P25 IN METRO MANILA, PHILIPPINES

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STOCK MARKET

PSEi

OPEN:	6,750.74
HIGH:	6,750.74
LOW:	6,686.50
CLOSE:	6,741.07
VOL.:	0.571 B
VAL(P):	4.262 B

▼ 4.39 PTS. 0.06%

30 DAYS TO APRIL 8, 2024

ASIAN MARKETS

APRIL 9, 2024

	CLOSE		NET	%
Japan (Nikkei 225)	39,773.13	▲	426.09	1.08
Hong Kong (Hang Seng)	16,828.07	▲	95.22	0.57
Taiwan (Weighted)	20,796.20	▲	378.50	1.85
Thailand (SET Index)	1,398.22	▲	22.64	1.65
S.Korea (Kse Composite)	2,705.16	▼	-12.49	-0.46
Singapore (Straits Times)	3,239.18	▲	23.19	0.72
Sydney (All Ordinaries)	7,824.20	▲	35.10	0.45
Malaysia (Klse Composite)	1,553.51	▼	-6.47	-0.41

WORLD MARKETS

APRIL 8, 2024

	CLOSE		NET
Dow Jones	38,892.800	▼	-11.240
NASDAQ	16,253.955	▲	5.435
S&P 500	5,202.390	▼	-1.950
FTSE 100	7,943.470	▲	32.310
Euro Stoxx50	4,391.950	▲	19.740

PESO-DOLLAR RATES

FX

OPEN	P56.700
HIGH	P56.450
LOW	P56.700
CLOSE	P56.491
W.AVE.	P56.554
VOL.	$1,220.60 M

SOURCE : BAP

▲ 0.90 CTV

30 DAYS TO APRIL 8, 2024

ASIAN MONIES-US$ RATE

APRIL 9, 2024

	LATEST BID (0900GMT)		PREVIOUS
Japan (yen)	151.850	▲	151.860
Hong Kong (HK dollar)	7.832	▼	7.831
Taiwan (NT dollar)	32.086	▲	32.121
Thailand (baht)	36.410	▲	36.680
S. Korea (won)	1,354.790	▲	1,355.540
Singapore (dollar)	1.346	▲	1.349
Indonesia (rupiah)	15,840	—	15,840
Malaysia (ringgit)	4.748	▲	4.749

WORLD CURRENCIES

APRIL 9, 2024

	CLOSE		PREVIOUS
US$/UK pound	1.2664	▲	1.2623
US$/Euro	1.0857	▲	1.0827
US$/Aust dollar	0.6613	▲	0.6584
Canada dollar/US$	1.3568	▼	1.3593
Swiss Franc/US$	0.9039	▼	0.9055

DUBAI CRUDE OIL

FUTURES PRICE ON NEAREST MONTH OF DELIVERY

$90.06/BBL

▼ $0.81

30 DAYS TO APRIL 8, 2024

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

		Value			
ALI	P29.750	P856,093,645	-P0.850	▼	-2.778%
AC	P614.000	P233,456,385	-P6.000	▼	-0.968%
AEV	P42.900	P217,631,970	P0.250	▲	0.586%
SCC	P29.950	P213,362,155	-P3.700	▼	-10.996%
SMPH	P31.600	P203,119,190	P1.000	▲	3.268%
ICT	P326.000	P198,035,444	P0.000	—	0.000%
SM	P970.000	P186,934,645	-P5.000	▼	-0.513%
BPI	P114.500	P179,756,960	P0.300	▲	0.263%
PLUS	P13.040	P172,430,038	-P0.420	▼	-3.120%
SECB	P69.200	P140,959,052	-P0.100	▼	-0.144%

Analysts see room for rate cut delay

By Luisa Maria Jacinta C. Jocbon *Reporter*

THE Bangko Sentral ng Pilipinas (BSP) still has room to delay monetary easing, analysts said, noting the Philippine economy can still withstand "higher-for-longer" interest rates.

"The economy is strong enough to withstand the current policy rate of the BSP at 6.5%. It would be useful if we see the banks doing less pro-cyclical lending operations to help avoid a convergence between the business and financial cycles as well as lower credit and economic growth," GlobalSource country analyst Diwa C. Guinigundo said in a Viber message.

