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PHILIPPINE STOCK EXCHANGE'S 10 MOST ACTIVE STOCKS BY VALUE TURNOVER • SEPTEMBER 24, 2024 (PSEi snapshot on S1/4; article on S2/2)

ALI	P38.300	BDO	P167.000	SM	P995.000	MBT	P80.000	ICT	P413.000	AC	P700.000	BPI	P137.500	SEVN	P73.000	TEL	P1,500.000	SECB	P97.950
Value	P1,643,302,875	Value	P1,521,368,867	Value	P920,917,260	Value	P854,507,689	Value	P646,057,394	Value	P609,630,335	Value	P500,811,780	Value	P370,118,543	Value	P360,484,010	Value	P290,698,855
P1.100	▲ 2.957%	P4.000	▲ 2.454%	P4.000	▲ 0.404%	P0.550	▲ 0.692%	-P1.000	▼ -0.242%	P5.000	▲ 0.719%	-P1.700	▼ -1.221%	P1.500	▲ 2.098%	-P20.000	▼ -1.316%	P1.450	▲ 1.503%

Inflation likely eased to 2.5% — Recto

PHILIPPINE INFLATION would likely ease to 2.5% this month, giving the central bank room to cut interest rates more than expected, Finance Secretary Ralph G. Recto said on Tuesday.

But the government remains cautious as the escalating conflict in the Middle East could lead to a spike in global oil prices, he said.

"Inflation is on a downward trend," Mr. Recto, fresh from a

Cabinet meeting on managing food and nonfood inflation, said at a Palace briefing. "We expect inflation to go down to 2.5% by September."

September inflation data will be released on Oct. 4.

Mr. Recto said the Bangko Sentral ng Pilipinas (BSP) can further reduce interest rates and match the size of the US Federal Reserve's jumbo rate cut.

"The Fed cut by 50 basis points (bps) or half a percent, I think, we can also do half a percent," he said in mixed English and Filipino.

BSP Governor Eli M. Remolona, Jr. earlier said that they could cut by another 25 bps in the fourth quarter.

Easing inflation had prompted the BSP to begin its easing cycle at its Aug. 15 meeting. The Monetary Board cut rates by 25 bps, 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.

Headline inflation slowed year on year to a seven month low of 3.3% in August, from 4.4% in July, due to a moderate rise in food prices and a decline in transport costs.

Year to date, inflation rose by 3.6%, slower than 6.6% a year ago.

Mr. Recto said inflation could average 3.4% this year,

and further ease to 2.9-3.1% in 2025.

The BSP last month adjusted its baseline inflation forecasts to 3.4% for 2024 (from 3.3% previously), 3.1% for 2025 (from 3.2% previously), and 3.2% for 2026 (from 3.3% previously).

"The beauty about reducing inflation is that your gross domestic product (GDP) growth goes up and more jobs can be cre-

ated, your borrowing cost goes down," Mr. Recto said.

He said the possible rate cut will boost the Philippines' chance of hitting its 6.5-7.5% growth target for 2025.

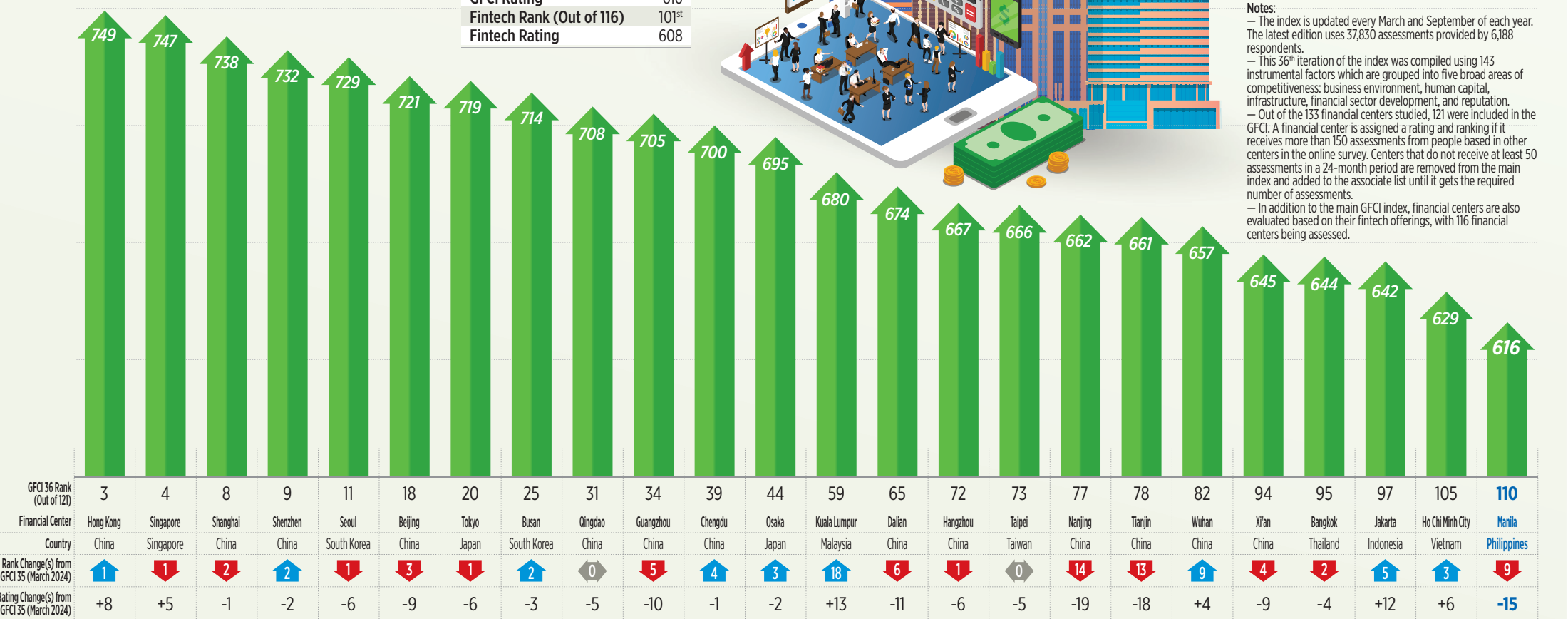
However, Mr. Recto said the tensions in the Middle East threaten the government's inflation expectations, noting that global oil prices could spike if a war breaks out.

