

| STOCK MARKET  | ASIAN MARKETS   | WORLD MARKETS   | PESO-DOLLAR RATES  | ASIAN MONIES-US\$ RATE  | WORLD CURRENCIES  | DUBAI CRUDE OIL   |
|---|---|---|--|---|---|---|
| <b>PSEI</b><br>OPEN: 6,612.09<br>HIGH: 6,659.99<br>LOW: 6,606.37<br>CLOSE: 6,659.99<br>VOL.: 0.791 B<br>VAL(P): 6.359 B<br>52.77 mts.<br>0.79%<br>30 DAYS TO MAY 23, 2024 | <b>MAY 23, 2024</b><br>JAPAN (NIKKEI 225) 39,103.22 ▲ 486.12 1.26<br>HONG KONG (HANG SENG) 18,868.71 ▼ -326.89 -1.70<br>TAIWAN (WEIGHTED) 21,607.43 ▲ 55.60 0.26<br>THAILAND (SET INDEX) 1,367.13 ▼ -3.70 -0.27<br>S. KOREA (KSE COMPOSITE) 2,721.81 ▲ -1.65 -0.06<br>SINGAPORE (STRAITS TIMES) 3,319.55 ▲ 11.65 0.35<br>SYDNEY (ALL ORDINARIES) 7,811.80 ▲ -36.30 -0.46<br>MALAYSIA (KLCSE COMPOSITE) 1,629.18 ▲ 7.09 0.44 | <b>MAY 22, 2024</b><br>DOW JONES 39,671.040 ▼ -201.950<br>NASDAQ 16,801.544 ▼ -31.08<br>S&P 500 5,307.010 ▼ -14.400<br>FTSE 100 8,370.330 ▼ -46.12<br>EURO STOXX50 4,502.990 ▼ -26.83 | <b>FX</b><br>OPEN P58.150<br>HIGH P58.130<br>LOW P58.300<br>CLOSE P58.130<br>W.AVE. P58.215<br>VOL. \$1,265.00 M<br>SOURCE : BAP<br>7.00 CTVS<br>30 DAYS TO MAY 23, 2024 | <b>MAY 23, 2024 LATEST BID (0900GMT)</b><br>JAPAN (YEN) 156.740 ▼ 156.470<br>HONG KONG (HK DOLLAR) 7.808 ▼ 7.806<br>TAIWAN (NT DOLLAR) 32.233 ▼ 32.285<br>THAILAND (BAHT) 36.520 ▼ 36.340<br>S. KOREA (WON) 1,365.050 ▼ 1,365.360<br>SINGAPORE (DOLLAR) 1.350 ▼ 1.348<br>INDONESIA (RUPIAH) 15,990 ▼ 15,990<br>MALAYSIA (RINGGIT) 4.707 ▼ 4.690 | <b>MAY 23, 2024</b><br>US\$/UK POUND 1.2704 ▼ 1.2722<br>US\$/EURO 1.0832 ▼ 1.0843<br>US\$/AUSTRALIAN DOLLAR 0.6626 ▼ 0.6658<br>CANADA DOLLAR/US\$ 1.3678 ▼ 1.3662<br>SWISS FRANC/US\$ 0.9144 ▲ 0.9131 | <b>FUTURES PRICE ON NEAREST MONTH OF DELIVERY</b><br>\$84.15/BBL<br>\$1.04<br>30 DAYS TO MAY 21, 2024 |

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S1/1-12 • 2 SECTIONS, 16 PAGES

