

STOCK MARKET	ASIAN MARKETS	WORLD MARKETS	PESO-DOLLAR RATES	ASIAN MONIES-US\$ RATE	WORLD CURRENCIES	DUBAI CRUDE OIL
<b>PSEi</b> OPEN: 6,704.14 HIGH: 6,704.14 LOW: 6,614.51 CLOSE: 6,633.66 VOL: 2.949 B VAL(P): 9.795 B 49.12 PIS. 0.73% 30 DAYS TO MAY 21, 2024	<b>MAY 21, 2024</b> JAPAN (NIKKEI 225) 38,946.93 ▼ -122.75 -0.31 HONG KONG (HANG SENG) 19,220.62 ▼ -415.60 -2.12 TAIWAN (WEIGHTED) 21,236.75 ▼ -34.88 -0.16 THAILAND (SET INDEX) 1,369.39 ▼ -9.31 -0.68 S.KOREA (KSE COMPOSITE) 2,724.18 ▼ -17.96 -0.65 SINGAPORE (STRAITS TIMES) 3,303.26 ▼ -10.79 -0.33 SYDNEY (ALL ORDINARIES) 7,851.70 ▼ -12.00 -0.15 MALAYSIA (KLSE COMPOSITE) 1,622.09 ▼ -5.41 -0.33	<b>MAY 20, 2024</b> DOW JONES 39,806.770 ▼ -196.820 NASDAQ 16,794.874 ▲ 108.91 S&P 500 5,308.130 ▲ 4.860 FTSE 100 8,424.200 ▲ 3.94 EURO STOXX50 4,531.590 ▲ 9.67	<b>FX</b> OPEN P57.970 HIGH P57.970 LOW P58.280 CLOSE P58.270 W.AVE. P58.119 VOL. \$1,620.00 M SOURCE : BAP 37.00 CTS 30 DAYS TO MAY 21, 2024	<b>MAY 21, 2024 LATEST BID (0900GMT)</b> JAPAN (YEN) 156.090 ▼ 155.650 HONG KONG (HK DOLLAR) 7.804 ▼ 7.798 TAIWAN (NT DOLLAR) 32.295 ▼ 32.238 THAILAND (BAHT) 36.290 ▼ 35.980 S. KOREA (WON) 1,361.700 ▼ 1,358.400 SINGAPORE (DOLLAR) 1.346 ▼ 1.345 INDONESIA (RUPIAH) 15,990 ▼ 15,970 MALAYSIA (RINGGIT) 4.690 ▼ 4.683	<b>MAY 21, 2024</b> US\$/UK POUND 1.2715 ▲ 1.2700 US\$/EURO 1.0871 ▲ 1.0868 US\$/AUST DOLLAR 0.6670 ▼ 0.6691 CANADA DOLLAR/US\$ 1.3623 ▲ 1.3612 SWISS FRANC/US\$ 0.9089 ▲ 0.9085	<b>DUBAI CRUDE OIL</b> FUTURES PRICE ON NEAREST MONTH OF DELIVERY <b>\$85.19/BBL</b> 30 DAYS TO MAY 20, 2024 \$0.54 ▲

VOL. XXXVII • ISSUE 210 WEDNESDAY • MAY 22, 2024 • www.bworldonline.com S1/1-12 • 2 SECTIONS, 22 PAGES

PHILIPPINE STOCK EXCHANGE'S 10 MOST ACTIVE STOCKS BY VALUE TURNOVER • MAY 21, 2024 (PSEi snapshot on S1/4; article on S2/2)

ICT	P347.000	ALI	P29.000	SM	P862.000	SMPH	P29.000	BDO	P138.000	AC	P614.000	CNPF	P35.000	MBT	P69.750	OGP	P14.180	TEL	P1,436.000
Value	P571,475,944	Value	P468,345,245	Value	P397,555,795	Value	P314,609,570	Value	P288,328,058	Value	P274,756,425	Value	P217,154,395	Value	P205,480,461	Value	P200,159,082	Value	P192,394,920
P7.600	▲ 2.239%	-P0.700	▼ -2.357%	-P13.000	▼ -1.486%	-P0.200	▼ -0.685%	-P2.000	▼ -1.429%	-P7.500	▼ -1.207%	P0.000	— 0.000%	-P0.750	▼ -1.064%	P1.140	▲ 8.742%	-P27.000	▼ -1.846%

# Peso hits 58:\$1 as Fed stays hawkish

## Philippines' BoP deficit widens

THE COUNTRY'S balance of payments (BoP) deficit widened in April as the government paid back foreign debt and the trade balance remained in a deficit, the Bangko Sentral ng Pilipinas (BSP) said.

Data from the central bank showed the BoP position widened to a \$639-million deficit in April from the \$148-million gap a year ago.

This was also a reversal from the \$1.17-billion surplus recorded in March.

The BoP measures the country's transactions with the rest of the world at a given time. A deficit means more funds left the economy than what went in, while a surplus shows that more money entered the Philippines.

