P25 IN METRO MANILA, PHILIPPINES

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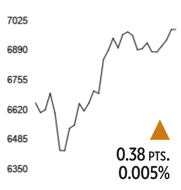
STOCK MARKET



PSEi

OPEN:	7,004.02
HIGH:	7,109.75
LOW:	6,984.63
CLOSE:	6,984.63
VOL.:	0.777 B
VAL(P):	7.259 B

ASIAN MARKETS

SEPTEMBER 10, 2024

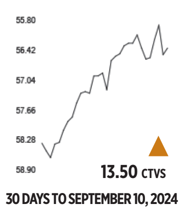
	CLOSE		NET	%
Japan (Nikkei 225)	36,159.16	▼	-56.59	-0.16
Hong Kong (Hang Seng)	17,234.09	▲	37.13	0.22
Taiwan (Weighted)	21,064.08	▼	-80.36	-0.38
Thailand (SET Index)	1,428.95	▼	-2.18	-0.15
S.Korea (Kse Composite)	2,523.43	▼	-12.50	-0.49
Singapore (Straits Times)	3,516.41	▲	19.88	0.57
Sydney (All Ordinaries)	8,011.90	▲	23.80	0.30
Malaysia (Klse Composite)	1,660.35	▲	8.86	0.54

WORLD MARKETS

SEPTEMBER 9, 2024

	CLOSE		NET
Dow Jones	40,829.590	▲	484.180
NASDAQ	16,884.603	▲	193.771
S&P 500	5,471.050	▲	62.630
FTSE 100	8,270.840	▲	89.370
Euro Stoxx50	4,390.610	▲	33.790

PESO-DOLLAR RATES



FX

OPEN	P56.450
HIGH	P56.350
LOW	P56.590
CLOSE	P56.385
W.AVE.	P56.487
VOL.	$1,572.00

SOURCE : BAP

ASIAN MONIES-US$ RATE

SEPTEMBER 10, 2024

	LATEST BID (0900GMT)		PREVIOUS
Japan (yen)	143.280	▲	143.490
Hong Kong (HK dollar)	7.797	▼	7.796
Taiwan (NT dollar)	32.168	▼	32.112
Thailand (baht)	33.750	▲	33.940
S. Korea (won)	1,342.740	▲	1,345.920
Singapore (dollar)	1.306	—	1.306
Indonesia (rupiah)	15,445	▲	15,450
Malaysia (ringgit)	4.340	▲	4.384

WORLD CURRENCIES

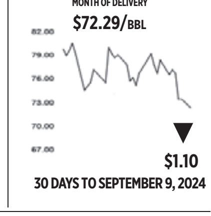
SEPTEMBER 10, 2024

	CLOSE		PREVIOUS
US$/UK pound	1.3088	▼	1.3095
US$/Euro	1.1036	▼	1.1053
US$/Aust dollar	0.6659	▲	0.6657
Canada dollar/US$	1.3572	▲	1.3561
Swiss Franc/US$	0.8478	▲	0.8476

DUBAI CRUDE OIL

FUTURES PRICE ON NEAREST MONTH OF DELIVERY

$72.29/BBL



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S1/1-12 • 2 SECTIONS, 16 PAGES

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

		Value			
BDO	P155.000	P750,041,938	-P4.500	▼	-2.821%
ICT	P407.000	P632,074,902	P5.000	▲	1.244%
ALI	P35.700	P588,634,615	-P0.250	▼	-0.695%
SM	P908.000	P467,281,255	-P12.000	▼	-1.304%
URC	P92.000	P390,895,389	P1.300	▲	1.433%
SMPH	P31.750	P370,076,105	P1.200	▲	3.928%
BPI	P124.000	P328,477,964	-P1.000	▼	-0.800%
AC	P612.000	P290,040,290	P0.000	—	0.000%
SECB	P77.300	P247,689,080	-P0.900	▼	-1.151%
CNVRG	P16.260	P237,039,834	P0.820	▲	5.311%

June FDI net inflows at four-year low

By Aaron Michael C. Sy
Reporter

PHILIPPINE foreign direct investment (FDI) net inflows sank to an over four-year low in June amid lower placements across all instruments, the Bangko Sentral ng Pilipinas (BSP) reported on Tuesday.

The inflows fell by 29% to $394 million from $555 million a year ago, preliminary data from the BSP showed.

Month on month, net inflows dropped by 27.55% from $510 million in May.

June's net inflow was the lowest level since the $314 million recorded in April 2020.

"The decline resulted from lower net inflows across all major FDI components," the BSP said.

Nonresidents' net investments in debt instruments declined by 30% year on year to $213 million in June from $304 million, central bank data showed. These consist mainly of intercompany borrowing or lending between foreign direct investors and their subsidiaries or affiliates in the Philippines.

Net investments in equity capital other than the reinvestment of earnings likewise went down by 33.2% to $74 million from $111 million a year ago.

