P25
IN METRO MANILA, PHILIPPINES

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STOCK MARKET

PSEi

OPEN:	6,511.89
HIGH:	6,511.89
LOW:	6,443.52
CLOSE:	6,458.64
VOL.:	0.282 B
VAL(P):	2.997 B

▼ 60.12 PTS. 0.92%
30 DAYS TO JUNE 10, 2024

ASIAN MARKETS

JUNE 10, 2024

	CLOSE		NET	%
Japan (Nikkei 225)	39,038.16	▲	354.23	0.92
Hong Kong (Hang Seng)*	18,366.95	▼	-109.85	-0.59
Taiwan (Weighted)*	21,858.38	▼	-44.32	-0.20
Thailand (SET Index)	1,318.57	▼	-14.17	-1.06
S.Korea (Kse Composite)	2,701.17	▼	-21.50	-0.79
Singapore (Straits Times)	3,322.08	▼	-8.69	-0.26
Sydney (All Ordinaries)*	7,860.00	▲	38.20	0.49
Malaysia (Klse Composite)	1,614.37	▼	-3.49	-0.22

* CLOSING PRICES AS OF JUNE 7, 2024

WORLD MARKETS

JUNE 7, 2024

	CLOSE		NET
Dow Jones	38,798.990	▼	-87.180
NASDAQ	17,133.126	▼	-39.995
S&P 500	5,346.990	▼	-5.970
FTSE 100	8,245.370	▼	-39.970
Euro Stoxx50	4,571.450	▼	-2.990

PESO-DOLLAR RATES

FX

OPEN	P58.750
HIGH	P58.670
LOW	P58.800
CLOSE	P58.790
W.AVE.	P58.769
VOL.	$604.85 M

▼ 27.00 CTVS
30 DAYS TO JUNE 10, 2024
SOURCE : BAP

ASIAN MONIES-US$ RATE

JUNE 10, 2024

	LATEST BID (0900GMT)		PREVIOUS
Japan (yen)	156.880	▼	156.700
Hong Kong (HK dollar)	7.814	▼	7.812
Taiwan (NT dollar)	32.381	▲	32.402
Thailand (baht)	36.800	▼	36.790
S. Korea (won)	1,376.140	▲	1,378.800
Singapore (dollar)	1.353	▼	1.352
Indonesia (rupiah)	16,275	▼	16,190
Malaysia (ringgit)	4.719	▼	4.688

WORLD CURRENCIES

JUNE 10, 2024

	CLOSE		PREVIOUS
US$/UK pound	1.2699	▼	1.2721
US$/Euro	1.0745	▼	1.0800
US$/Aust dollar	0.6585	▲	0.6582
Canada dollar/US$	1.3777	▲	1.3764
Swiss Franc/US$	0.8966	▲	0.8959

DUBAI CRUDE OIL

FUTURES PRICE ON NEAREST MONTH OF DELIVERY
$80.10/BBL
▲ $0.85
30 DAYS TO JUNE 7, 2024

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

		Value			
ICT	P350.000	P430,248,406	-P4.400	▼	-1.242%
BDO	P136.000	P239,383,268	-P3.900	▼	-2.788%
ALI	P27.150	P232,222,835	-P0.650	▼	-2.338%
URC	P109.000	P194,496,467	P1.500	▲	1.395%
MBT	P68.000	P142,625,691	-P1.500	▼	-2.158%
SM	P847.000	P124,599,720	P7.000	▲	0.833%
MER	P360.000	P123,488,106	-P3.000	▼	-0.826%
BPI	P119.000	P109,693,022	-P0.800	▼	-0.668%
SMPH	P27.350	P105,936,145	-P0.200	▼	-0.726%
GTCAP	P587.000	P105,082,720	-P13.000	▼	-2.167%

IMF cuts Philippine growth outlook

By Luisa Maria Jacinta C. Jocson *Reporter*

THE INTERNATIONAL Monetary Fund (IMF) trimmed the Philippines' growth outlook for this year, after a slower-than-expected first-quarter expansion.

The IMF now sees Philippine gross domestic product (GDP) expanding by 6% this year, lower than its 6.2% forecast in its World Economic Outlook (WEO) in April.

Its revised forecast is still within the government's 6-7% target this year.

"Growth is expected to rebound to 6% in 2024 and 6.2% in 2025, on the back of stronger consumption demand, higher public and private investment and a recovery in exports," IMF Mission Chief Elif Arbatli Saxegaard said at a press briefing on Monday.

She said the growth forecast was lowered after weaker-than-expected GDP data.