The Monetary Board on Monday stood pat for a fourth straight meeting, keeping its benchmark rate at a near 17-year high 6.5%.

BSP Governor Eli M. Remolona, Jr. has said that upside risks to inflation have "become worse," prompting the central bank to be "somewhat more hawkish than before."

Rate cuts would only be considered if inflation continues on the downtrend and if economic growth turns out weaker than expected, he added.

HSBC economist for ASEAN Aris D. Dacanay in a report said that the BSP has room to keep its policy rate tighter for longer.

"With growth in the Philippines very resilient, the BSP, in our view, can afford to delay its first rate cut if it needs to support the peso or to cool inflation further," he said.

The BSP chief said that it could potentially cut rates by 25 basis points (bps) in the third quarter if inflation is within target and economic growth is weak. However, he warned that monetary easing could start as late as the first quarter of 2025 if inflation risks persist.

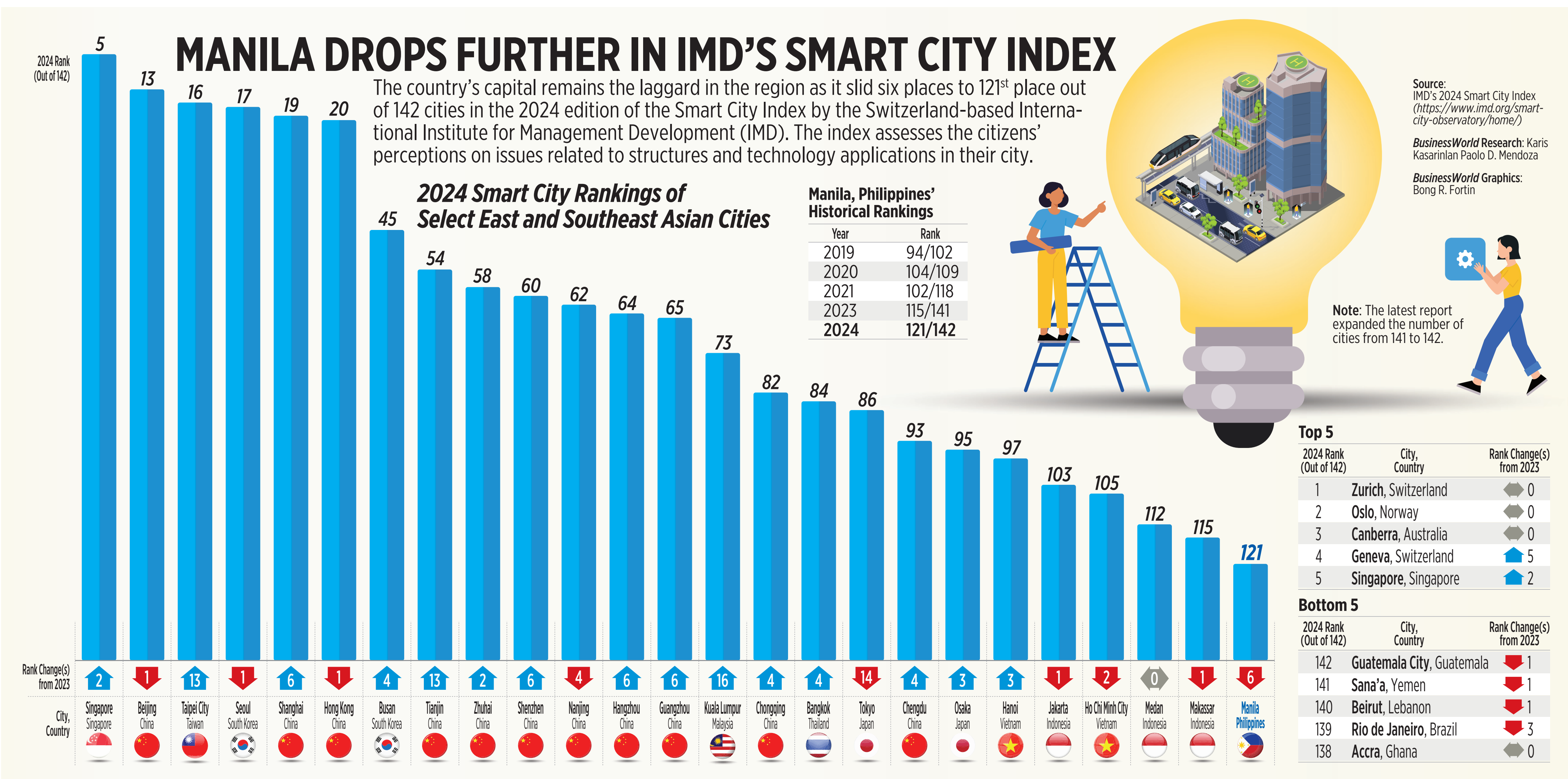
"I am for the BSP's sustained patience because we have seen in the past how high inflation could also subvert economic growth through lower consumption and investment, and undermine purchasing power especially of the bottom 30% of our population," Mr. Guinigundo said.