Equity capital placements slid by 34.09% year on year to $87 million, while withdrawals dropped by 38.1% to $13 million.

Reinvestment of earnings also decreased by 23.4% to $107 million from $140 million a year ago, while investments in equity and investment fund shares dropped by 27.89% to $181 million.

By source, equity capital placements were mainly from Japan (47%), followed by the United States (15%), Sweden (14%) and Singapore (14%).

These were invested mainly in the manufacturing (48%), real estate (18%), wholesale and retail trade (16%) and financial and insurance (11%) sectors.

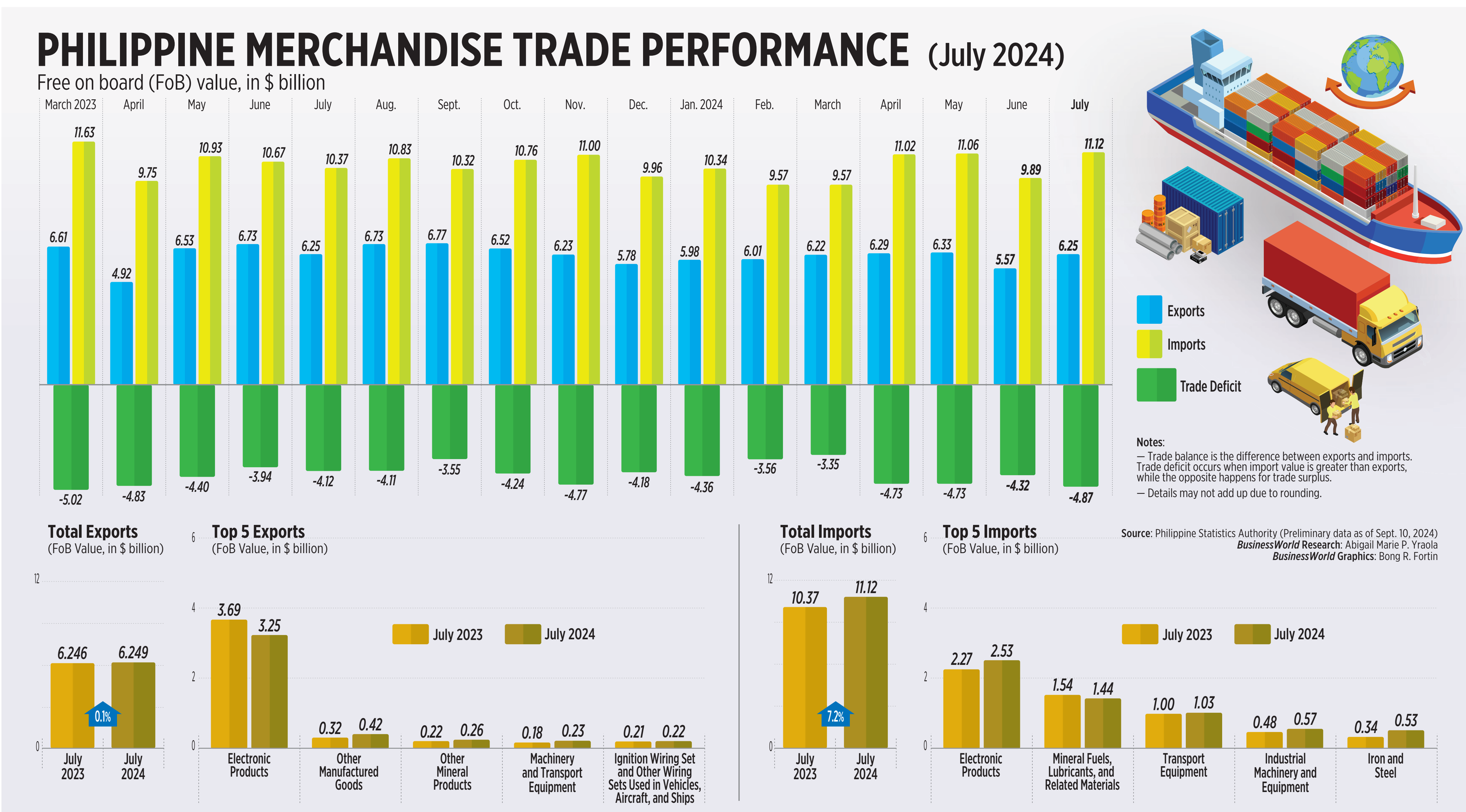
NET INFLOWS RISE IN FIRST HALF

Meanwhile, in the first semester, FDI net inflows increased by 7.9% to $4.4 billion from $4.1 billion a year earlier, BSP data showed.

Investments in equity and investment fund shares rose by 32.7% year on year to $1.71 billion in the January-to-June period.

Net foreign investments in equity capital surged by 62% to $1.197 billion in the six-month period. Placements went up by 57.9% to $1.158 billion and withdrawals rose by 41.5% to $261 million.