"The 2023 (GDP growth) was revised down slightly from 5.6% to 5.5%... We got new data on the first quarter, which was slightly lower than what we had expected. So, it's reflecting a small downward adjustment, reflecting the outturn since the April WEO," she said.

The economy grew by 5.7% in the first quarter from 6.4% a year ago and 5.5% in the fourth quarter.

Despite the lower forecast, Ms. Saxegaard said the Philippine economy "continues to perform well despite external challenges and policy tightening."

She said growth would be driven by the government's initiatives to improve ease of doing business and attract foreign direct investments, which could "raise the economy's long-term growth potential."

However, she said downside risks to the outlook include geoeconomic fragmentation, elevated interest rates and climate-related shocks.

IMF, S1/9

FDI inflows up 23% in March

THE PHILIPPINES' foreign direct investment (FDI) net inflows jumped by 23% year on year to $686 million in March, bringing the first-quarter inflows to nearly $3 billion, preliminary data from the Bangko Sentral ng Pilipinas (BSP) showed.

Net inflows plunged by 49.8% in March from $1.366 billion in February, based on the data.

The FDI net inflows in March were the lowest in five months or since the $670 million recorded in October 2023.

"The (annual) expansion in FDI net inflows was driven mainly by nonresidents' net investments in debt instruments," the central bank said.

BSP data showed nonresidents' net investments in debt instruments rose by 19% to $465 million in March from $391 million a year earlier.

Net investments in equity capital other than reinvestment of earnings climbed by 67.1% to $157 million from $94 million a year ago

Equity capital placements surged by 50.3% year on year to $173 million, while withdrawals slid by 23.9% to $16 million.

Meanwhile, reinvestment of earnings stood at $64 million, down by 11.3% from $72 million the year before.

Investments in equity and investment fund shares increased by 32.9% to $221 million in March from $166 million a year ago.

Investments in equity capital placements were mainly from Japan (64%), Singapore (16%) and the United States (10%). These were invested mostly in the manufacturing (66%), financial and insurance (14%), and real estate (11%) industries.

FIRST-QUARTER SURGE

Meanwhile, FDI net inflows jumped by 42.1% to $2.969 billion in January to March from $2.09 billion a year ago.

"FDI increased during the quarter on the back of the country's strong growth prospects and moderating inflation," the BSP said.

Foreign investments in debt instruments rose by 14.2% to $1.83 billion in the first quarter from $1.603 billion a year ago.

Investments in equity and investment fund shares more than doubled (133.8%) to $1.139 billion as of end-March from $487 million a year earlier.

Net foreign investments in equity capital skyrocketed (248.5%) to $910 million in the first quarter from $261 million a year ago.

First-quarter placements nearly tripled to $1.129 billion, while withdrawals almost doubled to $219 million.

In the first three months, reinvestment of earnings inched up by 1.4% year on year to $229 million from $226 million.