PHILIPPINE STOCK EXCHANGE'S 10 MOST ACTIVE STOCKS BY VALUE TURNOVER • MAY 23, 2024 (PSEi snapshot on S1/2; article on S2/2)

|                      |                    |                    |                    |                    |                    |                    |                    |                    |                    |
|----------------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|
| BDO P136.500         | ICT P351.200       | SM P895.000        | ALI P29.400        | BPI P124.000       | GLO P2,006.000     | SMPH P28.700       | SCC P33.800        | TEL P1,400.000     | JFC P229.000       |
| Value P1,365,806,069 | Value P286,856,712 | Value P267,633,290 | Value P202,383,450 | Value P182,300,904 | Value P174,812,355 | Value P148,107,195 | Value P139,660,280 | Value P139,248,530 | Value P123,041,850 |
| P0.500 ▲ 0.368%      | -P2.800 ▼ -0.791%  | P28.000 ▲ 3.230%   | P0.550 ▲ 1.906%    | -P0.900 ▼ -0.721%  | P17.000 ▲ 0.855%   | P0.500 ▲ 1.773%    | P0.800 ▲ 2.424%    | -P20.000 ▼ -1.408% | -P0.400 ▼ -0.174%  |

# BSP seeks to curb forex speculation

## Budget surplus narrows in April as spending rises

THE NATIONAL Government's (NG) budget surplus narrowed in April as expenditures surged by 32%, outpacing the 22% rise in revenues, the Bureau of the Treasury said.

Data from the BTr showed that the NG's budget surplus shrank by 36.03% to P42.7 billion in April from the P66.8-billion surplus posted in the same month a year ago.

Month on month, the budget balance swung to a surplus from the P195.9-billion deficit in March.

State expenditures surged by 32.25% to P494.5 billion in April from P373.9 billion in the same month in 2023.

"The expansion was driven by higher releases of the National Tax Allotment (NTA) and subsidies to government-owned and -controlled corporations (GOCCs), including releases to Power Sector Assets and Liabilities Management Corp. (PSALM)... as well as the release of the 4<sup>th</sup> tranche of capitalization of the Coconut Farmers Industry Trust Fund," the BTr said in a statement.

Broken down, interest payments climbed by 45.93% to P67.5 billion in April from P46.3 billion in the same month in 2023.

"The increase was attributed to the timing of payments for domestic securities and the impact of foreign exchange fluctuations on foreign borrowings," the BTr said.

Primary spending, which refers to total expenditures minus interest payments, jumped by 30.32% to P427 billion in April from P327.6 billion a year ago.

Meanwhile, government revenues jumped by 21.9% to P537.2 billion in April from P440.7 billion in the same month a year ago.

"The increase in tax revenues was fueled by double-digit growth in the collections of revenue collecting agencies while the increase in nontax revenues was due to strong dividend remittance," the BTr said.

BTr data showed that tax revenues increased by 13.9% to P461.8 billion in April from P405.4 billion a year earlier.

Budget surplus, S1/11

## PHL on track to reach upper middle-income status, says NEDA chief

THE PHILIPPINES is still on track to become an upper middle-income economy next year as long as the growth momentum continues, National Economic and Development Authority (NEDA) Secretary Arsenio M. Balisacan said.

"If growth this year is not dampened, [we] should be on track," he told reporters on the sidelines of the BusinessWorld Economic Forum on Wednesday.

The administration of President Ferdinand R. Marcos, Jr. has set a target for the Philippines to reach upper middle-income status by 2025. An upper middle-income country means having a gross national income (GNI) per capita income range of \$4,466 to \$13,845.

The World Bank currently classifies the Philippines as a lower middle-income country with a GNI per capita of \$3,950.

Mr. Balisacan said gross domestic product (GDP) growth must average 6.1% in the next three quarters to hit the government's 6-7% growth target.

The Philippine economy expanded by 5.7% in the first quarter, slightly faster than 5.5% in the previous quarter.

"There are still three quarters out there. The good thing is inflation is manageable now. Even though we expected worse for the April [print,] it turned out better than expected. So, we hope that will continue," Mr. Balisacan said.

Inflation accelerated for a third straight month to 3.8% in April from 3.7% in March. Inflation averaged 3.4% in the January-April period, below the central bank's 3.8% full-year forecast.

In the coming months, NEDA expects economic growth to be favorable as the Bangko Sentral ng Pilipinas (BSP) was "less hawkish" in its last policy meeting and has signaled a possible rate cut in August.

"If the BSP is not going to raise any further the interest rate, and in fact, the governor has indicated that they might start loosening, so that will improve expectations, and expectation drives consumption," Mr. Balisacan told reporters.

