P25 IN METRO MANILA, PHILIPPINES

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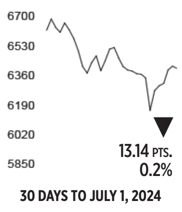
STOCK MARKET



PSEi	
OPEN:	6,401.96
HIGH:	6,436.40
LOW:	6,382.25
CLOSE:	6,398.77
VOL.:	0.418 B
VAL(P):	3.343 B

ASIAN MARKETS

JULY 1, 2024

	CLOSE		NET	%
Japan (Nikkei 225)	39,631.06	▲	47.98	0.12
Hong Kong (Hang Seng) *	17,718.61	▲	2.14	0.01
Taiwan (Weighted)	23,058.57	▲	26.32	0.11
Thailand (SET Index)	1,296.88	▼	-4.08	-0.31
S.Korea (Kse Composite)	2,804.31	▲	6.49	0.23
Singapore (Straits Times)	3,337.99	▲	5.19	0.16
Sydney (All Ordinaries)	7,750.70	▼	-16.80	-0.22
Malaysia (Klse Composite)	1,598.20	▲	8.11	0.51

WORLD MARKETS

JUNE 28, 2024

	CLOSE		NET
Dow Jones	39,118.860	▼	-45.200
NASDAQ	17,732.603	▼	-126.081
S&P 500	5,460.480	▼	-22.390
FTSE 100	8,164.120	▼	-15.560
Euro Stoxx50	4,491.430	▼	-7.440

PESO-DOLLAR RATES

FX	
OPEN	P58.550
HIGH	P58.470
LOW	P58.695
CLOSE	P58.650
W.AVE.	P58.563
VOL.	$920.83 M

SOURCE : BAP

ASIAN MONIES-US$ RATE

JULY 1, 2024

	LATEST BID (0900GMT)		PREVIOUS
Japan (yen)	161.010	▼	160.830
Hong Kong (HK dollar)	7.811	▼	7.808
Taiwan (NT dollar)	32.504	—	32.504
Thailand (baht)	36.700	▲	36.760
S. Korea (won)	1,381.180	▼	1,380.730
Singapore (dollar)	1.355	—	1.355
Indonesia (rupiah)	16,320	▲	16,370
Malaysia (ringgit)	4.710	▲	4.715

WORLD CURRENCIES

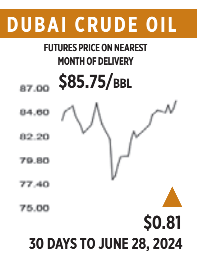
JULY 1, 2024

	CLOSE		PREVIOUS
US$/UK pound	1.2674	▲	1.2642
US$/Euro	1.0766	▲	1.0713
US$/Aust dollar	0.6679	▲	0.6667
Canada dollar/US$	1.3678	▲	1.3677
Swiss Franc/US$	0.9000	▲	0.8987

DUBAI CRUDE OIL

FUTURES PRICE ON NEAREST MONTH OF DELIVERY

$85.75/BBL



VOL. XXXVII • ISSUE 239 TUESDAY • JULY 2, 2024 • www.bworldonline.com S1/1-12 • 2 SECTIONS, 16 PAGES

PHILIPPINE STOCK EXCHANGE'S 10 MOST ACTIVE STOCKS BY VALUE TURNOVER • JULY 1, 2024 (PSEi snapshot on *S1/2*; article on *S2/2*)

		Value			
SMPH	P28.000	P421,962,975	-P0.300	▼	-1.060%
SM	P832.000	P258,523,865	P1.500	▲	0.181%
ICT	P349.000	P207,730,546	-P0.800	▼	-0.229%
AEV	P37.750	P177,468,405	-P1.050	▼	-2.706%
GTCAP	P578.000	P173,433,795	-P42.000	▼	-6.774%
BDO	P130.000	P172,499,132	P1.800	▲	1.404%
MBT	P66.250	P166,909,016	-P1.300	▼	-1.925%
ALI	P28.900	P158,383,885	P0.400	▲	1.404%
BLOOM	P9.500	P111,351,496	-P0.010	▼	-0.105%
BPI	P119.100	P103,927,886	P0.000	—	0.000%

Board approves P35 NCR wage hike

By Chloe Mari A. Hufana

THE REGIONAL Tripartite Wages and Productivity Board (RTWPB) has approved a P35 minimum wage hike for workers in the National Capital Region (NCR), which will take effect on July 17.

