

BUSINESS VOILO



STOCK MARKET	ASIAN MARKETS	WORLD MARKETS	PESO-DOLLAR RATES	ASIAN MONIES-US\$ RA	ATE WORLD	WORLD CURRENCIES				
6800 PSEI 6680	MAY 30, 2024 JAPAN (NIKKEI 225) 38,054.13	NASDAQ 16,920.580 ▼ -99.30 S&P 500 5,266.950 ▼ -39.090 FTSE 100 8,183.070 ▼ -71.11	57.00 FX 57.40 OPEN P58.500 HIGH P58.500 LOW P58.730 CLOSE P58.635 W.AVE. P58.620 59.00 21.50 ctvs VOL. \$1,387.15 M SOURCE : BAP	JAPAN (YEN) 156.910 HONG KONG (HK DOLLAR) 7.818 TAIWAN (NT DOLLAR) 32.414 THAILAND (BAHT) 36.770	PREVIOUS 157.140 7.813 32.348 36.720 1,365.950 1.349 16,155 4.702 MAY 30, 2024 US\$/UK pound US\$/EURO US\$/AUST DOLLAR CANADA DOLLAR/US\$ SWISS FRANC/US\$	CLOSE PREVIOUS 1.2710 ▼ 1.2756 1.0813 ▼ 1.0844 0.6611 ▼ 0.6647 1.3717 ▲ 1.3657 0.9073 ▼ 0.9125	PUTURES PRICE ON NEAREST MONTH OF DELIVERY 92.80 \$85.48/BBL 90.80 87.10 84.40 61.70 79.00 \$1.04 30 DAYS TO MAY 29, 2024			
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PHILIPPINE STOCK EXCHANGE'S 10 MOST ACTIVE STOCKS BY VALUE TURNOVER • MAY 30, 2024 (PSFi snapshot on S1/4: article on S2/2)

	THE TIME STOCK Exchange 5 to 11051 Active Stocks 51 TALGE TORKS TEXT THAT 50, 2024 (152) Shupshot on 51/4, article on 52/2)																		
BDO	P130.500	SMPH	P26.050	ICT	P329.600	ALI	P26.500	AC	P598.000	JFC	P216.000	MBT	P65.050	SM	P885.000	BPI	P120.200	MER	P352.200
Value	P783,953,223	Value	P509,007,765	Value	P442,704,650	Value	P352,881,810	Value	P278,760,590	Value	P246,017,950	Value	P221,460,996	Value	P199,821,575	Value	P185,400,483	Value	P165,378,626
P0.300	▲ 0.230%	-P0.500	▼ -1.883%	P0.000	— 0.000 %	-P0.300	▼ -1.119%	-P17.000	▼ -2.764 %	-P5.000	▼ -2.262 %	-P1.950	▼ -2.910%	P15.000	▲ 1.724 %	-P0.600	▼ -0.497%	-P17.000	▼ -4.605%

NG debt rises in April on weak peso

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

THE NATIONAL Government's (NG) outstanding debt returned to the P15-trillion level as of end-April due to the weaker peso, the Bureau of the Treasury (BTr) said.

Data from the BTr on Thursday showed outstanding debt rose by 0.61% to P15.02 trillion as of end-April from P14.93 trillion as of end-March.

"Total debt increased by P91.5 billion or 0.61% from the end-

March 2024 level due to government net financing and the impact of local currency depreciation on the valuation of foreign currencydenominated debt," the BTr said.

Year on year, the outstanding debt stock jumped by 7.95% from P13.91 trillion in the same period a year ago.

Of the total debt, more than two-thirds or 68.64% came from domestic sources.

As of end-April, outstanding domestic debt edged higher by 0.3% to P10.31 trillion from P10.28 trillion as of end-March. It also increased by 8.99% from P9.46 trillion in the same period a year ear-

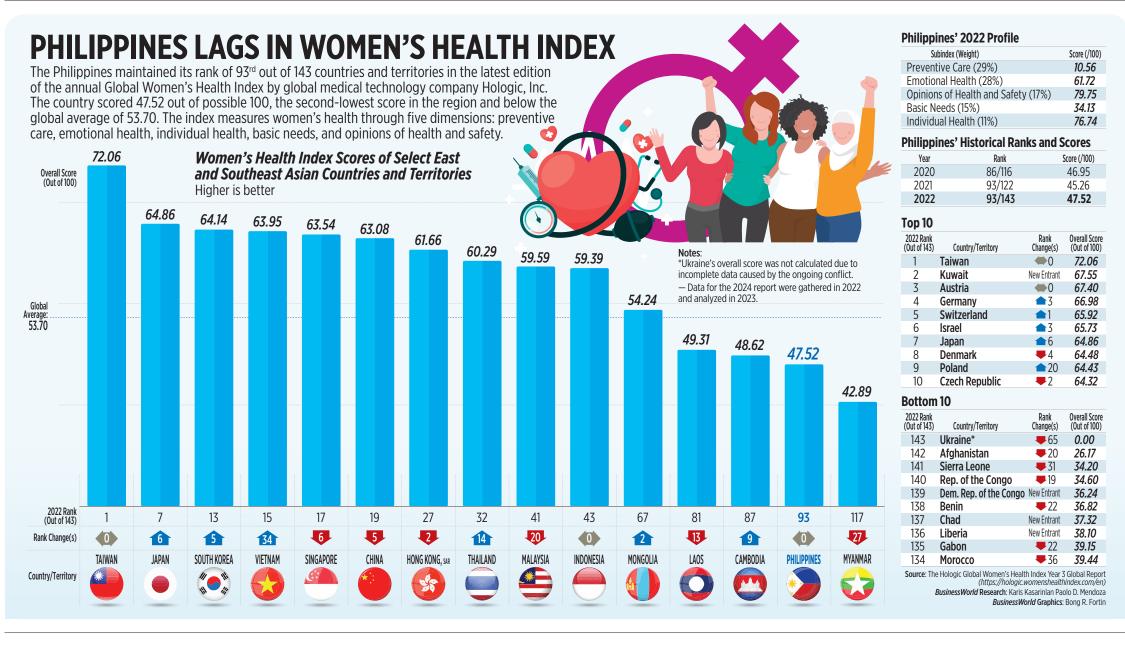
Government securities made up almost the entire domestic debt as of end April.

"For the month, the increment resulted from the P27.23-billion net issuance of government securities and the P3.78-billion effect

of peso depreciation on foreign currency-denominated domestic debt," it said.

Data from the BTr showed the peso closed at P57.583 against the dollar at end-April, weakening by P1.323 from its P56.26 finish a month ago.

NG debt, S1/2



Marcos: South China Sea tensions affect global economy

By Kyle Aristophere T. Atienza Reporter

PHILIPPINE President Ferdinand R. Marcos, Jr. said countries outside the region should consider tensions in the South China Sea as a major issue for their economies, citing the waterway's importance to international trade.

He made the remarks ahead of the premier summit of defense leaders and analysts across the world, and as China pushes policies seen restricting access to one of the world's most important waterways.

"It's so important to international trade that we can actually say that the stakeholders are no longer limited to ASEAN (Association of Southeast Asian Nations), Asia, Indo-Pacific. It really involves the global economy already," Mr. Marcos told reporters, based on a transcript from his office.

He said he would highlight the government's position amid tensions in the South China Sea and "see the ways forward for the Philippines and for the region."

"The fact that they asked the Philippine President to come and speak on that very subject is significant in the sense that it is a recognition that there are challenges facing the Philippines, specifically," he said.

China has been blocking Philippine government and civic missions within Manila's exclusive economic zone (EEZ). Scarborough Shoal, a traditional fishing ground, and Second Thomas Shoal, in which a Filipino military outpost was established in 1999, have been among South China Sea features most $frequented \, by \, Chinese \, Coast \, Guard \, vessels \, last \, vear.$

South China Sea, S1/5

Peso slumps to near 19-month low

THE PESO sank to a near 19-month low on Thursday due to a strong dollar as US Treasury yields surged amid a hawkish US Federal Reserve.

The local unit closed at P58.635 per dollar on Thursday, weakening by 21.5 centavos from its P58.42 finish on Wednesday, Bankers Association of the Philippines data

This was the peso's worst finish in almost 19 months or since its P58.80-perdollar close on Nov. 3, 2022.

The local unit is now down by P3.265 from its end-2023 close of P55.37 versus the greenback.

The peso opened Thursday's session weaker at P58.50 against the dollar, which was already its intraday best. Its worst showing was at P58.73 versus the green-

Dollars exchanged inched down to \$1.39 billion on Thursday from \$1.4 billion on Wednesday.

The peso slumped due to a generally stronger dollar following a rise in US Treasury yields, Rizal Commercial Banking Corp. Chief Economist Michael L. Ricafort said in a Viber message.

"The dollar strengthened across the board with higher Treasury yields and recent hawkish Fed speak. The market was a bit on the edge with sticky inflation potentially indicating higher rates for longer," Security Bank Corp. Chief Economist Robert Dan J. Roces likewise said in a Viber message.

Peso, S1/2

PHL improves in budget transparency

THE PHILIPPINES saw an improvement in its budget transparency score in the 2023 Open Budget Survey (OBS), making it the "most fiscally transparent" country in Asia.

In the survey by the International Budget Partnership (IBP), the Philippines' transparency score went up by seven points to 75 out of 100 from 68 in 2021.

This surpassed the government's target score of 71 under the Philippine Development Plan 2023-

2028 and was well above the global average of 45. The Philippines' score placed it at 15th place out of 125 countries. In the 2021 OBS, the country ranked 19^{th} out of 120 countries.

"[The] Philippines has increased the availability of budget information by publishing the midyear review online in a timely man-

ner," the IBP said in the report. The Philippines' budget transparency score of 75 was higher than its Southeast Asian peers like Indonesia (70), Thailand (60), Vietnam (51), Malaysia (48), Cambodia (43), Timor-Leste (37), and Myanmar (3).

To further improve budget transparency, the IBP said the Philippines must sustain and institutionalize the timely publishing of its midyear review timely online, including updated spending estimates.

"The DBM (Department of Budget and Management) will continue its best practices in ensuring a transparent, participatory, and Budget transparency, S1/2

BSP needs to keep policy 'tighter than before' — HSBC

THE BANGKO SENTRAL ng Pilipinas (BSP) may need to keep rates higher for longer or even hike rates further to cool inflation, HSBC said.

This as it sees private consumption staying strong and spending patterns shifting as the Philippines inches closer to becoming an upper middle-income economy.

In a report, HSBC economist for ASEAN (Association of Southeast Asian Nations) Aris D. Dacanay said that monetary policy reins may need to be "tighter than before" in order to keep inflation within the 2-4% target band.

"With Filipino consumers changing, so, too, should inflation and monetary policy. We can expect core consumer price index (CPI) to be stickier as consumers become wealthier and allocate more of their budgets to services and less to staples," he said.

"Policy makers would then need to tighten the monetary reins even further if inflation were to surge in the future, supporting our view that, when the dust settles, monetary policy in the Philippines will likely be higher for longer," he added.

The Monetary Board earlier this month kept its benchmark rate at a 17-year high of 6.5% for a fifth straight meeting.

BSP Governor Eli M. Remolona, Jr. earlier said that it was "highly unlikely" for the central bank to deliver further rate hikes. Instead, he signaled the possibility of a rate cut as early as August.

While high inflation and interest rates have dampened household consumption, HSBC said the Philippines still remains to be "one of the strongest in ASEAN."

"But, despite household budgets getting tighter, consumers are, interestingly, reallocating their spending from 'essentials' - such as food and clothing - to restaurants and other miscellaneous goods services, even as prices have climbed. It's a bit of a paradox," Mr. Dacanay said.

Despite a "squeeze in purchasing power," HSBC said Filipino consumers are spending more on nonessential products such as skincare, sports and takeout meals.

"This is a testament that tastes and preferences change, more so with the Philippines being inches away from becoming an 'upper middle-income' economy."

The government is targeting to achieve upper middle-income status by 2025. An upper middleincome country has a gross national income (GNI) per capita between \$4,466 and \$13,845.