P25 IN METRO MANILA, PHILIPPINES

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STOCK MARKET

PSEi

OPEN:	7,215.72
HIGH:	7,280.24
LOW:	7,184.72
CLOSE:	7,280.24
VOL.:	0.743 B
VAL(P):	5.501 B

▲ 40.26 PTS. 0.55%

30 DAYS TO OCTOBER 30, 2024

ASIAN MARKETS

OCTOBER 30, 2024

	CLOSE		NET	%
Japan (Nikkei 225)	39,277.39	▲	373.71	0.96
Hong Kong (Hang Seng)	20,380.64	▼	-320.50	-1.55
Taiwan (Weighted)	22,820.43	▼	-106.16	-0.46
Thailand (SET Index)	1,447.20	▼	-3.96	-0.27
S.Korea (Kse Composite)	2,593.79	▼	-24.01	-0.92
Singapore (Straits Times)	3,558.88	▼	-31.48	-0.88
Sydney (All Ordinaries)	8,180.40	▼	-68.80	-0.83
Malaysia (Klse Composite)	1,601.88	▼	-13.20	-0.82

WORLD MARKETS

OCTOBER 29, 2024

	CLOSE		NET
Dow Jones	42,233.050	▼	-154.520
NASDAQ	18,712.748	▲	145.559
S&P 500	5,832.920	▲	9.400
FTSE 100	8,219.610	▼	-66.010
Euro Stoxx50	4,427.750	▼	-23.230

PESO-DOLLAR RATES

FX

OPEN	P58.200
HIGH	P58.180
LOW	P58.330
CLOSE	P58.230
W.AVE.	P58.254
VOL.	$1,242.50 M

▲ 4.50 CTVS

30 DAYS TO OCTOBER 30, 2024 SOURCE : BAP

ASIAN MONIES-US$ RATE

OCTOBER 30, 2024

	LATEST BID (0900GMT)		PREVIOUS
Japan (yen)	152.890	▲	153.380
Hong Kong (HK dollar)	7.771	▼	7.770
Taiwan (NT dollar)	31.912	▲	32.069
Thailand (baht)	33.670	▲	33.770
S. Korea (won)	1,374.690	▲	1,385.300
Singapore (dollar)	1.322	▲	1.324
Indonesia (rupiah)	15,690	▲	15,755
Malaysia (ringgit)	4.375	▼	4.371

WORLD CURRENCIES

OCTOBER 30, 2024

	CLOSE		PREVIOUS
US$/UK pound	1.2990	▲	1.2965
US$/Euro	1.0839	▲	1.0813
US$/Aust dollar	0.6581	▼	0.6600
Canada dollar/US$	1.3911	▲	1.3893
Swiss Franc/US$	0.8661	▼	0.8671

DUBAI CRUDE OIL

FUTURES PRICE ON NEAREST MONTH OF DELIVERY

$70.82/BBL

▼ $0.98

30 DAYS TO OCTOBER 29, 2024

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PHILIPPINE STOCK EXCHANGE'S 10 MOST ACTIVE STOCKS BY VALUE TURNOVER • OCTOBER 30, 2024 (PSEi snapshot on *S1/2*; article on *S2/2*)

		Value			
ICT	P415.000	P775,153,114	P2.000	▲	0.484%
BDO	P160.000	P665,098,551	P3.000	▲	1.911%
ALI	P33.600	P572,596,825	P0.100	▲	0.299%
GLO	P2,166.000	P265,618,380	P66.000	▲	3.143%
SMPH	P30.050	P220,100,500	-P0.050	▼	-0.166%
SM	P962.500	P207,575,720	-P3.000	▼	-0.311%
MBT	P79.450	P198,399,727	P3.950	▲	5.232%
BPI	P145.500	P176,519,380	-P1.700	▼	-1.155%
AEV	P34.950	P175,886,660	P0.750	▲	2.193%
URC	P100.000	P164,302,603	P0.000	—	0.000%

NG debt hits record P15.89 trillion

THE NATIONAL Government's (NG) outstanding debt rose to a fresh high of P15.89 trillion as of end-September, but the Bureau of the Treasury (BTr) said this level is still "manageable."

