

STOCK MARKET	ASIAN MARKETS	WORLD MARKETS	PESO-DOLLAR RATES	ASIAN MONIES-US\$ RATE	WORLD CURRENCIES	DUBAI CRUDE OIL
PSEi OPEN: 6,314.84 HIGH: 6,390.58 LOW: 6,301.84 CLOSE: 6,390.58 VOL: 0.509 B VAL(P): 4.517 B 77.47 pts, 1.22% 30 DAYS TO JUNE 27, 2024	JUNE 27, 2024 JAPAN (NIKKEI 225) 39,341.54 ▼ -325.53 -0.82 HONG KONG (HANG SENG) 17,716.47 ▼ -373.46 -2.06 TAIWAN (WEIGHTED) 22,905.98 ▼ -80.71 -0.35 THAILAND (SET INDEX) 1,309.46 ▼ -9.69 -0.73 S. KOREA (KSE COMPOSITE) 2,784.06 ▼ -7.99 -0.29 SINGAPORE (STRAITS TIMES) 3,343.35 ▲ 11.65 0.35 SYDNEY (ALL ORDINARIES) 7,759.60 ▼ -23.40 -0.30 MALAYSIA (KLCSE COMPOSITE) 1,584.94 ▼ -6.01 -0.38	JUNE 26, 2024 DOW JONES 39,127.800 ▲ 15,640 NASDAQ 17,805.156 ▲ 87,502 S&P 500 5,477.900 ▲ 8,600 FTSE 100 8,225.330 ▼ -22,460 EURO STOXX50 4,518.920 ▼ -28,430	FX OPEN P58.880 HIGH P58.750 LOW P58.920 CLOSE P58.750 W.AVE. P58.868 VOL. \$1,205.25 M SOURCE: BAP 11.00 cts 30 DAYS TO JUNE 27, 2024	JUNE 27, 2024 LATEST BID (0900GMT) PREVIOUS JAPAN (YEN) 160.500 ▼ 159.960 HONG KONG (HK DOLLAR) 7.808 ▼ 7.809 TAIWAN (NT DOLLAR) 32.553 ▼ 32.537 THAILAND (BAHT) 36.850 ▼ 36.810 S. KOREA (WON) 1,385.470 ▼ 1,389.880 SINGAPORE (DOLLAR) 1.356 ▼ 1.356 INDONESIA (RUPIAH) 16,395 ▼ 16,400 MALAYSIA (RINGGIT) 4.718 ▼ 4.710	JUNE 27, 2024 CLOSE PREVIOUS US\$/UK POUND 1.2645 ▼ 1.2668 US\$/EURO 1.0697 ▼ 1.0695 US\$/AUSTRALIAN DOLLAR 0.6667 ▼ 0.6673 CANADA DOLLAR/US\$ 1.3679 ▼ 1.3668 SWISS FRANC/US\$ 0.8967 ▼ 0.8971	FUTURES PRICE ON NEAREST MONTH OF DELIVERY \$84.50/BBL 30 DAYS TO JUNE 26, 2024

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PHILIPPINE STOCK EXCHANGE'S 10 MOST ACTIVE STOCKS BY VALUE TURNOVER • JUNE 27, 2024 (PSEi snapshot on S1/2; article on S2/2)

ICT	P348.000	GLO	P2,090.000	BDO	P130.000	SM	P817.000	SMPH	P27.800	ALI	P28.950	MBT	P67.100	BPI	P119.600	JGS	P26.300	JFC	P224.000
Value	P391,886,930	Value	P357,176,020	Value	P289,568,313	Value	P265,662,990	Value	P240,443,100	Value	P197,365,775	Value	P147,026,721	Value	P128,397,244	Value	P123,891,470	Value	P115,828,916
	-P1.800 ▼ -0.515%		P40.000 ▲ 1.951%		P3.000 ▲ 2.362%		P8.000 ▲ 0.989%		P0.650 ▲ 2.394%		-P0.050 ▼ -0.172%		P1.850 ▲ 2.835%		P3.600 ▲ 3.103%		-P0.700 ▼ -2.593%		P1.000 ▲ 0.448%

BSP stands pat, signals rate cut in Aug.

By Luisa Maria Jacinta C. Jocson Reporter

THE BANGKO SENTRAL ng Pilipinas (BSP) kept interest rates steady for a sixth straight meeting on Thursday but signaled that a rate cut at its next meeting in August is "somewhat more likely than before," with up to 50 basis

points (bps) in easing likely this year.

The Monetary Board on Thursday left its target reverse repurchase rate unchanged at 6.5%, the highest in over 17 years. This was in line with the expectations of all 15 analysts in a *BusinessWorld* poll last week.