Last week, the Monetary Board kept its target reverse repurchase rate unchanged at a 17-year high of 6.5%.

The waning El Niño dry pattern and expected easing of rice prices may also improve the country's GDP growth prospects, according to the NEDA chief.

"Since El Niño is tapering, we expect that world prices for commodities, including rice, are expected to moderate and start falling, especially for rice," Mr. Balisacan said.

Rice inflation, which contributes nearly half to the overall inflation print, accelerated by 23.9% in April. However, this was slower than 24.4% in the previous month.

Security Bank Corp. Chief Economist Robert Dan J. Rocas said that achieving upper middle-income status "is not just about hitting a specific threshold, but about building an equitable economy."

"While the Philippines has made significant progress in recent years, driven by factors such as a young population, a thriving services sector, and increasing

Middle-income, S1/11

## NATIONAL GOVERNMENT FISCAL PERFORMANCE

(in billion pesos)

APRIL (PRELIMINARY)

Revenues



Expenditures

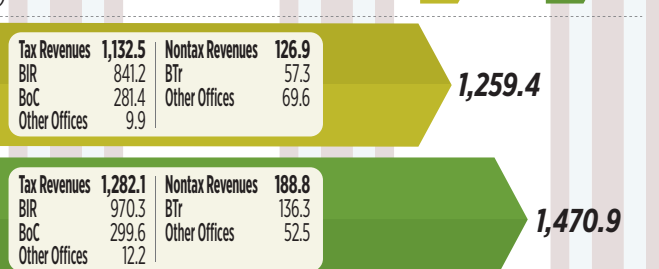


Surplus



JANUARY-APRIL (ACTUAL)

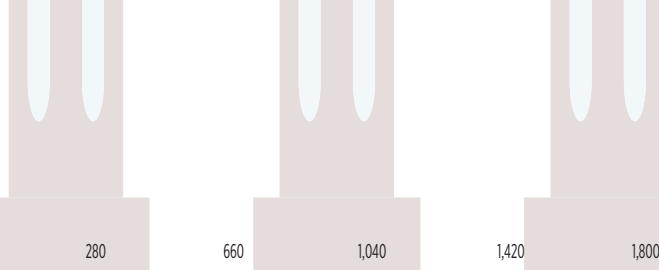
Revenues



Expenditures



Deficit



Source: Bureau of the Treasury (Preliminary data as of May 23, 2024) BusinessWorld Research: Karis Kasarinian Paolo D. Mendoza BusinessWorld Graphics: Bong R. Fortin

## Companies ramping up renewable energy plans

LISTED COMPANIES are ramping up their renewable energy (RE) plans amid the country's energy transition.

"It's an exciting time for us because, obviously, the market continues to grow. And, if anything, we're now in a position where the narrative across ourselves, including our friendly competitors, is sort of converging, where we know there's growth," First Gen Corp. President and Chief Operating Officer Francis Giles B. Puno said during the BusinessWorld Economic Forum on Wednesday.

Mr. Puno said that the Philippines would have "a lot of work to do" if it wants to decarbonize.

"As a country, we rely so much on fossil fuel, but at the same time, we need to refocus

our investments into cleaner and renewable energy sources," Mr. Puno said.

The Lopez-led company is aiming to grow its total capacity to 13 gigawatts (GW) in the next six years, of which 7.5 GW will come from new renewable energy projects.

As of March 2024, coal-fired power plants remain the country's top source of electricity with a share of 44.1% or a total installed capacity of 28,291 megawatts (MW) connected to the grid.

Raymond B. Ravelo, chief sustainability officer of Manila Electric Co. (Meralco), said that RE would be key to sustainable growth.

Mr. Ravelo said that Meralco has developed a long-term sustainability strategy for its "just, orderly, and affordable transition into clean energy."

"[From] 2031 to 2040 is where we will hopefully accelerate that shift, as we explore, assess, and potentially adopt next-generation clean technologies," he said, referring to hydrogen, energy storage, offshore wind, and nuclear, particularly small modular reactors.

Renewable energy, S1/9