According to Wage Order No. NCR-25, the minimum daily wage for nonagricultural workers in the region will be increased to P645.

For workers in agriculture and service/retail establishments employing 15 workers or fewer, daily wages will be raised to P608 from P573.

Workers in manufacturing establishments regularly employing fewer than 10 will also receive a minimum daily wage of P608.

The RTWPB-NCR approved the order on June 27, but a copy was released only on Monday.

"The wage order is to take effect after 15 days from its publication, or on July 17, 2024 which is exactly a day after the anniversary of the preceding wage order," the Department of Labor and Employment (DoLE) said in a statement.

A P40 minimum wage increase was implemented in NCR on July 16, 2023.

The DoLE said the new wage rates are about 5.7% higher than the prevailing daily minimum wage rates in the region.

"(The new rates) remain above the latest regional poverty threshold for a family of five. These likewise result in a comparable 5% increase in wage-related benefits covering 13th month pay, service incentive leave, and social security benefits," it said.

The wage order will directly impact 988,243 minimum wage earners in the capital region, DoLE said.

About 1.7 million full-time wage and salary workers that earn above minimum wage "may also indirectly benefit as a result of upward adjustments at the enterprise level arising from the correction of wage distortion," it added.

Retail and service establishments with not more than 10 regular workers and enterprises affected by natural calamities or disasters can apply for exemption from the wage hike. Barangay Micro Business Enterprise are also not covered by the minimum wage law.

Wage, S1/9

Philippine manufacturing growth slips to 3-month low

PHILIPPINE MANUFACTURING activity in June expanded at its slowest pace in three months amid cooling demand, S&P Global said.

The S&P Global Philippines Manufacturing Purchasing Managers' Index (PMI), which measures the country's monthly factory performance, stood at 51.3 in June, slightly lower than the 51.9 reading in May.

June was the 10th consecutive month that PMI was above the 50 mark, which signals an improvement in operating conditions from the previous month. A reading below 50 indicates the opposite.

"While strong improvements in demand trends earlier in the second quarter allowed manufacturing firms to raise their production volumes at a solid and sustained rate in June, the recent cooling in demand conditions could mean weaker upticks in output as we move into the second half of the year," S&P Global Market Intelligence economist Maryam Baluch said in a report.

The Philippines' PMI reading was the third fastest among six Association of Southeast Asian Nations (ASEAN) member countries in June and lower than the ASEAN average of 51.7.

The Philippines was behind Vietnam (54.7) and Thailand (51.7), but ahead of Myanmar and Indonesia (50.7). Malaysia saw a slight contraction (49.9) in June.

The headline PMI measures manufacturing conditions through the weighted average of five indices — new orders (30%), output (25%), employment (20%), suppliers' delivery times (15%) and stocks of purchases (10%).

S&P Global said Philippine manufacturers saw solid growth in production in June, the fastest in six months.