Mr. Remolona also said that previous rate increases have weighed on domestic demand and have a lagged effect on the economy.

Rate, S1/3

MANILA DROPS FURTHER IN IMD'S SMART CITY INDEX

The country's capital remains the laggard in the region as it slid six places to 121st place out of 142 cities in the 2024 edition of the Smart City Index by the Switzerland-based International Institute for Management Development (IMD). The index assesses the citizens' perceptions on issues related to structures and technology applications in their city.



Manila, Philippines' Historical Rankings

Year	Rank
2019	94/102
2020	104/109
2021	102/118
2023	115/141
2024	**121/142**

Source: IMD's 2024 Smart City Index *(https://www.imd.org/smart-city-observatory/home/)*

BusinessWorld Research: Karis Kasarinlan Paolo D. Mendoza

BusinessWorld Graphics: Bong R. Fortin

Note: The latest report expanded the number of cities from 141 to 142.

Top 5

2024 Rank (Out of 142)	City, Country	Rank Change(s) from 2023
1	**Zurich**, Switzerland	0
2	**Oslo**, Norway	0
3	**Canberra**, Australia	0
4	**Geneva**, Switzerland	▲ 5
5	**Singapore**, Singapore	▲ 2

Bottom 5

2024 Rank (Out of 142)	City, Country	Rank Change(s) from 2023
142	**Guatemala City**, Guatemala	▼ 1
141	**Sana'a**, Yemen	▼ 1
140	**Beirut**, Lebanon	▼ 1
139	**Rio de Janeiro**, Brazil	▼ 3
138	**Accra**, Ghana	0

Asia's new Quad told to step up economic game beyond security

By Kyle Aristophere T. Atienza *Reporter*

FOCUS

THE Philippines, United States, Japan and Australia need a stronger economic message and should boost their ties beyond defense and security to sustain their partnership amid an increasingly belligerent China, according to analysts.

The Philippine-US-Japan-Australia "Quadrilateral" is still in its infancy, but it has the potential to develop into a more formal "minilateral" grouping, said Jeffrey Ordaniel, director for maritime security at the Pacific Forum and an associate professor of international security studies at the Tokyo International University.

The four nations may have to bring tangible benefits to the Indo-Pacific region including economic prosperity through trade, and start initiatives in infrastructure investment, regional supply chain connectivity and energy security for their ties to be meaningful and believable.

Mr. Ordaniel said the emergence of several minilateral groups in the Indo-Pacific region, such as the possible new Quad, was due to the Association of Southeast Asian Nations' (ASEAN) "inability to manage geopolitical and security challenges involving China and the US."

"ASEAN's consensus-based approach is inhibiting meaningful actions on issues such as the South China Sea," Mr. Ordaniel said.

The US, Japan, Australia and the Philippines last year started a quadrilateral security dialogue in the face of an aggressive China, which claims the South China Sea almost in its entirety.

The four allies, especially the US, have also expressed concern over China's aggression toward Taiwan, which Beijing regards as a renegade province.

"These are some of the largest economies in the region and if they get their act together, they can have a strong impact," Joseph Herman S. Kraft, former chairman of the University of the Philippines Political Science Department, said in a Viber message.

The US and China have been locked in a trade war since 2018, when former President Donald J. Trump slapped investment controls and tariffs on hundreds of billions of dollars worth of Chinese products due mainly to alleged unfair trade practices by Beijing.

