P25 IN METRO MANILA, PHILIPPINES

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STOCK MARKET

PSEi

7000 / 6830 / 6660 / 6490 / 6320 / 6150

54.89 0.79%

30 DAYS TO AUGUST 20, 2024

OPEN:	6,930.80
HIGH:	7,005.27
LOW:	6,930.80
CLOSE:	6,944.76
VOL.:	0.673 B
VAL(P):	8.086 B

ASIAN MARKETS

AUGUST 20, 2024

	CLOSE		NET	%
Japan (Nikkei 225)	38,062.92	▲	674.30	1.80
Hong Kong (Hang Seng)	17,511.08	▼	-58.49	-0.33
Taiwan (Weighted)	22,429.10	▲	19.47	0.09
Thailand (SET Index)	1,328.91	▲	5.53	0.42
S.Korea (Kse Composite)	2,696.63	▲	22.27	0.83
Singapore (Straits Times)	3,370.08	▲	14.52	0.43
Sydney (All Ordinaries)	7,997.70	▲	17.30	0.22
Malaysia (Klse Composite)	1,642.77	▼	-5.93	-0.36

WORLD MARKETS

AUGUST 19, 2024

	CLOSE		NET
Dow Jones	40,896.530	▲	236.770
NASDAQ	17,876.771	▲	245.051
S&P 500	5,608.250	▲	54.000
FTSE 100	8,356.940	▲	45.530
Euro Stoxx50	4,871.410	▲	30.890

PESO-DOLLAR RATES

FX

56.45 / 56.97 / 57.49 / 58.01 / 58.53 / 59.05

9.00 CTVS

30 DAYS TO AUGUST 20, 2024

OPEN	P56.600
HIGH	P56.510
LOW	P56.640
CLOSE	P56.550
W.AVE.	P56.581
VOL.	$1,548.20

SOURCE : BAP

ASIAN MONIES-US$ RATE

AUGUST 20, 2024

	LATEST BID (0900GMT)		PREVIOUS
Japan (yen)	146.480	▼	146.100
Hong Kong (HK dollar)	7.790	▲	7.791
Taiwan (NT dollar)	31.899	▲	31.985
Thailand (baht)	34.180	▲	34.440
S. Korea (won)	1,332.540	▲	1,336.490
Singapore (dollar)	1.308	▲	1.310
Indonesia (rupiah)	15,430	▲	15,545
Malaysia (ringgit)	4.375	▲	4.378

WORLD CURRENCIES

AUGUST 20, 2024

	CLOSE		PREVIOUS
US$/UK pound	1.2995	▲	1.2960
US$/Euro	1.1076	▲	1.1038
US$/Aust dollar	0.6729	▲	0.6685
Canada dollar/US$	1.3617	▼	1.3680
Swiss Franc/US$	0.8602	▼	0.8647

DUBAI CRUDE OIL

FUTURES PRICE ON NEAREST MONTH OF DELIVERY

$77.81/BBL

90.00 / 85.60 / 81.20 / 76.80 / 72.40 / 68.00

$1.23

30 DAYS TO AUGUST 19, 2024

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PHILIPPINE STOCK EXCHANGE'S 10 MOST ACTIVE STOCKS BY VALUE TURNOVER • AUGUST 20, 2024 (PSEi snapshot on *S1/4*; article on *S2/2*)

		Value			
ICT	P412.000	P1,465,707,902	P16.000	▲	4.040%
BDO	P152.800	P1,231,637,698	P5.800	▲	3.946%
ALI	P34.350	P617,757,540	P0.050	▲	0.146%
SMPH	P30.000	P376,424,645	-P0.650	▼	-2.121%
SM	P930.000	P352,193,350	P5.000	▲	0.541%
MBT	P73.000	P332,005,986	P2.950	▲	4.211%
BPI	P122.100	P281,962,715	P1.400	▲	1.160%
AC	P620.500	P219,591,290	P1.000	▲	0.161%
JFC	P245.800	P216,335,570	-P2.200	▼	-0.887%
URC	P96.050	P210,701,508	P1.950	▲	2.072%

'BSP has room for 2 more rate cuts'

By Luisa Maria Jacinta C. Jocson *Reporter*

THE BANGKO SENTRAL ng Pilipinas (BSP) may have room for two more rate cuts this year, Metropolitan Bank & Trust Co. (Metrobank) said.

"For now, we are holding on to our '2+1' rate cut call (two cuts with a possibility of a third cut) for 2024, with up to 75 basis points (bps) worth of easing slated for early 2025," Metrobank Chief Economist Nicholas Antonio T. Mapa said in a report.

"The main argument for rates to slip to 5% by mid-2025 lies in the outlook for growth and inflation," he added.