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

Mr. Remolona said he expects inflation to further ease in the second semester with the implementation of lower tariffs on rice.

"The balance of risks to the inflation outlook has shifted to the downside for 2024 and 2025 due largely to the impact of lower import tariffs on rice under Executive Order (EO) No. 62," he said at a press briefing.

"If sustained, an improvement in the inflation outlook would allow more scope to consider a less restrictive monetary policy stance."

President Ferdinand R. Marcos, Jr. earlier this month signed EO 62 which slashed tariffs on rice imports to 15% until 2028 to tame rice prices.

Mr. Remolona said that inflation is "moving closer" to the midpoint of its 2-4% target, add-

ing that expectations are still well-anchored.

The central bank slashed its risk-adjusted inflation forecast for this year to 3.1% from 3.8% previously. It also cut its risk-adjusted estimate for 2025 to 3.1% from 3.7% earlier.

Meanwhile, it lowered its average baseline inflation forecast for 2024 and 2025 to 3.3% and 3.1%, respectively, from 3.5% and 3.3%, previously.

"Nonetheless, higher prices of food items other than rice, transport charges, and electricity rates continue to pose upside risks to inflation," Mr. Remolona said. "Meanwhile, prospects for domestic output growth remain in line with medium-term trends amid favorable labor market conditions and strong net exports."

BSP, S1/5

DA to allow 200,000 MT of refined sugar imports

By Adrian H. Halili Reporter

THE DEPARTMENT OF Agriculture (DA) said it is planning to allow imports of around 200,000 metric tons (MT) of refined sugar to fill a projected supply gap during the off-milling season.

"We will have an importation of sugar by September. We will have an arrival of at least 200,000 MT of refined sugar," Agriculture Secretary Francisco P. Tiu Laurel, Jr. told reporters late on Wednesday.

He said the amount of imports "can be a little bit more" to address the expected supply deficit before the harvest and refining season.

Mr. Tiu Laurel said the Sugar Regulatory Administration (SRA) is expected to issue a sugar order by next month.

"The current stocks will decrease by August or September. We have a gap for 200,000 MT by September or October, then milling will continue again," he added.

SRA data as of June 9 showed the national sugar inventory rose by 29.3% for raw sugar during the 2023-2024 crop year to 436,229 MT from 337,286 MT in the previous crop year. Stocks of refined sugar jumped by 14.1% to 492,985 MT during the current crop year from 432,215 MT in the previous crop year.

Sugar, S1/5

HOW EXPENSIVE IS MANILA FOR 'LIVING WELL' IN 2024?

Manila edged down a spot to 21st out of 25 cities in the 2024 edition of the Julius Baer Lifestyle Index, which analyzes the cost of a basket of goods and services representative of "living well." Among the 10 Asia-Pacific cities included in the report, the Philippine capital emerged the ninth-most expensive city, just ahead of Tokyo.

2024 Julius Baer Lifestyle Index Rankings of Select Asia-Pacific Cities

City	Rank (Out of 25)	2023	2024
Singapore	1	1	1
Taipei	8	13	8
Manila	20	21	20
Tokyo	15	23	15
Hong Kong	3	2	3
Jakarta	12	14	12
Shanghai	2	4	2
Bangkok	11	17	11
Sydney	17	11	17
Mumbai	18	20	18
China	2	4	2
India	18	20	18

Rank (Out of 25)	Item	Year-on-year \$ price change (%)
2	Whisky	49.9
4	Lasik	N/A
6	Car	-24.2
9	Champagne	N/A
9	Business Class Flight	-2.4
10	MBA	4.2
11	Bicycle	0.2
11	Jewelry	12.1
11	Technology Package	4.1
12	Men's Suit	0.0
15	Ladies' Handbag	0.0
20	Residential Property	24.4
20	Treadmill	0.0
20	Private School	9.8
20	Hotel Suite	-14.3
22	Watch	7.1
22	Health Costs	N/A
23	Degustation Dinner	18.6
24	Ladies' Shoes	8.5
25	Lawyer	0.0

2024 Rank (Out of 25)	City	Country
1	Singapore	Singapore
2	Hong Kong	Hong Kong (SAR)
3	London	United Kingdom
4	Shanghai	China
5	Monaco	Monaco

2024 Rank (Out of 25)	City	Country
25	Johannesburg	South Africa
24	Vancouver	Canada
23	Tokyo	Japan
22	Santiago De Chile	Chile
21	Manila	Philippines

Note: The Julius Baer Lifestyle Index is based on a basket of 20 goods and services that represent discretionary purchases by high-net-worth individuals globally.