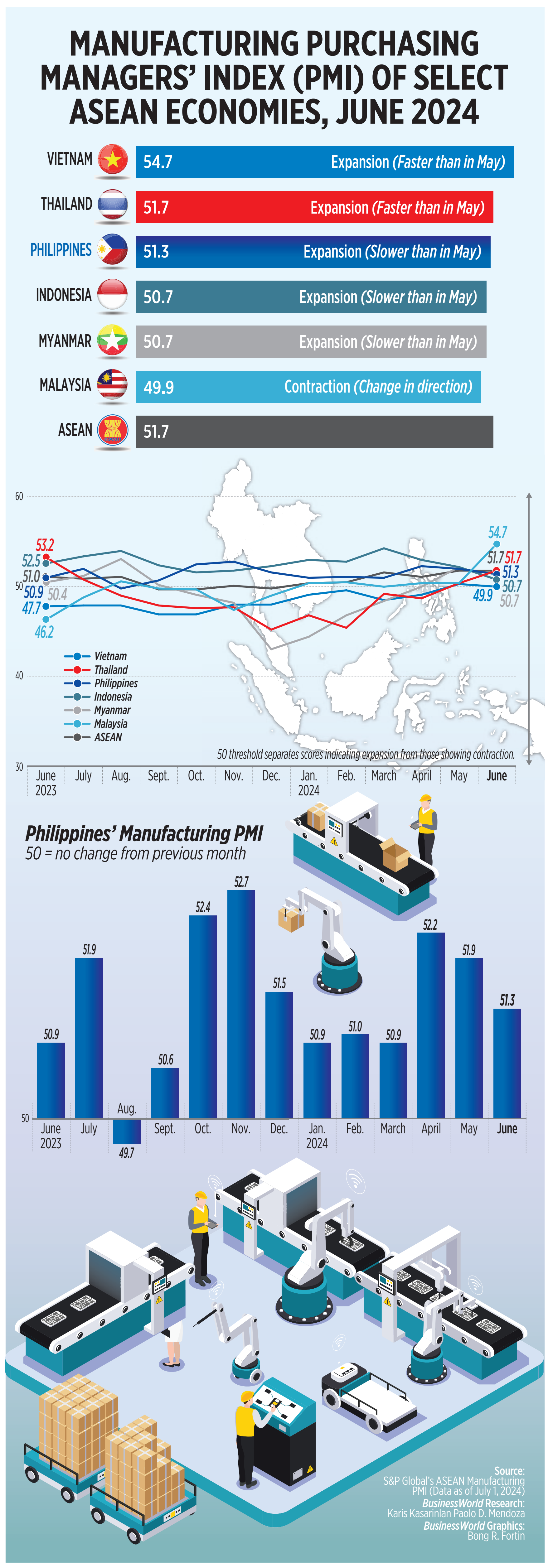
However, manufacturing firms saw "a notable cooldown" in growth in new orders. It noted the growth in foreign orders for Filipino-made goods weakened to a three-month low.

Cooling demand allowed manufacturers to address backlogs at the fastest pace in three months, S&P Global said.

It said manufacturing firms increased purchasing activity at the fastest pace since July 2023 in anticipation of rising production volume in the next few months.

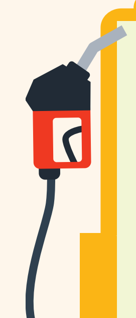
"While growth in output fed through to higher purchasing activity, it failed to translate into job creation. The second consecutive month of job shedding reflected the lack of pressure on operating capacity within the sector, as backlogs were depleted sharply," Ms. Baluch said.

Manufacturing, S1/9



FUEL PRICE TRACKER

(week-on-week change)



GASOLINE		
June 18	▲	P0.85
June 25	▲	P1.40
July 2	▲	P0.95
DIESEL		
June 18	▲	P1.75
June 25	▲	P1.75
July 2	▲	P0.65
KEROSENE		
June 18	▲	P1.90
June 25	▲	P1.05
July 2	▲	P0.35

- *July 2, 12:01 a.m.* — Caltex Philippines
- *July 2, 6 a.m.* — Petron Corp.; Phoenix Petroleum; Pilipinas Shell Petroleum Corp.; PTT Philippines Corp.; Seaoil Philippines, Inc.
- *July 2, 8:01 a.m.* — Cleanfuel (Shaw Autogas, Inc.)

BSP may cut by 50 bps in October — BMI

A WEAK PESO may cause the Bangko Sentral ng Pilipinas (BSP) to delay the start of its easing cycle, with a 50-basis-point (bp) cut in October at the earliest, Fitch Solutions' unit BMI said.

"Given that the peso has come under heavy pressure due to fluctuations in US interest rate expectations, this will act as a constraint to preemptive loosening," it said in a commentary.

