P25 IN METRO MANILA, PHILIPPINES

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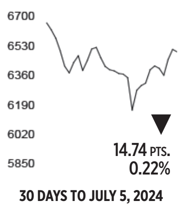
S1/1-16 • 2 SECTIONS, 22 PAGES

STOCK MARKET



PSEi	
OPEN:	6,507.28
HIGH:	6,560.20
LOW:	6,492.75
CLOSE:	6,492.75
VOL.:	0.455 B
VAL(P):	4.238 B

ASIAN MARKETS

JULY 5, 2024

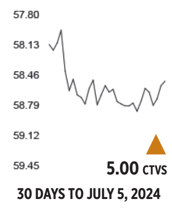
	CLOSE		NET	%
Japan (Nikkei 225)	40,912.37	▼	-1.28	0.00
Hong Kong (Hang Seng)	17,799.61	▼	-228.67	-1.27
Taiwan (Weighted)	23,556.59	▲	34.06	0.14
Thailand (SET Index)	1,311.99	▲	10.95	0.84
S.Korea (Kse Composite)	2,862.23	▲	37.29	1.32
Singapore (Straits Times)	3,410.81	▼	-29.07	-0.85
Sydney (All Ordinaries)	7,822.30	▼	-9.50	-0.12
Malaysia (Klse Composite)	1,611.02	▼	-5.73	-0.35

WORLD MARKETS

JULY 5, 2024

	CLOSE		NET
Dow Jones	39,375.870	▲	67.870
NASDAQ	18,352.759	▲	164.457
S&P 500	5,567.190	▲	30.170
FTSE 100	8,203.930	▼	-37.330
Euro Stoxx50	4,520.360	▼	-11.350

PESO-DOLLAR RATES



FX	
OPEN	P58.540
HIGH	P58.510
LOW	P58.600
CLOSE	P58.530
W.AVE.	P58.563
VOL.	$836.00 M

SOURCE : BAP

ASIAN MONIES-US$ RATE

JULY 5, 2024

	LATEST BID (0900GMT)		PREVIOUS
Japan (yen)	160.720	▲	161.270
Hong Kong (HK dollar)	7.813	▼	7.809
Taiwan (NT dollar)	32.393	▲	32.445
Thailand (baht)	36.440	▲	36.620
S. Korea (won)	1,376.570	▲	1,380.060
Singapore (dollar)	1.348	▲	1.351
Indonesia (rupiah)	16,275	▲	16,325
Malaysia (ringgit)	4.707	—	4.707

WORLD CURRENCIES

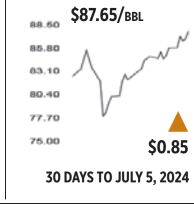
JULY 5, 2024

	CLOSE		PREVIOUS
US$/UK pound	1.2808	▲	1.2753
US$/Euro	1.0836	▲	1.0798
US$/Aust dollar	0.6749	▲	0.6722
Canada dollar/US$	1.3639	▲	1.3622
Swiss Franc/US$	0.8960	▼	0.9007

DUBAI CRUDE OIL

FUTURES PRICE ON NEAREST MONTH OF DELIVERY

$87.65/BBL



PHILIPPINE STOCK EXCHANGE'S 10 MOST ACTIVE STOCKS BY VALUE TURNOVER • JULY 5, 2024 (PSEi snapshot on *S1/2*; article on *S2/2*)

		Value			
URC	P109.000	P523,734,385	P0.000	—	0.000%
ALI	P29.250	P444,278,930	P0.050	▲	0.171%
BDO	P138.800	P346,069,166	P0.600	▲	0.434%
MBT	P65.000	P267,441,753	-P0.600	▼	-0.915%
BPI	P119.000	P264,806,918	P0.700	▲	0.592%
ICT	P360.000	P245,635,494	-P9.000	▼	-2.439%
AC	P568.000	P241,786,525	-P2.500	▼	-0.438%
SMPH	P28.650	P170,158,365	P0.000	—	0.000%
JFC	P234.000	P168,024,742	P2.600	▲	1.124%
LTG	P9.300	P141,211,128	-P0.100	▼	-1.064%

BSP still hints at rate cut in August

By Luisa Maria Jacinta C. Jocson *Reporter*

A POSSIBLE BREACH in the inflation target this month will not derail the Bangko Sentral ng Pilipinas' (BSP) planned rate cut by August, its top official said.

BSP Governor Eli M. Remolona, Jr. said July inflation overshooting the 2-4% target is "expected" and unlikely to affect the likelihood of a rate cut in August.

"We do expect it to breach in July. So, if it doesn't breach, then it's better than expected," he told reporters on the sidelines of an event late on Friday.

Mr. Remolona said there is a 50-50 chance that July inflation could breach the 2-4% target.

The central bank earlier warned that inflation could temporarily accelerate to above target from May to July, but so far inflation has been below 4% in May and June.

Headline inflation eased to 3.7% in June from 3.9% in May, marking the seventh straight month that inflation settled within the 2-4% target band.

"This is a cause for reassurance because it seems to be going in the direction we expected. So, it's reassuring, but we need a few more numbers. So, it's not yet time to declare victory, as people say," Mr. Remolona added.

