P25 IN METRO MANILA, PHILIPPINES

BusinessWorld

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STOCK MARKET

PSEi	
OPEN:	6,724.27
HIGH:	6,866.66
LOW:	6,724.27
CLOSE:	6,847.37
VOL.:	0.700 B
VAL(P):	7.142 B

▲ 154.46 2.3%

30 DAYS TO AUGUST 16, 2024

ASIAN MARKETS

AUGUST 16, 2024

	CLOSE		NET	%
Japan (Nikkei 225)	38,062.67	▲	1,336.03	3.64
Hong Kong (Hang Seng)	17,430.16	▲	321.02	1.88
Taiwan (Weighted)	22,349.33	▲	454.16	2.07
Thailand (SET Index)	1,303.00	▲	13.16	1.02
S.Korea (Kse Composite)	2,697.23	▲	52.73	1.99
Singapore (Straits Times)	3,352.89	▲	37.16	1.12
Sydney (All Ordinaries)	7,971.10	▲	105.60	1.34
Malaysia (Klse Composite)	1,623.90	▲	10.96	0.68

WORLD MARKETS

AUGUST 16, 2024

	CLOSE		NET
Dow Jones	40,659.760	▲	96.700
NASDAQ	17,631.720	▲	37.224
S&P 500	5,554.250	▲	11.030
FTSE 100	8,311.410	▼	-35.940
Euro Stoxx50	4,453.290	▲	8.900

PESO-DOLLAR RATES

FX	
OPEN	P57.120
HIGH	P57.120
LOW	P57.280
CLOSE	P57.245
W.AVE.	P57.197
VOL.	$1,444.65

▼ 34.50 CTVS

30 DAYS TO AUGUST 16, 2024 SOURCE : BAP

ASIAN MONIES-US$ RATE

AUGUST 16, 2024

	LATEST BID (0900GMT)		PREVIOUS
Japan (yen)	147.580	▼	147.420
Hong Kong (HK dollar)	7.794	▼	7.791
Taiwan (NT dollar)	32.132	▲	32.304
Thailand (baht)	34.590	▲	34.970
S. Korea (won)	1,349.110	▲	1,357.590
Singapore (dollar)	1.315	▲	1.317
Indonesia (rupiah)	15,685	▲	15,690
Malaysia (ringgit)	4.428	▲	4.430

WORLD CURRENCIES

AUGUST 16, 2024

	CLOSE		PREVIOUS
US$/UK pound	1.2944	▲	1.2851
US$/Euro	1.1028	▲	1.1010
US$/Aust dollar	0.6666	▲	0.6621
Canada dollar/US$	1.3676	▼	1.3707
Swiss Franc/US$	0.8660	▼	0.8668

DUBAI CRUDE OIL

FUTURES PRICE ON NEAREST MONTH OF DELIVERY

$79.04/BBL

▲ $0.37

30 DAYS TO AUGUST 16, 2024

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S1/1-14 • 2 SECTIONS, 22 PAGES

PHILIPPINE STOCK EXCHANGE'S 10 MOST ACTIVE STOCKS BY VALUE TURNOVER • AUGUST 16, 2024 (PSEi snapshot on *S1/2*; article on *S2/2*)

Stock	Price	Value	Change	% Change
ICT	P395.000	P1,174,512,452	P21.000 ▲	5.615%
ALI	P33.100	P731,443,115	P1.100 ▲	3.438%
JFC	P252.200	P542,195,386	P8.200 ▲	3.361%
URC	P93.400	P479,131,734	-P0.650 ▼	-0.691%
SM	P930.500	P280,872,780	P10.500 ▲	1.141%
CNVRG	P14.280	P250,291,814	P0.680 ▲	5.000%
AC	P625.000	P233,366,270	P13.000 ▲	2.124%
BDO	P141.700	P229,088,847	P2.700 ▲	1.942%
SMPH	P30.500	P224,861,925	P0.500 ▲	1.667%
MER	P425.000	P198,007,396	P24.600 ▲	6.144%

Policy rate seen at 4.5-5% in 2025

By Luisa Maria Jacinta C. Jocson *Reporter*

THE BANGKO SENTRAL ng Pilipinas' (BSP) rate-cutting cycle is expected to continue into early 2025, with the terminal rate seen as low as 4.5-5%, analysts said.

"This is not likely to be a one-and-done rate cut," ING Bank N.V. Research Head and Chief Economist for Asia and the Pacific Robert Carnell said in a report.

"We see inflation stabilizing around the 3.5% level in 2025, so allowing for some positive real (inflation-adjusted) policy rate, a terminal rate for BSP policy rates could be around 4.5%-5%, a further 125-175 bps (basis points) lower than today," he said.

HSBC said it expects the BSP to deliver another 25-bp cut this year and 100 bps in reductions in 2025 to bring the policy rate to 5%.

HSBC economist for ASEAN (Association of Southeast Asian Nations) Aris D. Dacanay said that the BSP's easing cycle will likely be gradual.

"We think the BSP can afford to gradually cut policy rates since nothing terrible is happening in growth. In fact, the labor market remains very strong with employment exceeding what the demographic trend would suggest," he said in a report.

The Monetary Board last Thursday delivered a 25-bp rate cut, bringing the benchmark rate to 6.25% from the over 17-year high of 6.5%.

This was the first time the BSP reduced rates since November 2020.

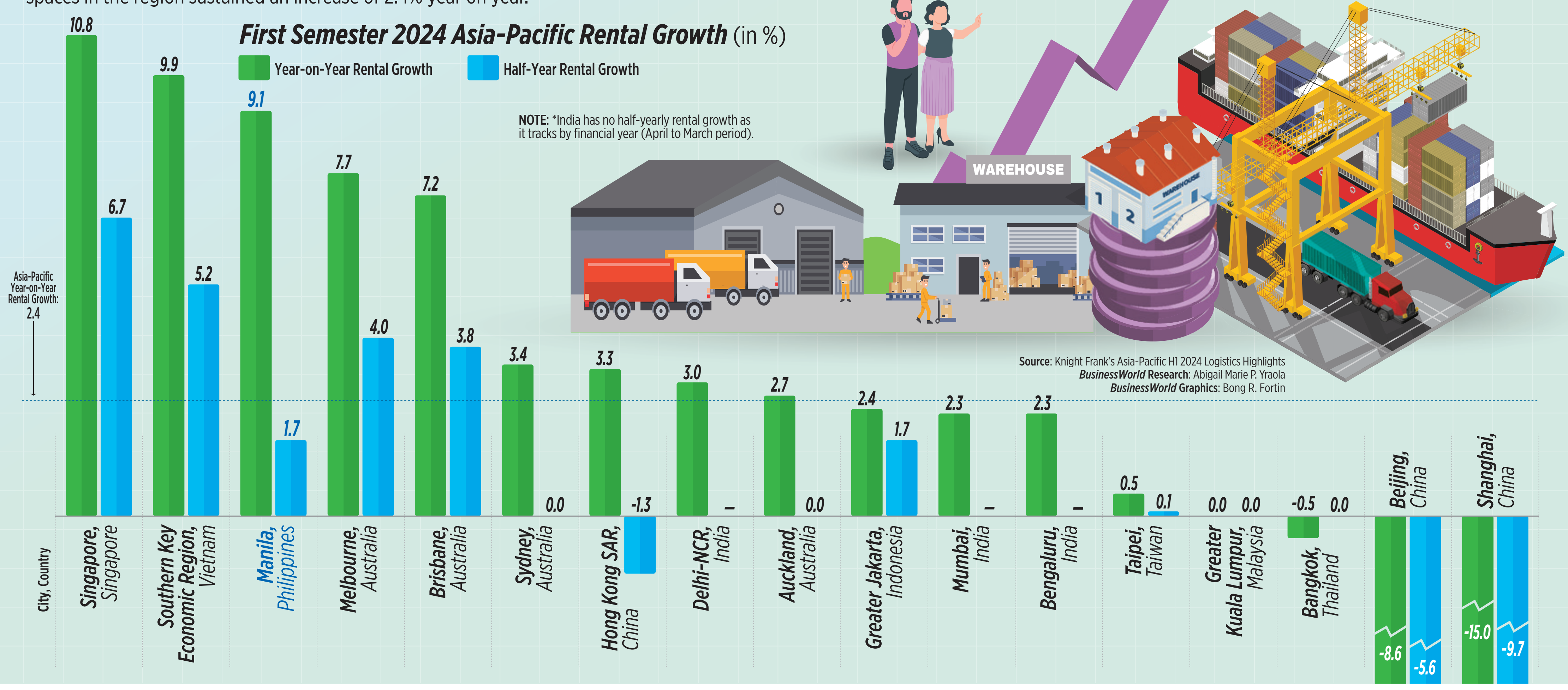
BSP Governor Eli M. Remolona, Jr. said that the central bank will support a "calibrated shift to a less restrictive monetary policy stance" as it sees that risks to the inflation outlook continue to lean on the downside for this year and 2025.

Rate, S1/11

KNIGHT FRANK

MANILA THIRD HIGHEST IN FIRST-HALF LOGISTICS RENTAL GROWTH IN ASIA-PACIFIC

Manila logged the third-highest year-on-year logistics rental growth at 9.1% in the Asia-Pacific region in the first semester, and a half-year rental growth of 1.7%, according to the latest report by real estate consultancy Knight Frank. Based on the report, strong demand for cold storage facilities in the Philippines has led major industrial developers to expand. Meanwhile, rents for logistics spaces in the region sustained an increase of 2.4% year on year.



Smoke-belching king of the road faces overthrow

By Chloe Mari A. Hufana *Reporter*

PHILIPPINE STAR/RYAN BALDEMOR

A JEEPNEY waits for passengers along Agoncillo Street in Manila, July 16.

LACSON ANTHONY J. VIDUYA, 70, managed to send his six children to college using income from driving a rickety passenger jeepney in the Philippine capital.

He's one of the more than 30,000 drivers and operators in Metro Manila who have consolidated under a jeepney modernization plan that seeks to professionalize the sector, while promising to make them more profitable.

Critics say the plan is anti-poor, and the new business model that it seeks to spawn is a case of corporate capture.

"I joined a cooperative because I had to," Mr. Viduya, who bought his traditional jeepney in early 2000 after coming home from Riyadh, Saudi Arabia where he worked as a technician for 15 years, told *BusinessWorld* in Filipino.

The Filipino senior, who plies the Baclaran-Dapitan via Taft Avenue route, beat an April 30 deadline to join a cooperative under threat of losing his livelihood. He paid P20,000 ($348) when he joined his cooperative.

"I surrendered ownership of my jeepney to the cooperative because I had to," he said while waiting in line at a terminal along Taft Avenue in Manila. "Being a jeepney driver is the only job I know."

FOCUS

The Philippine jeepney operates under a "boundary system," where the driver, usually male, pays the jeepney owner called the operator a fixed daily amount called the boundary.

Jeepneys have been known as the king of the road, mainly due to the aggressive driving behavior of their drivers. They have been called both a public convenience and nuisance because they suddenly stop in the middle of the road to load and unload passengers.

President Ferdinand R. Marcos, Jr. this month rejected a proposal to suspend the government's jeepney modernization program, insisting that it wasn't rushed.

About 80% of public utility vehicle operators have consolidated their franchises under cooperatives or corporations so they can buy new transport vehicles, he said.

"I disagree with them because they said this was rushed," the President said. "This has been postponed seven times... Those who have been objecting or have been crying out and asking for suspension are in the minority."

King of the road, S1/13

BIR misses end-July collection goal by 8%

THE BUREAU of Internal Revenue (BIR) fell short of its end-July collection target by 8.2%, data from the Department of Finance (DoF) showed.

Preliminary data posted on the DoF's Facebook page showed that BIR collections as of end-July stood at P1.68 trillion, falling short of its P1.83-trillion collection goal for the period by 8.2%.

The tally as of end-July represents 55.08% of the BIR's P3.05-trillion collection target for 2024.

Year on year, the BIR's seven-month revenues jumped by 12.58% from P1.49 trillion in the same period a year ago.

At the same time, the Bureau of Customs (BoC) collections rose by 6% to P536.42 billion during the January-to-July period from P506.49 billion last year.

This accounted for 57.08% of the Customs' P939.69-billion collection goal for this year.

For the first seven months of the year, revenues from the BIR and BoC — the National Government's main tax collecting agencies — jumped by 10.89% to P2.22 trillion from P2 trillion a year ago.

A DoF statement said Finance Secretary Ralph G. Recto held a BIR and BoC command conference on Aug. 16 to assess the agencies' performance and plans to meet the targets.

At the event, the DoF said the BIR committed to "bolster its digitalization programs, intensify its tax enforcement, and run after delinquent accounts."

"The BoC will continue to improve on its assessment and collection of duties and taxes on importation, ensure importer's compliance with customs' laws, and strengthen border protection to detect undervalued and misclassified commodities," the DoF said.

Mr. Recto said the government should boost collections as economic growth is expected to accelerate with the recent rate cut by the Bangko Sentral ng Pilipinas (BSP) and the credit rating upgrade by Rating and Investment Information, Inc. (R&I).

Last week, Japan-based R&I upgraded the Philippines' investment grade rating to "A-" to reflect the country's strong growth prospects. This was one notch up from the country's previous rating of "BBB+" assigned in August 2023.

The BSP last week cut interest rates for the first time in nearly four years. The Monetary Board reduced the target reverse repurchase rate by 25 basis points to 6.25% from the over 17-year high of 6.5%. — **B.M.D.Cruz**