The peso has been trading at the P58-per-dollar range since May, its first time sinking to the level since November 2022.

On Monday, the peso closed at P58.65 against the greenback, weakening by four centavos from its P58.61 finish on Friday.

BMI said currency market volatility is the "biggest barrier" to the BSP beginning its easing cycle.

It noted that the BSP would be "extremely mindful" of any easing because this might affect the peso.

"This feeds into our expectations for the BSP to embark on its first cut only in October at the earliest. The monetary cycles of both the Philippines and the Fed tend to track each other closely," BMI said.

The Monetary Board is scheduled to hold policy meetings on Aug. 15, Oct. 17 and Dec. 19.

BSP Governor Eli M. Remolona, Jr. has signaled the central bank is on track to cut rates at its Aug. 15 meeting.

"In our view, such an early cut remains out of the question even if price pressures ease substantially," BMI said.

Mr. Remolona has said the BSP does not need to wait for the Fed before it cuts rates because its monetary decisions are independent of the US central bank.

Markets now expect a 64% chance of the Fed cutting interest rates in September, unchanged from before the data, as well as another cut in December, Reuters reported after the release of better-than-expected US inflation data.

Fed officials earlier signaled monetary easing as late as December and priced in just one rate cut this year.

BMI said it only expects the BSP to cut after the US central bank begins its own easing cycle. It sees the Fed cutting rates by a total of 50 bps this year starting in September, with the BSP expected to follow suit. — **Luisa Maria Jacinta C. Jocson**

FULL STORY

Read the full story by scanning the QR code <tinyurl.com/2pnvcybh>

Gov't urged to prepare for expected surge in rice imports

THE MARCOS ADMINISTRATION should ensure that the lower tariffs on imported rice will not result in a further decline in rice self-sufficiency, the Philippine Chamber of Agriculture and Food, Inc. (PCAFI) said.

In a letter to President Ferdinand R. Marcos, Jr., PCAFI President Danilo V. Fausto aired the group's "grave concerns" over the recent issuance of Executive Order No. 62 which slashed tariffs on rice to 15% until 2028.

"The challenge to EO 62 is how to implement it without a further decline in self-sufficiency in this age of climate change and geopolitical disruptions," he said.

Mr. Fausto said the government should reassure the rice sector by preparing for a surge in rice imports through the Special Rice Safeguard under Republic Act (RA) No. 11203 or the Rice Tariffication Law (RTL).

"This means determining the volume or price triggers, as the case may be, as soon as possible. The last administration, ignoring the said mandatory provision, did not even bother to compute for either one," he said.

Mr. Fausto noted the RTL was implemented by the previous administration to benefit traders, to the detriment of consumers and rice farmers. He also claimed the law decreased the country's self-sufficiency to 75%-80% from 90%-95%.

Under the law, a special safeguard duty on rice "shall be imposed" in order to protect the Philippine rice industry from sudden or extreme price fluctuations.

This is in accordance with RA 8800, or the Safeguard Measures Act, as well as its implementing rules and regulations, the law stated.

Mr. Fausto said that EO 62 has generated "controversy" due to the nonconduct of "genuine and timely consultations." He said the National Economic and Development Authority's (NEDA) insistence that the hearings of the Tariff Commission last year constitute compliance with due process "damages its credibility as a crisis manager."

He said that the system is flawed as NEDA, which proposed the tariff cuts, has jurisdiction over the designated fact-finding body, the Tariff Commission.

"The sectors are left with no choice but to file a case on the issue of due process. By NEDA's logic, it can go back to hearings conducted 10 or 20 years ago and insist that the proceedings therein would constitute compliance as long as they involved the same sector," he said.

"This is dangerous. There will be no more new hearings," he added.

Raul Q. Montemayor, national manager of the Federation of Free Farmers, told *BusinessWorld* in a Viber message that the Special Rice Safeguard is "very weak."— **J.I.D.Tabile**

FULL STORY

Read the full story by scanning the QR code <tinyurl.com/2zxucps7>