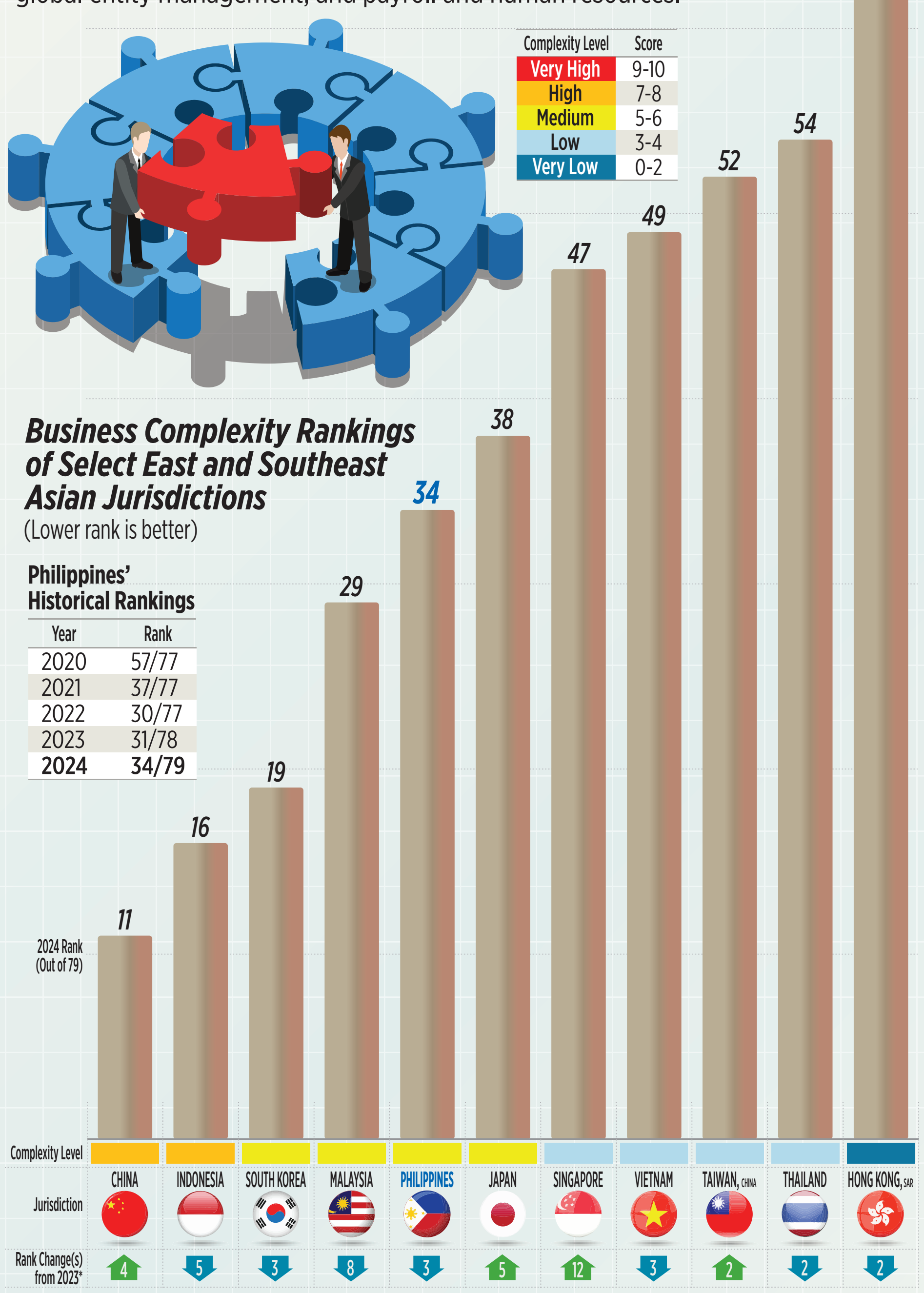
The Netherlands accounted for the bulk or 68% of the total FDI inflows in the first quarter, followed by at 21%.

FDI, S1/9

PHILIPPINES IMPROVES IN BUSINESS COMPLEXITY

The Philippines' business environment improved* three notches to 34th place out of 79 jurisdictions in the 2024 Global Business Complexity Index from Amsterdam-based TMF Group. The index ranks jurisdictions based on the complexity of their business environments (lower ranking is better) using three areas of business operation: accounting and tax, global entity management, and payroll and human resources.

Complexity Level	Score
Very High	9-10
High	7-8
Medium	5-6
Low	3-4
Very Low	0-2



Philippines' Historical Rankings

Year	Rank
2020	57/77
2021	37/77
2022	30/77
2023	31/78
2024	**34/79**

Philippines' Performance (2024)

Business Areas	Score (Out of 10)
Accounting and Tax	5
Payroll and Human Resources	5
Rules, Regulations, and Penalties	7

Notes:
— The index is generated from an in-depth survey of market experts in 79 jurisdictions.
— From 292 indicators relating to business complexity, data for each jurisdiction are weighted and combined to produce an overall complexity score.
*Upward arrows indicate deterioration from previous year's rankings while downward arrows show improvement.

10 Most Complex Jurisdictions

2024 Rank (Out of 79)	Jurisdiction	Rank Change(s) from 2023*
1	Greece	▲ 1
2	France	▼ 1
3	Colombia	▲ 2
4	Mexico	◆ 0
5	Bolivia	▲ 4
6	Turkey	◆ 0
7	Brazil	▼ 4
8	Italy	◆ 0
9	Peru	▼ 2
10	Kazakhstan	▲ 13

10 Least Complex Jurisdictions

2024 Rank (Out of 79)	Jurisdiction	Rank Change(s) from 2023*
79	Cayman Islands	▼ 1
78	Curaçao	▼ 2
77	Denmark	◆ 0
76	Hong Kong, SAR	▼ 2
75	New Zealand	▼ 4
74	The Netherlands	▲ 1
73	United Kingdom	▼ 1
72	Jersey	▼ 2
71	British Virgin Islands	▲ 2
70	Jamaica	▼ 21

Source: TMF Group's Global Business Complexity Index 2024
(https://www.tmf-group.com/en/news-insights/publications/global-business-complexity-hub/)
***BusinessWorld* Research**: Karis Kasarinlan Paolo D. Mendoza ***BusinessWorld* Graphics**: Bong R. Fortin

PHL eyes ODA from France to fund projects

THE PHILIPPINES and France have signed a government-to-government agreement to secure funding for the former's priority projects, the Finance department said.

