



STOCK MARKET	ASIAN MARKETS	WORLD MARKETS	PESO-DOLLAR RATES	ASIAN MONIES-US\$ RATE	WORLD CURRENCIES	DUBAI CRUDE OIL
6850 6710 6570 6430 6290 6150 30 DAYS TO AUGUST 13, 2024 PSEi OPEN: 6,624.33 HIGH: 6,670.05 LOW: 6,615.38 CLOSE: 6,650.44 VOL.: 0.607 B VAL(P): 4.978 B ▲ 37.08 0.56%	AUGUST 13, 2024 JAPAN (NIKKEI 225) 36,232.51 ▲ 1,207.51 3.45 HONG KONG (HANG SENG) 17,174.06 ▲ 62.41 0.36 TAIWAN (WEIGHTED) 21,796.57 ▲ 23.31 0.11 THAILAND (SET INDEX) 1,297.79 ▲ 0.72 0.06 S. KOREA (KSE COMPOSITE) 2,621.50 ▲ 3.20 0.12 SINGAPORE (STRAITS TIMES) 3,258.57 ▲ 23.19 0.72 SYDNEY (ALL ORDINARIES) 7,826.80 ▲ 13.10 0.17 MALAYSIA (KLCSE COMPOSITE) 1,609.52 ▲ 2.86 0.18 CLOSE NET %	AUGUST 12, 2024 DOW JONES 39,357.010 ▼ -140.530 NASDAQ 16,780.609 ▲ 35.307 S&P 500 5,344.390 ▲ 0.230 FTSE 100 8,210.250 ▲ 42.150 Euro Stoxx50 4,344.220 ▼ -6.810 CLOSE NET	56.90 57.36 57.82 58.28 58.74 59.20 30 DAYS TO AUGUST 13, 2024 FX OPEN P57.250 HIGH P56.920 LOW P57.985 CLOSE P56.960 W.AVE. P57.135 VOL. \$1,799.03 M ▲ 35.60 CTVS SOURCE : BAP	AUGUST 13, 2024 LATEST BID (0900GMT) PREVIOUS JAPAN (YEN) 147.790 ▼ 147.360 HONG KONG (HK DOLLAR) 7.790 ▲ 7.796 TAIWAN (NT DOLLAR) 32.453 ▲ 32.454 THAILAND (BAHT) 35.140 ▲ 35.260 S. KOREA (WON) 1,371.390 ▼ 1,370.680 SINGAPORE (DOLLAR) 1.323 ▲ 1.324 INDONESIA (RUPIAH) 15,830 ▲ 15,950 MALAYSIA (RINGGIT) 4.446 ▲ 4.450	AUGUST 13, 2024 CLOSE PREVIOUS US\$/UK POUND 1.2800 ▲ 1.2759 US\$/EURO 1.0923 ▼ 1.0926 US\$/AUST DOLLAR 0.6601 ▲ 0.6596 CANADA DOLLAR/US\$ 1.3733 ▲ 1.3724 SWISS FRANC/US\$ 0.8674 ▼ 0.8680	FUTURES PRICE ON NEAREST MONTH OF DELIVERY ▲ 1.65 ▼ \$75.50/BBL 30 DAYS TO AUGUST 12, 2024

ICT	P367.000	BDO	P139.000	URC	P96.000	MER	P399.600	PLUS	P18.900	GTCAP	P620.000	JGS	P24.150	SM	P920.000	TEL	P1,600.000	ALI	P30.800
Value	P610,887,464	Value	P517,324,685	Value	P425,510,764	Value	P262,248,718	Value	P232,382,794	Value	P224,271,650	Value	P213,726,720	Value	P204,287,785	Value	P190,115,105	Value	P177,655,500
P2.000	▲ 0.548%	-P0.600	▼ -0.430%	-P3.800	▼ -3.808%	P9.600	▲ 2.462%	P0.900	▲ 5.000%	P28.000	▲ 4.730%	-P1.050	▼ -4.167%	P10.000	▲ 1.099%	P6.000	▲ 0.376%	P0.700	▲ 2.326%

‘More room to stay tight,’ BSP says

May FDI net inflows fall to 16-month low

NET INFLOWS of foreign direct investments (FDI) slipped to a 16-month low in May amid a decline in investments in equity capital, the Bangko Sentral ng Pilipinas (BSP) reported.