Meanwhile, National Economic and Development Authority Secretary Arsenio M. Balisacan said that the downtrend of inflation should continue in the coming months.

"I cannot say the worst is over, but I think that extreme situations are not likely anymore," he told reporters on Friday evening.

"I think we expect (inflation) in the coming months to come down because the El Niño is over, hoping that the La Niña will not bring severe flooding and all that, and then I think prices will start to moderate. I think that it will enable us to achieve the target of 2-4%," he added.

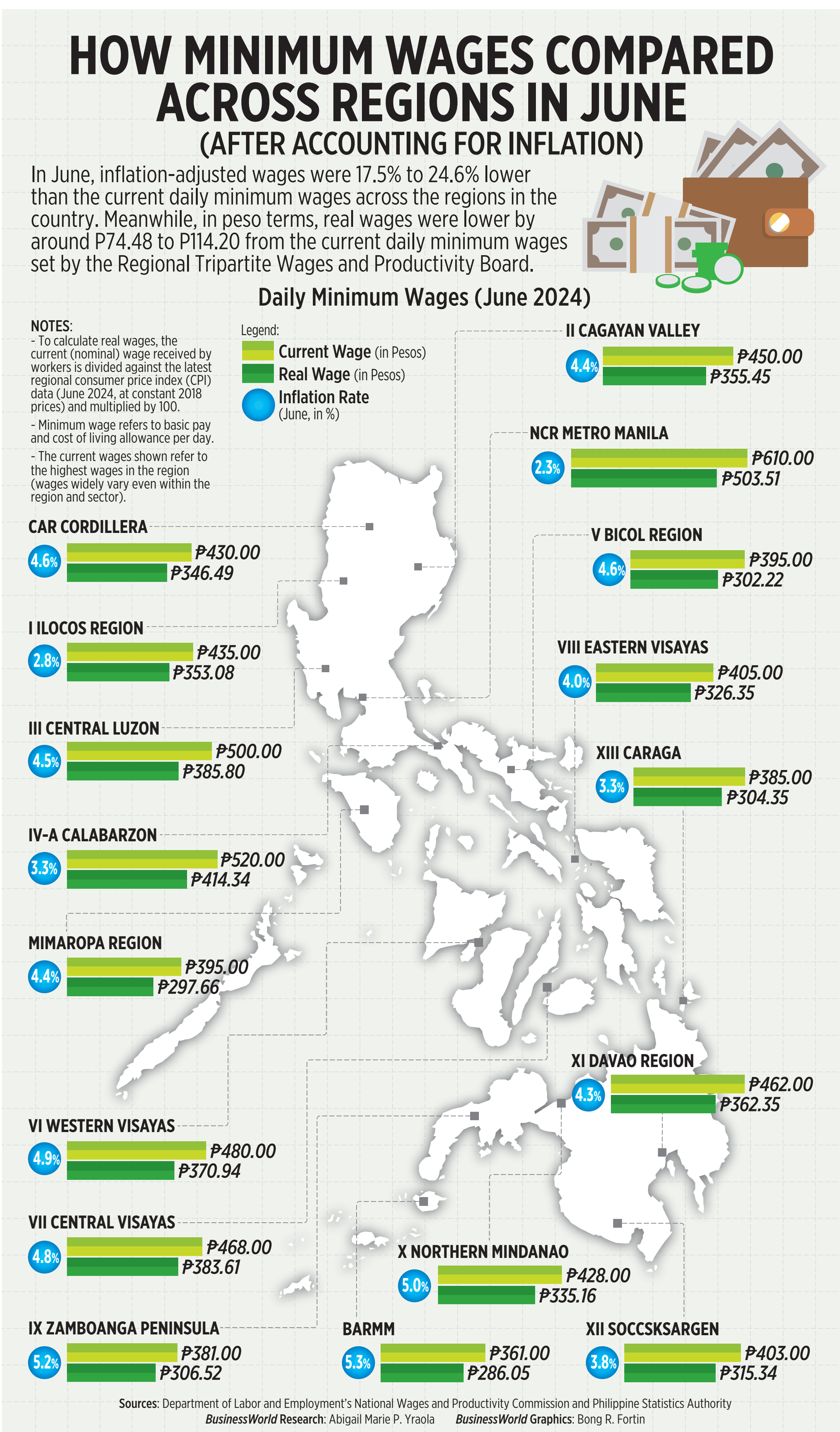
Mr. Balisacan said the outlook already takes into account the recently approved wage hike in the National Capital Region (NCR).

"More or less, that's already anticipated. The wage increases are not unreasonable. They're within the inflation experienced by our workers," he added.

The Regional Tripartite Wages and Productivity Board has approved a P35 minimum wage hike for workers in NCR, bringing the daily wage to P645 starting July 17.

Rate cut, S1/8

WHAT'S INSIDE



Dollar reserves slip to $104.7 billion in June

THE PHILIPPINES' gross international reserves (GIR) dipped by 0.3% month on month in June, which the Bangko Sentral ng Pilipinas (BSP) governor partly attributed to its intervention in the foreign exchange market amid the peso's continued depreciation against the US dollar.