In a statement on Monday, the agency said the agreement would allow the Philippine government to obtain concessional official development assistance (ODA) and blended financing from France.

This would be used to "deliver pioneering projects that help reduce poverty and pave the way for inclusive growth for all Filipinos."

The Agreement on Financial and Development Cooperation (AFDC) was signed by Finance Secretary Ralph G. Recto and France's Ambassador to the Philippines Marie Fontanel on June 7.

"With the broad range of development areas covered, this agreement will certainly serve as a key poverty-fighting force that will help us establish a solid foundation for a thriving, inclusive future for Filipinos," Mr. Recto said.

"With the agreement now in place, we anticipate strengthened cooperation with France across high-impact sectors crucial to our country's development," he added.

The agreement will support projects in key sectors such as agriculture, agro-industry, mining, water sanitation, infrastructure, transportation and renewable energy.

"We are very enthusiastic about the numerous pioneering and exciting projects that will be developed through this agreement, especially those that have never been done before in the Philippines," Mr. Recto added.

Finance Undersecretary Maria Luwalhati C. Dorotan-Tiuseco said in a Viber message that the department has finalized the framework and sectors to be prioritized.

She said the pipeline of projects is "subject to further discussions."

Ms. Fontanel said the French government is "eager to enhance the level of its partnership with the Philippines, particularly in defense, security, energy, food, maritime, and climate change."

The Marcos administration has 185 infrastructure flagship projects worth P9.14 trillion in the pipeline. These are major infrastructure projects that have been prioritized by the government for implementation. These projects cover various sectors such as transportation, energy, water resources and social infrastructure. — **Luisa Maria Jacinta C. Jocson**

Balisacan defends decision to cut tariffs on imported rice

NATIONAL ECONOMIC and Development Authority (NEDA) Secretary Arsenio M. Balisacan on Monday defended the government's decision to slash tariffs on rice until 2028, saying this would reduce the impact of elevated global rice prices on Filipino consumers.

"If you reduce the tariff... that will dampen the effects of world rice price increases on our local markets," he told reporters.

The NEDA Board, chaired by President Ferdinand R. Marcos, Jr., last week approved the new Comprehensive Tariff Program which reduced tariffs on certain agricultural and industrial imports until 2028. Tariffs on rice imports were cut to 15% from 35%.

Mr. Balisacan, who is facing calls to resign from some agriculture groups, said in a separate statement that the NEDA Board as a collegial body made the decision, "recognizing its strategic importance in ensuring access and affordability to essential commodities — while balancing the interests of consumers, local producers and the economy."

"The goal of the NEDA Board in reducing the tariff rate of rice is to ensure that Filipinos have access to nutritious and affordable food, particularly rice, while managing inflation and sustaining our economic growth momentum," he said, noting that rice contributed about two percentage points to inflation in the past three months.

Inflation quickened to 3.9% in May, the fourth straight month of faster inflation. However, rice inflation eased for the second consecutive month to 23% in May from 23.9% a month earlier.

"Reducing rice tariffs is expected to bring down rice prices for consumers while supporting domestic production through tariff cover and increased budgetary support to improve agricultural productivity, especially as global rice prices remain elevated," Mr. Balisacan added.

Global rice prices have soared since last year due to India's ongoing ban on exports of non-basmati rice.

The Philippines, the world's top importer of rice, has been affected by the spike in global rice prices. It imports rice mainly from Vietnam and Thailand.

However, Mr. Balisacan said the outlook for a decline in global rice prices is still uncertain, citing the impact of the El Niño dry spell and the looming La Niña weather pattern on agricultural production.

"If the forecasters, the futures market are correct, then we should see the tapering of this price increases soon, by around September. So, by then, you will feel the domestic prices stabilize," he said in mixed English and Filipino.

Rice, S1/8

FUEL PRICE TRACKER
(week-on-week change)

GASOLINE		
May 28	▲	P0.40
June 4	▼	P0.90
June 11	▼	P0.60
DIESEL		
May 28	▲	P0.40
June 4	▲	P0.60
June 11	▼	P1.20
KEROSENE		
May 28	▲	P0.30
June 4	▲	P0.80
June 11	▼	P1.30

- *June 11, 12:01 a.m.* — Caltex Philippines
- *June 11, 6 a.m.* — Petron Corp.; Phoenix Petroleum; Pilipinas Shell Petroleum Corp.; PTT Philippines Corp.; Seaoil Philippines, Inc.
- *June 11, 8:01 a.m.* — Cleanfuel (Shaw Autogas, Inc.)