Preliminary data from the BSP showed FDI net inflows dipped by 1% to \$499 million in May from \$504 million a year ago.

Month on month, net inflows decreased by 10.3% from \$556 million in April.

May saw the lowest monthly FDI inflow since \$478 million in January 2023.

“This decline emanated mainly from the 31.7% drop in nonresidents’ net investments in equity capital (other than reinvestment of earnings),” the BSP said.

Central bank data showed net investments in equity capital other than reinvestment of earnings slid by 31.7% to \$161 million from \$235 million a year earlier.

Equity capital placements declined by 32.1% to \$174 million, while withdrawals dropped by 36.9% to \$14 million.

Reinvestment of earnings stood at \$97 million, down by 3.7% from \$101 million a year earlier.

Investments in equity and investment fund shares likewise slumped by 23.3% year on year to \$257 million from \$336 million a year ago.

On the other hand, nonresidents’ net investments in debt instruments of local affiliates jumped by 43.4% to \$242 million in May from \$169 million a year ago.

By source, equity placements were mainly from Japan (75%), followed by the United States (10%) and Hong Kong (7%).

These were invested mostly in manufacturing, real estate, and the arts, entertainment and recreation sectors.

FIVE-MONTH FDI

For the first five months of the year, FDI net inflows climbed by 15.8% to \$4.024 billion from \$3.475 billion in the year-ago period.

Foreign investments in debt instruments inched up by 1.7% to \$2.479 billion in the January-May period from \$2.436 billion the year prior.

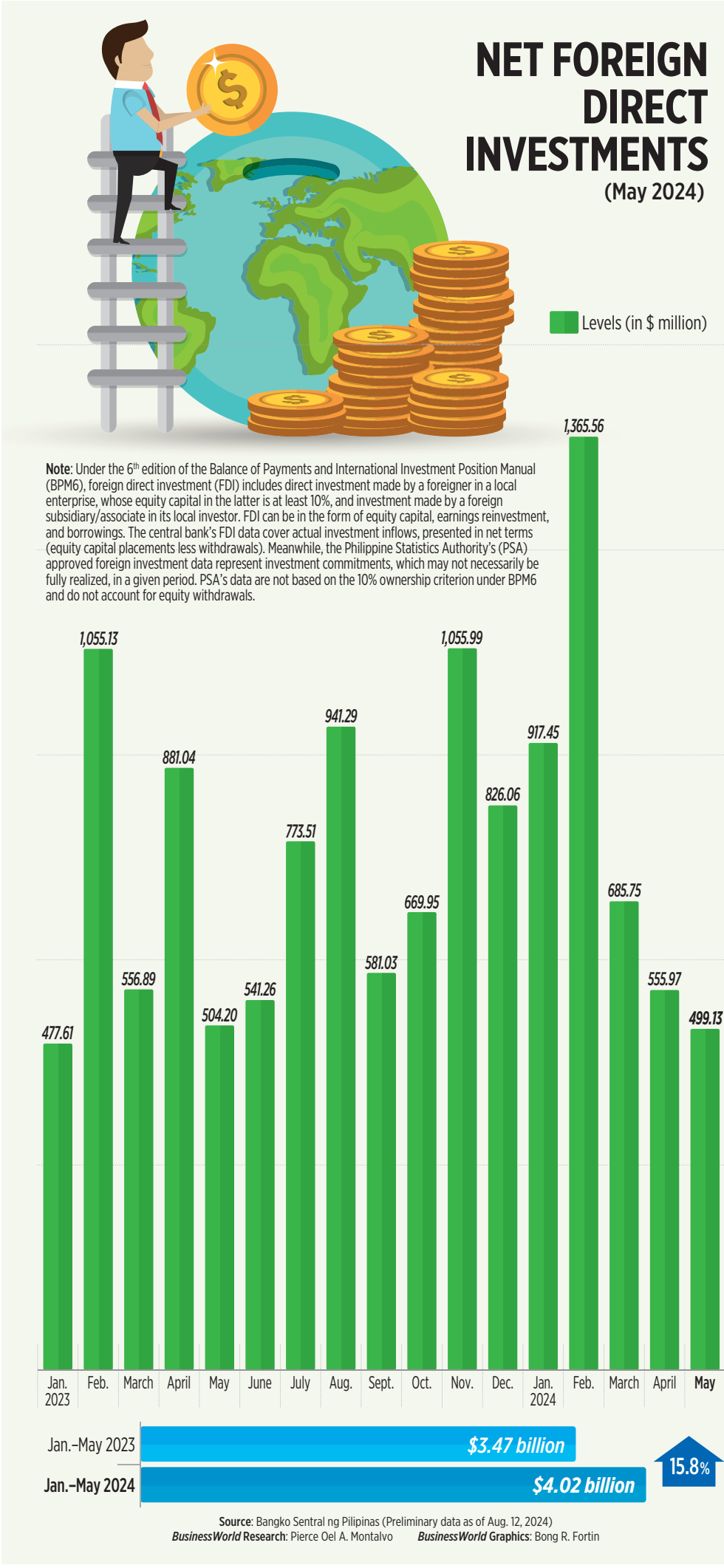
On the other hand, reinvestment of earnings dipped by 1% to \$407 million as of end-May from \$411 million last year.