US President Joseph R. Biden, Jr. who is running for his last reelection, has kept the tariffs and imposed more restrictions. He has called the US-China conflict "a battle between the utility of democracies in the 21st century and autocracies."

The US has been at the forefront of international condemnation of China's intrusions into the exclusive economic zone of the Philippines, a much smaller nation that has been seeking more economic and security partnerships.

"The US is the largest economy in the world, but it is beset by a growing domestic preference to be less internationally engaged," Mr. Kraft said.

"Yet, within the region, increased access to markets is the preferred economic direction," he said. "Unless the US goes in a different direction, the economic prospect of this new Quad is going to be limited compared to what China brings to the table."

Last month, a high-level delegation of US companies led by Commerce Secretary Gina Raimondo pledged to invest $1 billion in the Philippines spanning electric vehicles, digitalization and green energy.

Quad, S1/9

Exports likely to miss PEDP targets in 2024

By Justine Irish D. Tabile *Reporter*

PHILIPPINE EXPORTS will likely miss this year's target under the Philippine Export Development Plan (PEDP), according to the exporters organization and the Department of Trade and Industry (DTI).

Bianca Pearl R. Sykimte, director of the DTI-Export Marketing Bureau, said the department remains optimistic about exports growth, even if it falls short of the $143.4-billion target set under the PEDP.

"We are optimistic that we will exceed the Philippine Development Plan (PDP) target of $107 billion this year, but it will be extremely difficult to reach the PEDP target of more than $140 billion. We will need to recalibrate," Ms. Sykimte told *BusinessWorld* in a Viber message.

Total exports under the PDP are expected to reach $107 billion this year, comprising of $61.58 billion in merchandise exports and $45.42 billion in services exports.

Last year, Philippine exports only amounted to $103.6 billion, well below the $126.8-billion goal under the PEDP. It also failed to hit the 5% growth target set by the DTI last year.

In a separate interview, Sergio R. Ortiz-Luis, Jr., president of the Philippine Exporters Confederation, Inc., said that the PEDP is undergoing continuous recalibration.

"What we are doing now is that, on a yearly basis, we look at the trend to see if it is going up. But we think that the almost $145-billion target could instead be met in 3 years," he said in a mix of English and Filipino.

"Well, maybe in two years we also can, but it is impossible to do it in one year. Because, as it has been said before, to be able to beat that, we'll have to grow 40%," he added.

Exports, S1/9

Budget deficit projected to narrow further this year

THE National Government's (NG) fiscal deficit is seen to narrow further this year as revenue collections are likely to exceed targets, Fitch Solutions' unit BMI said.

"We forecast the Philippine budget deficit to narrow from 6.2% of gross domestic product (GDP) in 2023 to 5.5% in 2024," BMI said in a commentary.

"This narrowing would mark the third consecutive year the budget shortfall shrinks, a reflection of the current administration's push for fiscal consolidation," it added.

The Development Budget Coordination Committee (DBCC) last week revised the deficit ceiling this year to P1.48 trillion, equivalent to 5.6% of GDP. This was slightly higher than the previous P1.39-trillion ceiling, equivalent to 5.1% of GDP.

By 2028, the deficit-to-GDP ratio is seen settling at 3.7% from 3% previously.

As of end-2023, the deficit as a share of GDP stood at 6.2%, a tad higher than the 6.1% target set by the government but lower than the 7.3% ratio at end-2022.

BMI said this outlook is driven by the government's revenue collection performance.

"Revenue collection will likely overshoot target in 2024 as efforts to broaden the tax base gain traction," it said.

This year, the DBCC expects revenues to hit P4.27 trillion or 16.1% of GDP.

Latest data from the Bureau of the Treasury showed that the NG's budget balance in the first two months of the year widened by 26.56% to P76.7 billion, as revenues jumped by 15.32% to P645.8 billion.

"We think that this trend will continue over the coming years as policies targeted to broaden the tax base feed through. Newly appointed Finance Chief Ralph G. Recto pledged to sustain these efforts. We think revenue collection will amount to around 16.3% of GDP by the end of 2028," it added.

Deficit, S1/3