The Monetary Board last week reduced the target reverse repurchase (RRP) rate by 25 bps to 6.25% from the over 17-year high of 6.5%. This was the first time that the central bank cut rates in nearly four years.

BSP Governor Eli M. Remolona, Jr. had also signaled the possibility of a 25-bp cut in the fourth quarter. The Monetary Board's remaining meetings this year are on Oct. 17 and Dec. 19.

Metrobank expects the central bank to implement a "modest" easing cycle.

"Given the BSP's forecasts pointing to inflation remaining within target all the way through to 2026, we believe that BSP has the price stability objective in hand for the moment," Mr. Mapa said.

The BSP expects inflation to average 3.4% this year, 3.1% in 2025, and 3.2% in 2026. This would put full-year inflation settling within the central bank's 2-4% target until 2026.

For his part, GlobalSource Partners country analyst and former BSP Deputy Governor Diwa C. Guinigundo said that the BSP's inflation outlook supports further easing.

"This gives the BSP room to maneuver into a less restrictive monetary stance, lower cost of borrowing and stimulate credit and business activities," he said in a Viber message.

"If between now and the next two meetings of the BSP for the rest of the year nothing changes in the balance of risks, there could be space for another rate cut and more in 2025."

Rate cuts, S1/9

REAL GDP PER PERSON EMPLOYED IN THE PHILIPPINES (as of Q2 2024)

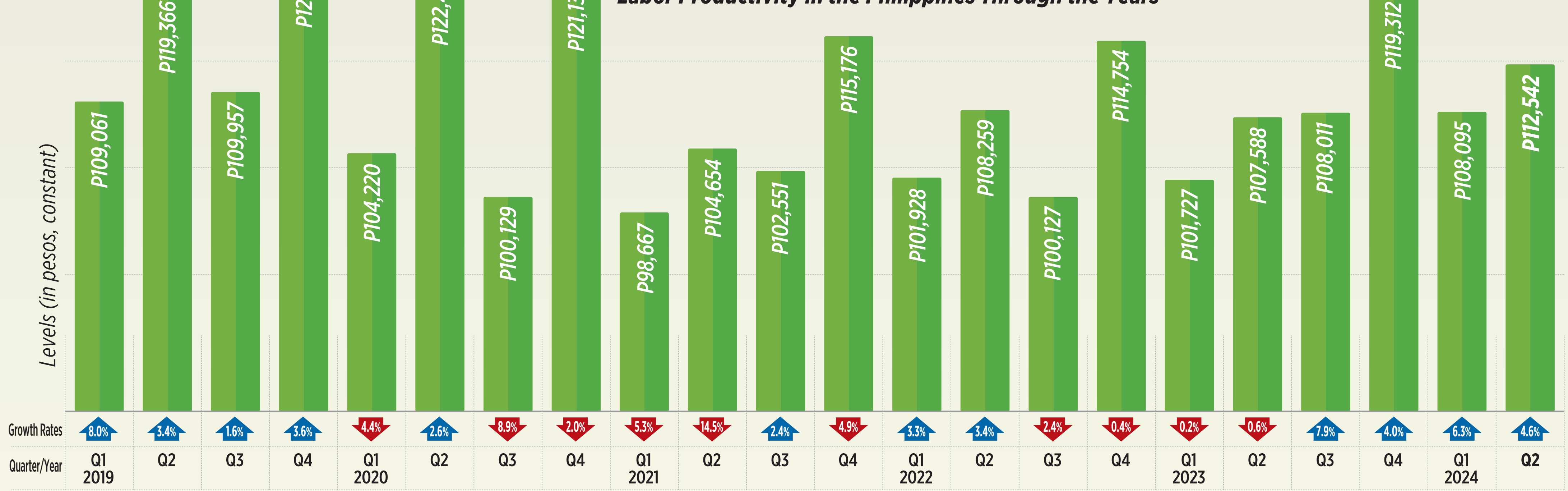
The country's labor productivity — as measured by gross domestic product (GDP) per person employed — picked up by 4.6% year on year to P112,542 in the second quarter of the year. This was a reversal from the 0.6% decline in the April-to-June period last year but slower than the 6.3% growth in the first quarter of 2024.

Source: Philippine Statistics Authority (Preliminary data as of Aug. 8, 2024)
BusinessWorld Research: Abigail Marie P. Yraola
BusinessWorld Graphics: Bong R. Fortin

Labor Productivity by Sector

Sector	Quarter/Year	Levels (in Pesos, Constant)	Growth Rates
Total	Q2 2023	107,588	-0.6%
	Q1 2024	108,095	6.3%
	Q2 2024	**112,542**	**4.6%**
Agriculture, Forestry and Fishing	Q2 2023	36,969	-4.6%
	Q1 2024	44,181	11.6%
	Q2 2024	**40,008**	**8.2%**
Industry	Q2 2023	185,420	5.8%
	Q1 2024	176,465	-1.9%
	Q2 2024	**177,123**	**-4.5%**
Services	Q2 2023	112,670	-1.6%
	Q1 2024	109,741	5.7%
	Q2 2024	**116,942**	**3.8%**

Labor Productivity in the Philippines Through the Years



Women representation on boards of listed companies should be mandatory — PBCWE

REGULATORS should make it mandatory for publicly listed companies in the country to have women representation on their boards, according to the Philippine Business Coalition for Women Empowerment (PBCWE).