Inflation, S1/8

MANILA LAGS IN FINANCIAL CENTERS LIST

The Philippine capital fell nine places to 110th out of 121 global financial centers in the 36th edition of the biannual Global Financial Centers Index (GFCI) by London-based think tank Z/Yen. The GFCI evaluates the future competitiveness of financial centers and is used as a reference for policy and investment decision-makers. Manila's GFCI rating went down by 15 points to 616, the lowest rating among its peers in the East and Southeast Asian region. In a separate assessment of financial technology (fintech), Manila fell four places to 101st out of 116 financial centers.

GFCI 36 Ratings of Select East and Southeast Asian Financial Centers



The right to a roof

Jacinto Ng, Jr.
Group Executive Officer
Raemulan Lands, Inc.

EY Entrepreneur Of The Year™
2024 Philippines

JACINTO "JUN" NG, JR. has always considered architecture as a passion. Growing up, he learned about mass housing developments through his father's business.

This early knowledge and experience would eventually serve him working with the partner company, Raemulan Lands, Inc., which builds socialized housing for the low-income market. Raemulan Lands is the partner company of Extraordinary Enclaves, Elanvital Enclaves and Everhome Enclaves of the Joy-Nostalg Group, which includes various companies in

The EY Entrepreneur Of The Year 2024 Philippines has concluded its search for the country's most visionary leaders shaping opportunities and transforming industries. It is a program of the SGV Foundation, Inc., with co-presenters: the Asian Institute of Management, the Department of Trade and Industry, the Philippine Business for Social Progress, and the Philippine Stock Exchange.

property development, power, hospitality and culinary, and leasing.

While in college, Mr. Ng apprenticed under architect C.Y. Lee in 1991. He then came home to the Philippines and started working for Extraordinary Development Corp., a residential development company, partly owned by his father. He remembers coming up with the idea for mass low-income housing during this time.

"I wanted to find joy in what I should be doing next, while connecting it with my High School motto of being a Man for Others and being a UP Iskolar ng Bayan," he recalled.

Roof, S1/8

Weak economic growth to persist in near term

By Luisa Maria Jacinta C. Jocson
Reporter

PHILIPPINE ECONOMIC GROWTH is seen to remain subdued in the near term amid slow fiscal consolidation and weakening remittances, Capital Economics said.

"GDP (gross domestic product) growth in the Philippines slowed again in the second quarter of the year, and we expect the economy to remain weak over the coming quarters,"

Capital Economics Senior Asia Economist Gareth Leather and Economist Placement Student Harry Chambers said in a report.

Capital Economics expects GDP to grow by 5.1% this year and 5.5% in 2025, which would both miss the government's 6-7% and 6.5-7.5% targets, respectively.

The Philippine economy grew by 6.3% in the April-to-June period, the fastest in five quarters.

In order to meet the lower end of the government's target, the economy would need to grow by at least 6% in the second half.

"Tighter fiscal policy and weakening remittances will weigh on economic growth in the Philippines," it added.

Latest data from the central bank showed that cash remittances rose by 2.9% to \$19.332 billion in the first seven months. The BSP expects remittances to grow by 3% this year.

"Fiscal policy is also likely to hold back growth. The government is aiming to reduce government debt, which shot up during the pandemic, to more sustainable levels," Capital Economics said.

Growth, S1/8

Palay production may decline due to La Niña

By Adrian H. Halili and
Luisa Maria Jacinta C. Jocson
Reporters

THE ANTICIPATED La Niña weather pattern is expected to pull down the Philippines' palay (unmilled rice) production for the rest of the year amid risks of heavy rains and intense flooding, analysts said.

In a report, Fitch Solutions' unit BMI said the impact of La Niña on rice production in Southeast Asia "will be shaped via the precise timing of the onset of La Niña conditions

(and the extent to which it overlaps with critical stages of crop development) as well as the eventual duration and severity of the event itself."

"The likelihood of a La Niña event posing headwinds to regional rice production will increase with both the duration and severity of the event," it added.

Latest data from the Philippine Atmospheric, Geophysical and Astronomical Services Administration (PAGASA) showed that there is a 66% chance of La Niña occurring from September to November and will likely persist until the first quarter.

BMI said the impact of La Niña-linked above-average rainfall on farming in Southeast Asia would depend on the severity of the weather event.

Aside from intense rainfall and flooding, BMI said there is also the risk of rain-induced waterlogging.

PAGASA earlier said that the La Niña heightens the likelihood of tropical cyclones, low-pressure areas, and the Intertropical Convergence Zone (ITCZ), and intensifies the Southwest Monsoon.

Former Agriculture Secretary William D. Dar said he expects a drop in annual palay production this year due to La Niña.

"The number one problem is the impact of La Niña coupled with the late distribution of agricultural inputs provided by the National Government. There will be a decline of production from the 20 million MT (metric tons) last year," he said in a text message.

In 2023, palay production reached 20.06 million MT.

The Department of Agriculture (DA) earlier trimmed its palay production estimate to 20.1 million MT for 2024 from 20.44 million MT previously.

Palay, S1/5