Data from the BTr on Wednesday showed that outstanding debt jumped by 2.2% to P15.89 trillion as of end-September from P15.55 trillion as of end-August.

"The total outstanding debt had a minimal increase of 2.2% compared to the end-August 2024 level due to the net availment of new external and domestic debt," the BTr said in a statement.

Year on year, the debt stock increased by 11.4% from P14.27 trillion a year ago.

"Nevertheless, the NG's strategic focus on local fundraising allows the government to limit external risk exposure to only 31.19% of its debt portfolio, while enabling the development of the local bond market and providing Filipinos with quality investment vehicles to grow their savings," the Treasury said.

The bulk, or 68.81% of the total debt stock, came from domestic sources.

As of end-September, outstanding domestic debt inched up by 1.3% to P10.94 trillion from P10.79 trillion in the previous month. Government securities accounted for nearly all of domestic debt.

Year on year, domestic debt increased by 12.3% from P9.73 trillion.

"This (increase) was mainly driven by P145.11-billion net issuance of new government securities, which was slightly offset by a P460-million decrease in the value of US dollar-denominated securities due to the appreciation of the Philippine peso," the BTr said.

Meanwhile, external debt rose by 4.2% to P4.96 trillion at end-September from P4.76 trillion at end-August, the BTr said. It also jumped by 9.3% from P4.53 trillion in the same period a year ago.

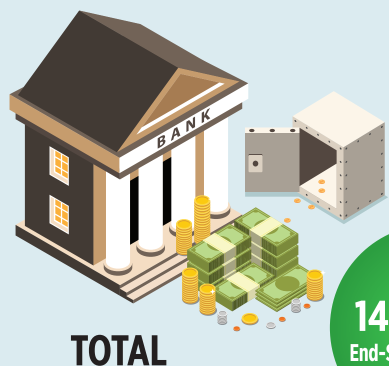
The uptick in foreign debt was due to the P200.89 billion in net foreign borrowings, including the P140.99 billion or $2.5-billion issuance of triple-tranche US dollar-denominated global bonds, BTr said. The transaction was finalized in September.

"Nevertheless, favorable foreign exchange adjustments contributed a substantial decrease of P2.43 billion in the overall external debt."

The peso closed at P56.017 against the US dollar at the end of September, appreciating by 16.2 centavos from its P56.179 finish at the end of August.

NG debt, S1/11

NATIONAL GOVERNMENT OUTSTANDING DEBT
(in Billion Pesos)



	End-September 2023	End-August 2024	End-September 2024
TOTAL	14,268.67	15,550.20	15,893.31

DOMESTIC	9,734.36	10,791.61	10,936.26
	End-September 2023	**End-August 2024**	**End-September 2024**
Loans	**0.16**	**0.16**	**0.16**
NG Direct	0.16	0.16	0.16
Availed by Agencies	0.16	0.16	0.16
NG Other Domestic	0.16	0.16	0.16
BSP	—	—	—
Assumed Loans	—	—	—
Government Securities	**9,734.20**	**10,791.45**	**10,936.10**

NOTE: Details may not add up due to rounding.

EXTERNAL	4,534.31	4,758.59	4,957.05
	End-September 2023	**End-August 2024**	**End-September 2024**
Loans	**2,066.57**	**2,245.02**	**2,318.60**
NG Direct	2,066.57	2,245.02	2,318.60
Availed by Agencies	2,055.67	2,234.91	2,308.67
Relent to GOCCs	10.90	10.11	9.92
Assumed Loans	—	—	—
Government Securities	**2,467.75**	**2,513.57**	**2,638.45**
US Dollar Bonds/Notes	2,120.12	2,130.21	2,253.32
Euro Bonds	206.64	214.17	215.23
Japanese Yen Bonds	86.22	58.24	59.11
Chinese Yuan Bonds	—	—	—
Islamic Certificates	—	56.18	56.02
Peso Global Bonds	54.77	54.77	54.77

Source: Bureau of the Treasury (Data as of Oct. 30, 2024)
***BusinessWorld* Research**: Abigail Marie P. Yraola ***BusinessWorld* Graphics**: Bong R. