P25 IN METRO MANILA, PHILIPPINES

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STOCK MARKET

PSEi — 30 DAYS TO MAY 16, 2024 — ▲ 69.57 PTS. 1.06%

OPEN:	6,589.24
HIGH:	6,628.20
LOW:	6,579.74
CLOSE:	6,628.20
VOL.:	0.886 B
VAL(P):	7.046 B

ASIAN MARKETS — MAY 16, 2024

	CLOSE		NET	%
Japan (Nikkei 225)	38,920.26	▲	534.53	1.39
Hong Kong (Hang Seng)	19,376.53	▲	302.82	1.59
Taiwan (Weighted)	21,304.26	▲	157.05	0.74
Thailand (SET Index)	1,377.72	▲	7.28	0.53
S.Korea (Kse Composite)	2,753.00	▲	22.66	0.83
Singapore (Straits Times)	3,304.99	▲	15.57	0.47
Sydney (All Ordinaries)	7,881.30	▲	127.60	1.65
Malaysia (Klse Composite)	1,611.11	▲	7.88	0.49

WORLD MARKETS — MAY 15, 2024

	CLOSE		NET
Dow Jones	39,908.000	▲	349.890
NASDAQ	16,742.390	▲	231.210
S&P 500	5,308.150	▲	61.470
FTSE 100	8,445.800	▲	17.670
Euro Stoxx50	4,535.240	▲	12.830

PESO-DOLLAR RATES

FX — 30 DAYS TO MAY 16, 2024 — ▲ 4.00 CTVS

OPEN	P57.350
HIGH	P57.240
LOW	P57.480
CLOSE	P57.465
W.AVE.	P57.358
VOL.	$1,760.30 M

SOURCE : BAP

ASIAN MONIES-US$ RATE — MAY 16, 2024

	LATEST BID (0900GMT)		PREVIOUS
Japan (yen)	154.740	▲	155.730
Hong Kong (HK dollar)	7.805	▲	7.808
Taiwan (NT dollar)	32.084	▲	32.126
Thailand (baht)	36.140	▲	36.520
S. Korea (won)	1,345.850	▲	1,357.980
Singapore (dollar)	1.345	▲	1.349
Indonesia (rupiah)	15,920	▲	16,025
Malaysia (ringgit)	4.682	▲	4.703

WORLD CURRENCIES — MAY 16, 2024

	CLOSE		PREVIOUS
US$/UK pound	1.2666	▲	1.2613
US$/Euro	1.0869	▲	1.0824
US$/Aust dollar	0.6676	▲	0.6640
Canada dollar/US$	1.3625	▼	1.3629
Swiss Franc/US$	0.9019	▼	0.9050

DUBAI CRUDE OIL

FUTURES PRICE ON NEAREST MONTH OF DELIVERY — $83.40/BBL — ▼ $0.50 — 30 DAYS TO MAY 15, 2024

VOL. XXXVII • ISSUE 207 • FRIDAY • MAY 17, 2024 • www.bworldonline.com • S1/1-12 • 2 SECTIONS, 20 PAGES

PHILIPPINE STOCK EXCHANGE'S 10 MOST ACTIVE STOCKS BY VALUE TURNOVER • MAY 16, 2024 (PSEi snapshot on *S1/2*; article on *S2/2*)

		Value			
ACEN	P5.100	P794,281,262	P0.100	▲	2.000%
BDO	P136.000	P654,637,063	-P2.000	▼	-1.449%
ICT	P345.800	P577,169,878	-P3.200	▼	-0.917%
JFC	P224.000	P480,655,548	P2.000	▲	0.901%
ALI	P29.350	P463,650,610	P1.150	▲	4.078%
GLO	P1,940.000	P382,026,740	P27.000	▲	1.411%
AC	P612.000	P345,445,650	P27.000	▲	4.615%
SM	P880.000	P275,852,895	P14.000	▲	1.617%
MBT	P71.500	P258,098,898	-P0.300	▼	-0.418%
SMPH	P28.450	P253,636,450	P1.350	▲	4.982%

BSP signals possible rate cut in Aug.

By Luisa Maria Jacinta C. Jocson *Reporter*

THE BANGKO ng Pilipinas (BSP) stood pat for a fifth straight meeting but signaled a "less hawkish" tone amid lower-than-expected inflation.

This as the central bank now sees the possibility of monetary easing as early as August.

The Monetary Board on Thursday left its target reverse repurchase rate unchanged at a 17-year high of 6.5%, as expected by 17 out of 19 analysts in a *BusinessWorld* poll last week.

Interest rates on the overnight deposit and lending facilities were left unchanged at 6% and 7%, respectively.

"We are actually somewhat less hawkish than before, which means we could ease (or) cut rates by the third or fourth quarter this year," BSP Governor Eli M. Remolona, Jr. said at a press briefing.

Mr. Remolona said that they may reduce rates "possibly by August of this year."

At an event late on Thursday, Mr. Remolona told reporters that the BSP could deliver a 25-basis-point (bp) rate cut at its Aug. 15 meeting.

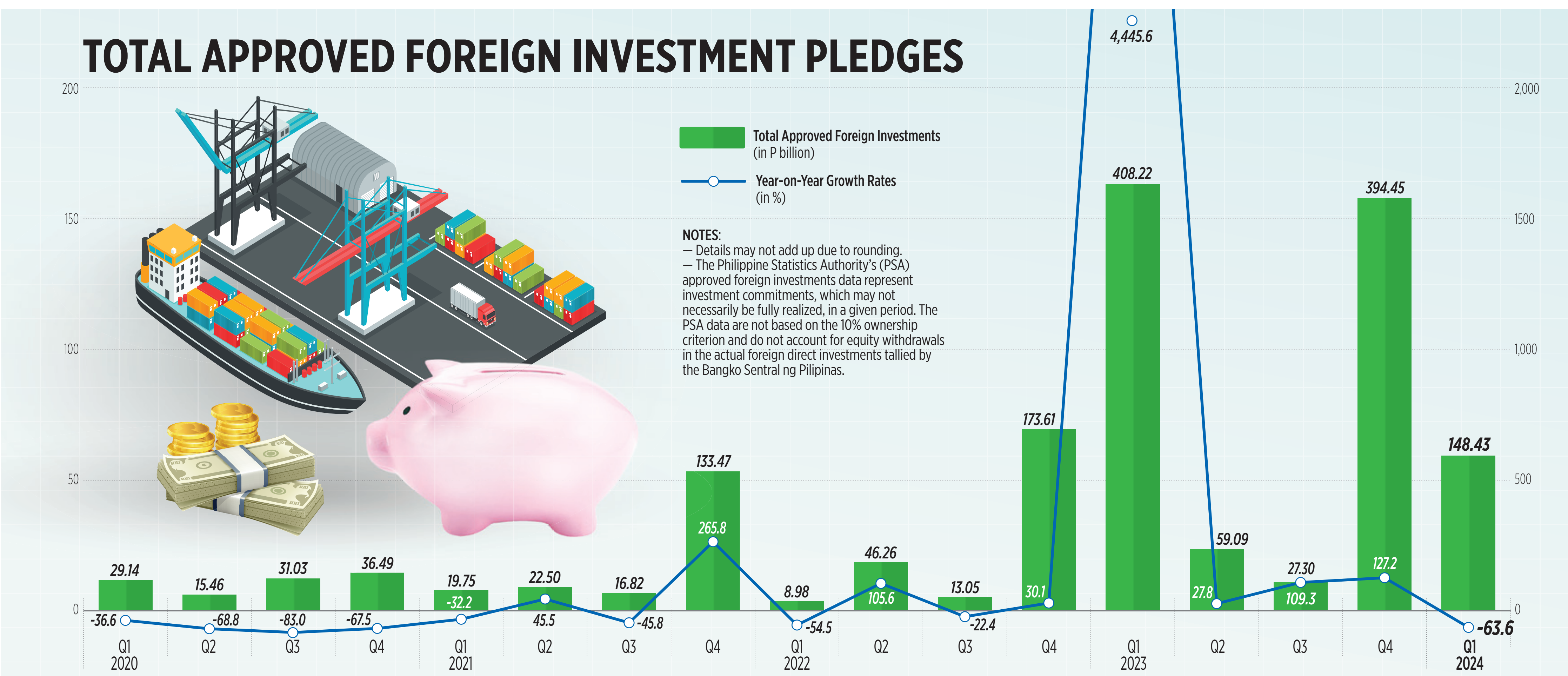
He said there could be one or two rate cuts within the second semester. "It's a range between 25 bps and 50 bps for the rest of the year," he added.

Mr. Remolona noted the BSP might start easing ahead of the US Federal Reserve, which he expects to start cutting rates by September.

The BSP chief said he is not worried about the potential impact on the peso, noting that there would only be a "bit" of pressure on the currency if the BSP cuts before the Fed.

However, Mr. Remolona said that it still sees the need for "sufficiently tight monetary policy settings" until inflation can settle firmly within the 2-4% target band.

BSP, S1/7



By Investment Promotion Agency (in P billion)

Year	Quarter	Board of Investments (BoI)	Philippine Economic Zone Authority	Subic Bay Metropolitan Authority	Clark Development Corp.	Authority of the Freeport Area of Bataan	Bol-Bangsamoro Autonomous Region in Muslim Mindanao	Cagayan Economic Zone Authority	Clark International Airport Corp.	Poro Point Management Corp.	Tourism Infrastructure Economic Zone Authority	John Hay Management Corp.	Zamboanga City Special Economic Zone Authority	Bases Conversion and Development Authority	Total
2023	*Q1*	*400.86*	*4.59*	*2.59*	*0.16*	–	–	–	–	–	–	–	*0.03*	–	*408.22*
	Q2	*22.33*	*35.75*	*0.44*	*0.19*	–	*0.36*	–	*0.02*	–	–	–	–	–	*59.09*
	Q3	*3.74*	*18.33*	*4.11*	*0.97*	*0.04*	–	*0.00*	–	–	–	–	*0.11*	–	*27.30*
	Q4	*340.71*	*53.45*	*0.03*	*0.22*	*0.04*	–	–	–	–	–	–	–	–	*394.45*
2024	***Q1***	***112.22***	***13.93***	***2.04***	***20.24***	**–**	**–**	***0.00***	**–**	**–**	**–**	**–**	**–**	**–**	***148.43***

Source: Philippine Statistics Authority (Preliminary Data as of May 16, 2024) *BusinessWorld* Research: Lourdes O. Pilar *Businessworld* Graphics: Bong R. Fortin

Foreign investment pledges fall 64% in Q1

By Abigail Marie P. Yraola *Deputy Research Head*

FOREIGN INVESTMENT pledges slumped by 63.6% in the first quarter as global economic challenges prompted investors to be more wary of investing in emerging markets like the Philippines, analysts said.

Preliminary data from the Philippine Statistics Authority (PSA) showed that the value of foreign commitments approved by investment promotion agencies dropped to P148.43 billion in the January-to-March period from P408.22 billion a year earlier.

This was also 63.4% lower than P394.45 billion in the final three months of 2023, and the lowest since the P27.3 billion logged in the third quarter of 2023.

Singapore was the biggest source of approved investment pledges at P70.06 billion (47.2% share), followed by the Netherlands and South Korea with commitments worth P38.89 billion (26.2%) and P20.23 billion (13.6%), respectively.

The steep decline seen in the foreign investment approvals raises concerns about the health of the Philippines' investment climate, Robert Dan J. Roces, chief economist at Security Bank Corp., said.