FDI, S1/9



Gov't spending, domestic demand to drive economy

THE PHILIPPINE ECONOMY may grow above 6% this year and next, fueled by government spending, private consumption and strong external demand, although inflation risks and a potential slowdown in major trading partners like the US and China pose risks to the outlook, the ASEAN+3 Macroeconomic Research Office (AMRO) said on Tuesday.

It added that while the country's fiscal-monetary policy mix is "appropriate," it can be tweaked "to support economic growth while rebuilding policy buffers."

"The Philippine economy is expected to grow by 6.1% in 2024 and 6.3% in 2025, driven by higher government spending, as well as an upturn in external demand, and strengthening domestic demand," AMRO Principal Economist Runchana Pongsaparn said in a statement following their annual consultation visit to the Philippines from Aug. 27 to Sept. 6.

Spending, S1/11

Philippines may miss out on demographic dividend as job creation stays weak

By Chloe Mari A. Hufana
Reporter

THE PHILIPPINES' one-year high unemployment rate in July highlights the economy's inability to absorb workers into the labor force, which may result in the country missing out on the benefits of its demographic "sweet spot," analysts said.

"The high unemployment rate especially among the new entrants shows the weakness of the economy in absorbing greater numbers of workers into the labor market," Economics professor at the Ateneo de Manila University Leonardo A. Lanzona, Jr. told *BusinessWorld* in a Facebook Messenger chat.

"As the country is about to complete its demographic transition, more and more people will be in their working ages," he added. "If the country is able to handle this phase well, it would reap demographic dividends. However, the country seems to be at a loss in generating the beneficial effects of this development."

The country's unemployment rate rose to a one-year high of 4.7% in July as fresh graduates entered the workforce, the Philippine Statistics Authority (PSA) said on Friday.

Preliminary data from the PSA's Labor Force Survey (LFS) showed the jobless rate picked up from a two-decade low of 3.1% in June and was the highest since the 4.9% recorded a year ago.

This translated to 2.38 million unemployed Filipinos in July, up by 755,000 from 1.62 million in June. Year on year, this went up by 86,000 from 2.29 million in July 2023.

Job creation, S1/9

July trade gap widest in 16 months

By Beatriz Marie D. Cruz
Reporter

THE PHILIPPINES in July posted its widest trade deficit since March 2023 as imports grew at their fastest clip in three months, outpacing the uptick in exports, the Philippine Statistics Authority (PSA) reported on Tuesday.

Preliminary data from the PSA showed that the country's trade-in-goods balance — the difference between exports and imports — stood at a $4.87-billion deficit in July, 18.05% bigger than the $4.12-billion gap a year ago.

Month on month, the July trade gap also widened by 12.73% from the $4.32-billion deficit in June.

The July trade deficit was the widest monthly gap since $5.02 billion in March 2023.

Meanwhile, for the first seven months, the Philippines' trade deficit narrowed by 5.78% to $29.91 billion from $31.75 billion a year ago.

The country's balance of trade in goods has been in the red for 110 straight months (nine years) or since the $64.95-million surplus in May 2015.

In July, the value of imports increased by 7.2% year on year to $11.12 billion from $10.37 billion, which was the fastest rise since April's 13%. This was also the highest import value since the $11.63 billion recorded in March 2023.

Month on month, imports jumped by 12.4%.

For the first seven months, imports declined by 1.04% annually to $72.57 billion.

Lower commodity prices in the global market made imports more attractive to local buyers, Rizal Commercial Banking Corp. Chief Economist Michael L. Ricafort said in a Viber message.

"The seasonal increase in importation activities in the third quarter, a consistent pattern seen for many years, could lead to a further pickup in imports," he said, adding that the peso's recent appreciation versus the dollar would make imports cheaper and exports more expensive.

After trading at the P58 level against the dollar and hitting 18-month lows in May due to uncertainty over the timing of interest rate cuts here and abroad, the peso has since recovered, closing at the P56 level at end-August and even returning to the P55 mark earlier this month.

Meanwhile, July exports inched up by 0.1% to $6.249 billion from $6.246 billion a year ago, marking the first annual growth since April's 27.9%. Month on month, exports went up by 12.24%.

Year to date, exports have risen by an annual 2.59% to $42.66 billion.

Exports are unlikely to post "significant gains" for the rest of the year, Union Bank of the Philippines, Inc., Chief Economist Ruben Carlo O. Asuncion said in a Viber message.

"The sober export outlook in the second half of 2024 is against a backdrop of lackluster China growth and risk of slower prospects for developed markets that already prompted key central banks, led by the European Central Bank, Bank of England and Bank of Canada, to start dismantling their high interest rate structures to prioritize growth moving forward, likely to be followed by the US Federal Reserve," Mr. Asuncion said.

The Development Budget Coordination Committee expects 5% and 2% growth in exports and imports, respectively, this year.

Trade gap, S1/11