Source: Julius Baer's Global Wealth and Lifestyle Report 2024 (https://www.juliusbaer.com/en/insights/wealth-insights/wealth-report/how-expensive-is-your-city-for-living-well-in-2024/) BusinessWorld Research: Lourdes O. Pilar BusinessWorld Graphics: Bong R. Fortin

NG budget gap widens in May

THE NATIONAL Government's (NG) budget deficit widened in May as spending growth outpaced revenues, the Bureau of the Treasury (BTr) said.

The NG's budget gap ballooned by 43.1% to P174.9 billion in May from P122.2 billion in the same month a year ago.

Month on month, this was a reversal of the P42.728-billion surplus in April.

"The higher deficit resulted from an acceleration in government spending, pushing disbursement growth for the month to 22.24%, as against revenue expansion of 14.59%," the BTr said.

In May, state expenditures jumped by 22.24% to P557 billion from P455.7 billion a year ago.

The BTr said this was due to the implementation of capital outlay projects of the departments of Public Works and Highways and National Defense and the social and health programs of the departments of Social Welfare and Development and Health.

"The higher National Tax Allotment shares of LGUs and increased budgetary support to GOCCs (government-owned and -controlled corporations) also contributed to the notable growth of disbursements in May," it added.

Broken down, interest payments climbed by 47.78% year on year to P61.1 billion due to "additional debt incurred last year and higher interest rates of both domestic and foreign borrowings."

Primary spending — which refers to total expenditures minus interest payments — rose by 19.69% year on year to P495.9 billion.

Meanwhile, revenues jumped by 14.59% to P382.1 billion in May from P333.4 billion in the same month in 2023.

Budget, S1/5

DBCC keeps growth targets until 2028 despite external headwinds

ECONOMIC MANAGERS on Thursday retained their growth targets for this year until 2028 despite external headwinds.

The Development Budget Coordination Committee (DBCC), which sets official macroeconomic assumptions and fiscal program, maintained its Philippine gross domestic product (GDP) growth target at 6-7% this year, and at 6.5-7.5% in 2025.

"Despite external headwinds, we are expected to continue surpassing most emerging economies," Budget Secretary Amenah F. Pangandaman, who heads the DBCC, told the briefing.

"This robust growth momentum is expected to continue over the me-

dium term, with GDP growth reaching 6.5-8% from 2026 to 2028 while considering anticipated domestic and external risks and the latest monetary and trade assumptions of the Bangko Sentral ng Pilipinas (BSP)," she added.

The DBCC also revised the fiscal targets, which Ms. Pangandaman said were "realistic, practical, and adaptive to external and domestic developments."

Economic managers raised the deficit-to-GDP ceiling for 2025 to 5.3% from 5.2% previously.

The DBCC kept its deficit ceilings for 2026 to 2028, but revised its revenue and expenditure programs.

"The new deficit path will decline more realistically and sustainably, from 5.6% of GDP in 2024 to 3.7% of GDP in 2028, allowing sufficient fiscal space for the government to invest in infrastructure development and other growth-enhancing programs and projects," the DBM chief said.

Revenue targets were raised to P4.644 trillion (from P4.583 trillion previously) for 2025; to P5.063 trillion (from P4.957 trillion) for 2026; to P5.627 trillion (from P5.487 trillion) for 2027; and to P6.25 trillion (from P6.078 trillion) for 2028.

"On average, revenues are expected to grow by 10.3% every year from 2024

to 2028, reaching P6.25 trillion (16.9% of GDP) by the end of the administration," Ms. Pangandaman said.

The revised revenue targets will be supported by "enhanced tax administration reforms" and improved collection efficiency, she added.

Finance Undersecretary and Chief Economist Domini S. Velasquez said there is no need to introduce new taxes to meet the revised revenue targets.

"For the rest of the medium term, we actually expect tax revenues to increase... this is largely due to the double-digit increase in the Bureau of Internal Revenue (BIR) and Bureau of Customs (BoC)," she said.

"We're currently doing a lot of tax efficiency improvements in both the BIR and the BoC. This includes digitalization, regulations to capture e-commerce transactions, and also Customs modernization."

DBCC also expects expenditures to remain at an average of about 21% of the GDP from 2024 until 2028.

The 2025 spending target was increased to P6.182 trillion (from P6.074 trillion); while spending for 2026 was set at P6.54 trillion (from P6.433 trillion). Expenditures for 2027 were raised to P7.027 trillion (from P6.887 trillion), and for 2028 to P7.621 trillion (from P7.45 trillion).

DBCC, S1/5