"It may very well be due to several factors, namely, global economic headwinds, like elevated interest rates in major economies, which might be making investors wary of riskier emerging markets like the Philippines," he said in a Viber message.

Mr. Roces also noted that the "high figures" from a year ago were inflated by exceptionally large projects, making the latest figures seem lower.

For Nicholas Antonio T. Mapa, senior economist at ING Bank N.V. Manila, the drop in the first quarter could be attributed to the normalization of pledges following the initial surge of pledges at the beginning of the Marcos administration.

"Despite the decline, we note an improvement in actual foreign direct investment (FDI) flows as pledges are converted into actual FDI flows," Mr. Mapa said in e-mail.

The latest Bangko Sentral ng Pilipinas' (BSP) data showed that FDI net inflows rose by 29.3% to $1.364 billion in February, the highest level in 26 months.

Pledges, S1/7

SM City Caloocan opens its doors

SM Prime Holdings opens SM City Caloocan, its 86th mall and the third in Caloocan City. Attending the blessing and ceremonial balloon burst are (from left) SM Supermalls President Steven T. Tan, SM Engineering Design and Development President Hans T. Sy, Jr., Caloocan City Mayor Dale Gonzalo "Along" R. Malapitan, Bishop Roberto O. Gaa, Caloocan City Vice Mayor Anna Karina Teh-Limsico, and SM Food Retail Executive Director Hendrik Sy.

Gov't mulls sale of stake in SCTEx

THE DEPARTMENT of Finance (DoF) is looking to sell the government's stake in the Subic-Clark-Tarlac Expressway (SCTEx), possibly to state pension funds, in order to boost revenues, Finance Secretary Ralph G. Recto said.

"We're looking at selling those shares. Maybe the Social Security System (SSS) and Government Service Insurance System (GSIS) can buy them. So that these pension funds can earn," he told reporters in mixed English and Filipino.

He said the revenue generated from this sale will be "fairly significant."

The Finance department is exploring ways to raise more revenue without imposing new taxes.

"I think it's better off that we sell those shares to raise nontax revenues, and better that the pension funds buy (it) from us," Mr. Recto said.

The DoF will also be meeting with both pension funds soon to discuss the proposal, he added.

The Bases Conversion and Development Authority (BCDA) recently announced its plan to sell its 50% stake in SCTEx to the tollways unit of Metro Pacific Investments Corp. (MPIC) for at least P20 billion.

"Assuming BCDA agrees to sell it, we prefer it be offered to the pension funds first," Finance Undersecretary Catherine L. Fong said in a Viber message. — **Luisa Maria Jacinta C. Jocson**

FULL STORY

Read the full story by scanning the QR code with your smartphone or by typing the link
<tinyurl.com/24sf5f7e>

Zero tariff policy now extended to two-wheeled EVs, hybrid vehicles

By Beatriz Marie D. Cruz *Reporter*

THE NATIONAL Economic and Development Authority (NEDA) Board on Wednesday granted tax breaks for electric motorcycles (e-motorcycles), electric bicycles (e-bicycles) and hybrid electric vehicles (EVs), as the government seeks to further promote green transport and cut carbon emissions.

The NEDA Board, chaired by President Ferdinand R. Marcos, Jr., on Wednesday approved to expand the coverage of Executive Order (EO) No. 12 which temporarily reduced tariffs on electric vehicles to zero until 2028.

The zero tariff policy will now cover e-motorcycles, e-bicycles, nickel metal hydride accumulator batteries, e-tricycles and quadricycles, hybrid EVs and plug-in hybrid EV (PHEV) jeepneys or buses.

The NEDA Board also agreed to keep the zero tariff policy on 34 lines of battery EVs currently covered by EO 12.

In February 2023, Mr. Marcos signed EO 12, which temporarily removed the tariffs for EVs and their parts and components for five years. However, the EO did not include two-wheeled EVs and hybrid vehicles.

Prior to the order, tariff rates for some EVs ranged from 5-30%.

EVs, S1/7