"In my view, make it mandatory but not penalize them (listed firms) immediately. Give them time to comply," PBCWE Governing Council Chairperson Ma. Aurora D. Geotina-Garcia said on the sidelines of the launch of the "Census on Women in Leadership Roles in Philippine Publicly Listed Companies" report in Makati City on Tuesday.

"Eventually, it becomes part of the DNA that they will consciously and intentionally say that when we start looking for board members, we should also deliberately have a goal of women's representation," she added.

The new report showed female chief executive officers (CEOs) accounted for 13% of Philippine listed companies in 2022 from 12% in 2021 and 10% in 2020.

Majority of the female CEOs are from the services sector, followed by the industrial sector and the property sector.

The percentage of females on the boards of directors of listed firms reached 21% in 2022 from 19% in 2021 and 18% in 2020.

Ms. Garcia said the ideal representation of women across the boards of listed companies should be around 30%.

"We have countries who've actually imposed quotas including Malaysia, France, and many of the Scandinavian countries. If you impose quotas, there's more compelling reason for companies to deliberately and intentionally recruit females," she said.

Ms. Garcia said the Securities and Exchange Commission (SEC) should spearhead the proposal on mandatory women

Women, S1/9

PHL stock market seen to get much-needed lift from BSP easing cycle

By Revin Mikhael D. Ochave *Reporter*

FURTHER RATE CUTS by the Bangko Sentral ng Pilipinas (BSP) are expected to give the Philippine stock market a much-needed boost, analysts said.

The Philippine Stock Exchange index (PSEi) has been flirting with the 7,000 level since the BSP began its easing cycle with a 25-basis-point (bp) rate cut on Aug. 15.

"The dovish shift in monetary policy should bode well for the stock market. Lower interest rates mean lower borrowing costs and improved equity valuations," China Bank Capital Corp. Managing Director Juan Paolo E. Colet told *BusinessWorld* in a Viber message.

"Better market performance, a stable exchange rate, and sustained economic growth due to well-calibrated rate cuts would also help attract foreign fund flows that can significantly lift trading volumes," he added.

First Metro Investment Corp. Head of Research Cristina S. Ulang said the PSEi is "already within striking distance" of the 7,000 level following the BSP rate cut.

The PSEi on Tuesday closed higher for a third day in a row, ending the day up by 0.79% or 54.89 points to 6,944.76. It reached as high as 7,005.27 during the session.

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. has said there is room for another rate cut, possibly by 25 bps, in the fourth quarter.

Globalinks Securities and Stocks, Inc. Trader Mark V. Santarina said in a Viber message that he expects the PSEi rising above the 7,000 level before year-end, "reflecting growing investor confidence and market strength."

Stock market, S1/3

Inclusive growth key to lower poverty incidence — Balisacan

By Beatriz Marie D. Cruz *Reporter*

THE PHILIPPINE GOVERNMENT is banking on increased investments in the manufacturing and services sectors to make growth more inclusive and lift more Filipinos out of poverty by 2028, the National Economic and Development Authority (NEDA) said.

"Inequality of opportunities is what we want to reduce — whether that inequality is in the form of access to education, health, wealth, credit, technology," NEDA Secretary Arsenio M. Balisacan told *BusinessWorld* last week.

The country's poverty rate fell to 15.5% in 2023 from 18.1% in 2021, the Philippine Statistics Authority (PSA) said. The number of poor Filipinos declined by 12.26% to 17.54 million in 2023 from 19.99 million in 2021.

The government is aiming to reduce poverty incidence to 9% by 2028 or the end of the Marcos administration.

To be able to achieve this target, around seven million Filipinos must be lifted out of poverty annually in the next four years, NEDA said.

This would be possible if economic growth in the next few years is sustained and inclusive, Mr. Balisacan said.

The Philippine economy is expected to grow by 6-7% this year and 6.5-7.5% next year. It also expects gross domestic product (GDP) growth at 6.5-8% from 2026 to 2028.

"When we say more inclusive, technically, it means the Gini (coefficient) ratio will fall or will at least remain the same... If it will increase, it weakens the impact of economic growth," Mr. Balisacan said.

Poverty, S1/3