"The BoP deficit in April 2024 reflected outflows arising mainly from the National Government's (NG) net foreign currency withdrawals from its deposits with the BSP to settle its foreign currency debt obligations and pay for its various expenditures," the central bank said in a statement.

In the first four months, the BoP position swung to a deficit of \$401 million from the \$3.3-billion surplus posted a year ago.

"Based on preliminary data, this cumulative BoP deficit reflected mainly the NG's repayments of its foreign loans coupled with the continued trade in goods deficit," it added.

The trade deficit sharply narrowed to \$3.18 billion in March from the \$5.02-billion deficit

a year ago. In the first quarter, the trade deficit shrank by 22.2% year on year to \$11.24 billion.

Rizal Commercial Banking Corp. Chief Economist Michael L. Ricafort said that the BoP deficit was due to payment of foreign obligations. This included the scheduled repayment of \$365 million in matured Japanese yen bonds on April 12.

In the first quarter, debt repayments jumped by 74% to P986.036 billion. These include the P93.37 billion in principal payments on external debt and P54.11-billion in interest payments on external debt.

At its end-April position, the BoP reflected a final gross international reserve (GIR) level of \$102.6 billion, 1.4% lower than \$104.1 billion as of end-March.

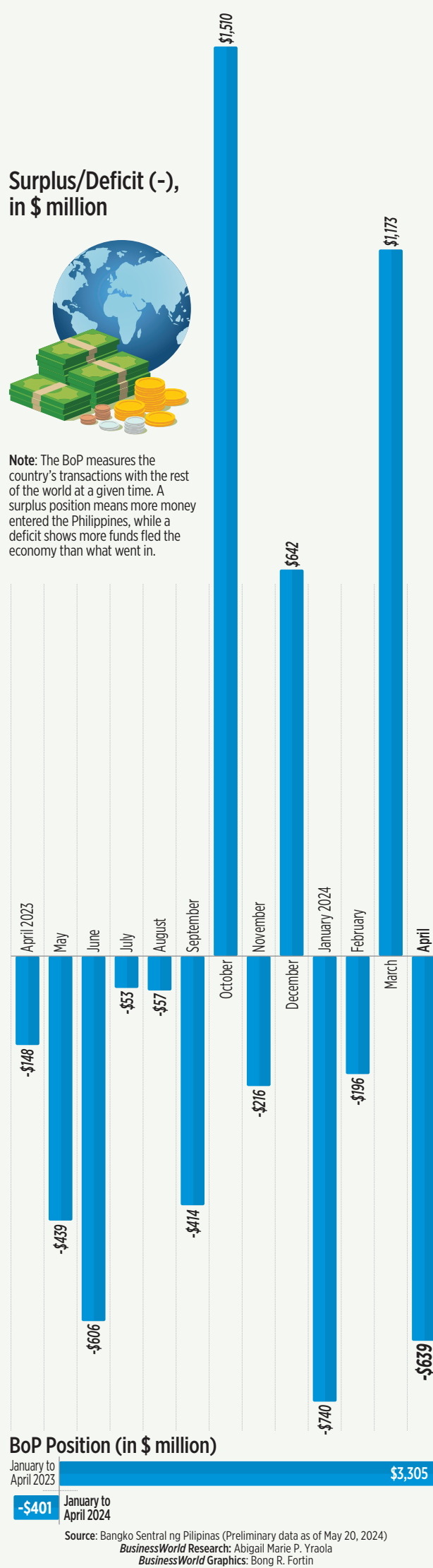
The dollar reserves were enough to cover 5.8 times the country's short-term external debt based on original maturity and 3.6 times based on residual maturity.

It is also equivalent to 7.6 months' worth of imports of goods and payments of services and primary income.

An ample level of foreign exchange buffers safeguards an economy from market volatility and is an assurance of the country's capability to pay debts in the event of an economic downturn.

BoP, S1/11

## PHILIPPINES: BALANCE OF PAYMENTS (BoP) POSITION (as of April 2024)



By Luisa Maria Jacinta C. Jocson  
Reporter

THE BANGKO SENTRAL ng Pilipinas (BSP) warned it will intervene in the foreign exchange market as the Philippine peso on Tuesday closed at the 58-per-dollar level for the first time in over 18 months.

"The BSP continues to monitor the foreign exchange market but allows the market to function without aiming to protect a certain exchange rate. Nonetheless, the BSP will participate in the market when necessary to smoothen excessive volatility and restore order during periods of stress," BSP Governor Eli M. Remolona, Jr. said in a statement.

The peso closed at P58.27 per dollar on Tuesday, weakening by 37 centavos from its P57.90 finish on Monday.

This was the peso's weakest close in more than 18 months or since it closed at P57.275 per dollar on Nov. 8, 2022.

Tuesday was also the peso's first time closing at the P58-per-dollar level since Nov. 10, 2022.

The local unit opened Monday's session at P57.97 against the dollar, which was also its intraday best. Its worst showing was at P58.28 versus the greenback.