Investments in equity and investment fund shares jumped by 48.8% to \$1.545 billion in the period ending May from \$1.038 billion a year ago.

Net foreign investments in equity capital surged by 81.4% to \$1.139 billion in the five-month period from \$628 million a year ago.

This as equity capital placements soared by 75.3% to \$1.387 billion, while withdrawals rose by 51.7% to \$248 million.

FDI, S1/3



By **Luisa Maria Jacinta C. Jocson**
Reporter

THE BANGKO SENTRAL ng Pilipinas (BSP) on Tuesday said there is “more room to stay tight” after better-than-expected gross domestic product (GDP) growth in the second quarter.

“The 6.3% (GDP growth)... there's more room to stay tight, right? But there are many factors,” BSP Governor Eli M. Remolona, Jr. told reporters on the sidelines of a Development Budget Coordination Committee briefing at the Senate.

“It's not like the United States, their economy is weaker. They're more inclined to ease. That's just one number. We will look at all (the numbers),” he said in mixed English and Filipino.

The Philippine economy expanded by 6.3% in the second quarter, faster than 5.8% in the previous quarter and 4.3% a year ago. This was also the fastest growth in five quarters or since 6.4% in the first quarter of 2023.

“We look at all the components. Our models take into account different components of GDP,” Mr. Remolona added.

The BSP chief said the latest GDP performance “helps” the case for keeping rates steady as the risk of a hard landing is lessened.

“In the US, the risk for a hard landing is higher, but I also now see less of a hard landing in the US,” he added.

The Monetary Board is set to meet on Thursday for its third-to-the-last policy review for the year.

A *BusinessWorld* poll conducted last week showed that nine of 16 analysts surveyed expect the Monetary Board to deliver a 25-basis-point (bp) rate cut this week.

During the hearing, Mr. Remolona told senators the 6.5% benchmark rate is “tight.”

“It's tight because we are trying to tame inflation... the direction is to of course eventually ease monetary policy, which means lower policy rate. So, we intend to ease when the conditions are right... when we feel inflation has been tamed.”

BSP, S1/9

Peso strengthens to P56 level for 1st time since April

By **Aaron Michael C. Sy**
Reporter

THE PESO strengthened on Tuesday to the P56-per-dollar level for the first time in four months, ahead of the central bank's policy decision on Thursday.

The local unit closed at P56.96 per dollar on Tuesday, up by 35.6 centavos from its P57.316 finish on Monday, Bankers Association of the Philippines data showed.