Preliminary data from the BSP showed gross dollar reserves settled at $104.7 billion at end-June, slightly lower than $105.02 billion at end-May.

Year on year, dollar reserves rose by 5.3% from $99.39 billion.

"The month-on-month decline in the GIR level reflected mainly the National Government's (NG) payments of its foreign currency debt obligations and downward valuation adjustments in the BSP gold holdings due to the decrease in the price of gold in the international market," the central bank said.

BSP Governor Eli M. Remolona, Jr. said that the decrease in the end-June GIR level was partly due to the central bank's intervention in the foreign exchange market as the peso continued to weaken against the US dollar.

"It's not all of it, but some of it," he told reporters late on Friday. "As I said before, we don't want the peso to depreciate very sharply. We don't have a target level for the peso. We just don't want it to depreciate sharply."

The peso depreciated to P58.61 against the dollar as of end-June from P58.51 as of end-May. The local unit has been trading at the P58-per-dollar since May.

As of end-June, the level of dollar reserves was enough to cover about 6.1 times the country's short-term external debt based on original maturity and 3.8 times based on residual maturity.

It was also equivalent to 7.7 months' worth of imports of goods and payments of services and primary income.

Ample foreign exchange buffers protect an economy from market volatility and ensure the country can pay its debts in the event of an economic downturn.

Broken down, the central bank's foreign investments slipped by 0.04% to $89.49 billion at end-June from $89.52 billion in the previous month. On the other hand, investments increased by 7% year on year from $83.66 billion.

Reserves in the form of gold were valued at $9.9 billion, lower by 1.1% from $10.02 billion as of end-May and down by 1% from $10.01 billion a year ago.

Net foreign currency deposits declined by 17.8% to $790.6 million as of end-June from $962.3 million a month earlier. It likewise fell by 31.9% from $1.16 billion as of end-June in 2023.

Net international reserves slipped by 0.3% to $104.69 billion at end-June from $104.98 billion at end-May.

Net international reserves are the difference between the BSP's reserve assets or GIR and reserve liabilities, such as short-term foreign debt and credit and loans from the International Monetary Fund (IMF).

Meanwhile, the country's reserve position in the IMF edged up by 0.4% to $740.4 million at end-June from $737.2 million at end-May.

Special drawing rights, or the amount the country can tap from the IMF, was unchanged at $3.77 billion.

"The BSP has previously (said) that the agency is actively but not openly intervening in the market not only to stabilize the value of the Philippine currency but also to stem the inflation that is associated with the depreciation," Leonardo A. Lanzona, Jr., an economics professor at the Ateneo de Manila University said in an e-mail.

Mr. Lanzona said the problem with this intervention is that it leads to greater dependency on imports.

Dollar, S1/13

GOCC subsidies up 32% in May

SUBSIDIES PROVIDED to government-owned and -controlled corporations (GOCCs) jumped by 32% year on year in May, the Bureau of the Treasury (BTr) said.

Data from the BTr showed that budgetary support to GOCCs rose to P9.74 billion in May from P7.38 billion in the same month last year.

Month on month, subsidies fell by 64.86% from P27.72 billion released in April.

The National Government (NG) provides subsidies to GOCCs to help fund operational expenses covered by revenues.

The National Irrigation Administration (NIA) received the biggest amount of subsidies with P7.27 billion, which made up nearly three-fourths or 74% of all subsidies in May.

This was followed by the Philippine Rice Research Institute which received its highest subsidy for the year so far at P629 million.

The Philippine Fisheries Development Authority was granted P359 million in subsidies in May. It did not receive any subsidies in the previous month.

GOCCs that also received significant subsidies include the Philippine Children's Medical Center with P207 million, Philippine Heart Center with P168 million, National Kidney and Transplant Institute with P133 million, National Privacy Commission

GOCC, S1/13

PHL can't handle 'fast' transition to renewable energy — Balisacan


PHILIPPINE STAR/KJ ROSALES

WIND TURBINES are seen in Pagudpud, Ilocos Norte.

By Beatriz Marie D. Cruz
Reporter

THE PHILIPPINE ECONOMY cannot handle a "fast" transition to a dominantly renewable energy (RE) mix, according to the National Economic and Development Authority (NEDA).

"We have to buy time... meaning, we can't force our country to transition quickly to a fully renewable or to a dominantly renewable (energy mix)," NEDA Secretary Arsenio M. Balisacan told reporters on the sidelines of an event on Friday.

"Our economy cannot handle that (a fast RE transition.) We have to be realistic," he added in mixed English and Filipino.

Latest data from UK-based think tank Ember showed that the Philippines has become the most coal-dependent country in Southeast Asia and the seventh in the world.

Ember data showed that the share of coal-generated electricity in the Philippines rose by 2.9% to 61.9% in 2023 from 59.1% in 2022, despite efforts to shift to renewable energy sources.

"We cannot simply adopt what very rich countries say. We are not in the same situation," Mr. Balisacan said in mixed English and Filipino. "We are not as rich as they are — we don't have the technology; we don't have the finances."

Renewable, S1/13