Year to date, it depreciated by P2.90 from its P55.37-per-dollar close on Dec. 29, 2023.

Mr. Remolona noted the peso's weakness against the US dollar was in line with other currencies in the region.

"The dollar continued to strengthen as the Federal Reserve signaled delay in cutting interest rates," he said.

US Federal Reserve officials on Monday hesitated to declare that inflation is on a sustainable path to the 2% target rate, according to Reuters.

A trader in an e-mail said that the depreciation of the peso was due to "continuous hawkish guidance" from Fed officials.

The trader said that prospects of the BSP cutting ahead of the Fed may have also exerted pressure on the peso.

Last week, Mr. Remolona hinted that the BSP can begin its policy easing cycle before the Fed, with the earliest rate cut possibly in August.

Peso, S1/9

## Filipinos now spending more on home redesign post-COVID

By Joseph L. Garcia Senior Reporter

THE GLOBAL coronavirus pandemic has forced Filipinos to rethink spaces and redesign certain areas of their home to make these more work-friendly.

Business establishments such as restaurants have also renovated their spaces so they can offer more immersive and multisensory experiences to customers while fostering human connection.

"The pandemic highlighted the need for adaptable living and working spaces that prioritized the health and safety of users," Carla Mae Leonor, director of public relations at the Philippine Institute of Interior Designers, said in an interview.

"With this come solutions that ensure flexibility, incorporating movable partitions, multifunctional furniture and convertible rooms to accommodate changing needs, such as remote work and distance learning," she added.

After being stuck at home for a long time, consumers are also seeking out experiences that can't be replicated at home, the interior designer said.

"From immersive and multisensory dining to events and spaces that foster human connection, these brought about new hospitality spaces that provide bubble-type sanctuaries that provide resort-style amenities within a controlled space," she said.

Some restaurants also offer dining experiences that include immersive and multi-sensory features that foster human connection, she added.



Architect Carlos Cham noted that in the first two years of the pandemic in 2020 and 2021, his company Cham-Candelaria, Inc., which specialized in restaurant and residential clients, did not have any building projects.

"All construction was put on hold for the first two years," he said in an e-mail. "Construction only resumed, with very strict protocols, when the situation became lighter, and the vaccines started coming out."

Philippine building activity declined by 28.5% at the height of the pandemic in 2020, but started recovering in the following year by posting growth of 31.4%, according to data from the local statistics agency.

Philippine construction had a market size of \$65.2 billion (P3.7 trillion) in 2023 and it is expected to achieve an average annual growth rate of more than 7% from 2025 to 2028, according to a GlobalData report in March.

The government's focus on infrastructure and energy development will support market expansion in real terms this year, it added.

"Fine-tuning every inch of Filipinos' homes has become a way of cocooning to make their spaces enjoyable," Ms. Leonor said.

They have come to adopt themes such as outdoor living, "feel-good" designs and hospitality industry-inspired interiors.

The kitchen has likewise been converted from a workspace into a living space, with more interiors attuned to hosting, she added.

Home redesign, S1/9

## Infrastructure spending increased by 15% in March, says Budget dep't

By Beatriz Marie D. Cruz  
Reporter

STATE SPENDING on infrastructure rose by 15% in March as the government ramped up disbursements for public works and defense modernization projects, the Department

of Budget and Management (DBM) said.

In its latest National Government (NG) disbursement report, spending on infrastructure and other capital outlays jumped by 15.1% to P96.3 billion in March from P83.7 billion in the same month last year.

Month on month, infrastructure spending rose by

a fifth from P79.4 billion in February.

The uptick in March was attributed mainly to the Department of Public Works and Highways' (DPWH) increased spending for the construction of road infrastructure.

"The sharp increase was largely due to the strong spending performance of the

DPWH for payment of progress billings (i.e., completed/partially completed works) for various road infrastructure programs (e.g., road and bridge networks, flood control/mitigation structures, right-of-way acquisition), alongside payment of mobilization fees/advances to contractors for infrastructure projects under

the 2024 budget," the department said in a press release.

Infrastructure spending rose due to direct payments made by the Department of Transportation for foreign-assisted railway projects such as the Capacity Enhancement of Mass Transit Systems in Metro Manila and the Malolos-Clark Railway Project.

The DBM said disbursements for the Department of National Defense's (DND) Armed Forces of the Philippines (AFP) modernization program also contributed to the higher spending.

For the first quarter, infrastructure and other capital outlays went up by 10.2% to P216.8 billion from P196.7 billion in the same period in 2023.

Infrastructure, S1/11

**New partnership**

GLOBE Telecom, Inc. President and Chief Executive Officer (CEO) Ernest L. Cu (left), Social Welfare Secretary Rex T. Gatchalian, and G-Xchange, Inc. President and CEO Oscar Enrico A. Reyes, Jr. have sealed a partnership to leverage technology to efficiently deliver welfare services to Filipinos on May 20. The partnership brings together telecommunications, mobile technology, and fintech services with social welfare initiatives to uplift the less fortunate and ensure timely and efficient public services.