This was the peso's strongest finish since its P56.808-per-dollar close on April 15.

Year to date, the peso has weakened by P1.59 centavos from its P55.37 finish on Dec. 29, 2023.

The peso opened Monday's session at P57.25 against the dollar. Its

weakest showing was at P57.985, while its intraday best was at P56.92 versus the greenback.

Dollars exchanged jumped to \$1.799 billion on Tuesday from \$1.18 billion on Monday.

“The peso appreciated significantly below the P57 level amid expectations of a softer US producer inflation report,” a trader said in an e-mail.

Another trader said the peso strengthened against the dollar amid position taking ahead of the release of US inflation data on Wednesday.

“The Philippine peso and other Asian currencies appreciated against the US dollar, driven by a wave of risk-on sentiment. The (peso's) rally is attributed to technical factors and market dynamics as investors anticipate

Peso, S1/9

Philippines needs 6-7% growth to achieve ‘A’ credit rating — Recto

THE PHILIPPINE ECONOMY must grow by an average of 6-7% in the next four years and meet its fiscal targets to achieve an “A” credit rating, Finance Secretary Ralph G. Recto said.

“For as long as we grow 6-7% annually for the next four years, for as long as the deficit is reduced consistently for the next four years, for as long as our debt-to-GDP (gross domestic product) [ratio] continues to go down, we will get a credit upgrade,” he told a Senate hearing with the Development Budget Coordination Committee.

Economic managers are targeting 6-7% GDP growth this year, 6.5-7.5% in 2025 and 6.5-8% from 2026 to 2028.

The government aims to achieve an “A” level rating before the end of the Marcos administration in 2028.

In June, Fitch Ratings kept the Philippines’ “BBB” investment grade rating, with a “stable” outlook. A “BBB” rating indicates

low default risk and reflects the economy's adequate capacity to pay debt.

The Philippines also holds investment grade ratings of “Baa2” from Moody's Ratings and “BBB+” from S&P Global Ratings. Both assigned a “stable” outlook to their ratings.

“We want to go even higher, which is ‘AA’ or even ‘A,’” Bangko Sentral ng Pilipinas (BSP) Governor Eli M. Remolona, Jr. told senators.

With a higher credit rating, the Philippines could lower borrowing costs and attract more foreign investments, he added.

He said the government must focus on macroeconomic stability, fiscal sustainability, and good governance to achieve an “A” credit rating.

“In recent engagements with credit rating agencies, it's the governance aspect that needs to be addressed,” Zeno Ronald R. Abenoja, Managing Director at the BSP's Department of Economic Research Monetary and Economics Sector.

Credit rating, S1/9

US, Japan keen on \$15-B Philippine projects as ties grow

THE US and Japan are very interested to help fund at least \$15 billion worth of projects on the Philippines’ main island, in signs that enhanced security ties are leading to greater economic benefits, according to President Ferdinand R. Marcos, Jr.'s investment czar.

The three nations will prioritize five major projects in the Luzon Economic Corridor plan, which may well turn out to be Mr. Marcos’ flagship investment program, said Secretary Frederick D. Go who advises the president on the economy. The list includes a cargo rail linking Luzon's major ports estimated at \$11 billion and a renewable energy project, he said.

“We are reaping the benefits of closer defense ties with the US

and other allies in terms of promoting investments,” Mr. Go said in an interview on Monday. The UK is also interested in helping

fund projects in the corridor, he added.

The Philippines, which lags neighbors in attracting overseas

investments due to infrastructure gaps and friction costs, is seeking to leverage stronger ties with the US and its allies under Mr. Marcos to help unlock economic benefits. The push comes as competition in the region intensifies, with Washington and other Western nations aiming to diversify supply chain sources and reduce their exposure to China.

The plan to reinvigorate Luzon, the country's main economic engine where the capital sits, was unveiled after US President Joseph R. Biden met with leaders from Japan and the Philippines in April. The three allies are bolstering economic ties as their defense relations grow in the face of Beijing's assertiveness in the region.

Projects, S1/3

