February. We'll be at P82 billion after this week. It is a very good start for the first quarter," Mr. Nakpil added.

Big companies and the banking sector will drive the increase in fundraising as they expect interest rates to begin going down later this year, he said.

"There's a lot of maturities that are going to occur. The banks in particular usually have an incentive to reissue their bonds again. That will be driving the growth. We believe the banks are coming back," Mr. Nakpil said. — **Revin Mikhael D. Ochave**

FULL STORY



Read the full story by scanning the QR code with your smartphone or by typing the link <tinyurl.com/27bn4n>

Growth, fiscal goals need to be 'more realistic,' says DoF chief

THE DEVELOPMENT Budget Coordination Committee (DBCC) may need to adjust its growth and fiscal targets to be "more realistic," Department of Finance (DoF) Secretary Ralph G. Recto said last week.

"We're discussing that right now because I think we have to come up with more realistic targets," Mr. Recto told reporters on the sidelines of an event on Thursday.

"Don't you think we need some adjustment there? I think we need to. Something more realistic but still high for 2024 and beyond," he added.

The government is targeting gross domestic product (GDP) growth of 6.5-7.5% this year and 6.5-8% from 2025 to 2028 under the DBCC's latest macroeconomic assumptions and medium-term fiscal and growth goals.

The economy grew by 5.6% in 2023, slower than the 7.6% expansion in 2022. It also fell short of the government's 6-7% goal for the year.

"We are reviewing all of that. It's a six-year term for the President and we've finished one year and a half. We know what's happening globally, so we have an idea of something more realistic," the DoF chief said in mixed English and Filipino.

National Economic and Development Authority Secretary Arsenio M. Balisacan earlier said it could be too early to adjust their economic growth targets.

"It's only the first (quarter) of the year and now you want to say reduce the 6.5% — that's too defeatist," he said.

Meanwhile, the Finance chief said the entire medium-term fiscal framework is also under review.

"The fiscal plan was made when (Ferdinand R. Marcos, Jr.) became president in 2022. There was no war in the Middle East, the Ukraine war had just begun. Thereafter, prices of food and oil rose," Mr. Recto said. "That plan was done way back a year and a half ago. It's always under review and more so today."

The DBCC expects the National Government's budget deficit to hit P1.39 trillion this year, equivalent to 5.1% of GDP. Broken down, revenues are expected to reach P4.24 trillion while disbursements are seen to hit P5.63 trillion.

Under the fiscal framework, revenues are programmed to account for 15-16% of GDP, while expenditures are equivalent to around 20% of GDP.

Mr. Balisacan also said earlier that the contraction in state spending in the fourth quarter was "intentional" due to the government's fiscal consolidation plan. In the fourth quarter, government spending contracted by 1.8%, a reversal of the 6.7% growth in the previous quarter and 3.3% a year ago.

Mr. Recto noted that the government is not planning on cutting back on its expenditures.

"I'm not considering slower spending. At the very least we will keep the spending level at whatever it is right now under the DBCC program. Hopefully, we can even improve it. For as long as the deficit is going down and your debt-to-GDP ratio is going down, that's what is important," he added.

The DBCC last reviewed its targets in December. Its next meeting is scheduled in March.

Growth, S1/3

Nonmonetary measures needed to address rice inflation as prices may continue to climb

THE AGGRESSIVE rate hikes of the Bangko Sentral ng Pilipinas (BSP) over the past two years have helped stabilize inflation, but non-monetary measures are still needed, especially as rice prices remain high.

Rice prices continue to be a "serious concern" as this could cause headline inflation to breach the 2-4% target anew in the second quarter, Monetary Board member V. Bruce J. Tolentino said.

"The Philippines produced a record level of rice in the past season. But work on pushing productivity must continue, because there is significant unmet demand for rice, and many are hungry," he told *BusinessWorld* in a text message.

Rice production and agricultural productivity must grow

faster and surpass the expansion in the population and per capita consumption, he said.

"Increasing productivity is a medium- to long-term effort that requires consistent and faithful effort," Mr. Tolentino said, adding that the government should invest in scientific research and development for the long term.

Latest data from the Philippine Statistics Authority showed headline inflation eased to 2.8% in January from 3.9% in December and 8.7% in the same month in 2023.

This was the slowest inflation point since the 2.3% seen in October 2020 and was below the 3.1% median estimate in a *BusinessWorld* poll.

January also marked the second straight month that the consumer price index (CPI) was within the BSP's 2-4% annual goal following 20 consecutive months of above-target inflation.

The central bank sees headline inflation averaging 3.7% this year, slower than the 6% print in 2023, and easing further to 3.2% in 2025.

Meanwhile, the central bank's risk-adjusted forecasts show that inflation could settle at 4.2% this year, above the 2-4% target, and could slow to 3.4% in 2025.

The BSP has kept its policy rate unchanged at a 16-year high of 6.5% for two straight meetings since November. This was after it hiked benchmark borrowing costs by a cumulative 450 basis points

(bps) from May 2022 to October 2023 to help bring down the CPI.

"I am happy that the monetary policy decisions made over the last year have helped to manage and bring down inflation," Mr. Tolentino said.

"(But) rice prices continue to be high due to the dynamics of reduced global supplies due to India's ban on rice exports, plus the emerging impact of fertilizer supply constraints arising from the war in Ukraine," he added.

In January, rice inflation quickened to 22.6% in January from 19.6% in December. This is the highest rice inflation in nearly 15 years or since 22.9% in March 2009.

Rice, S1/3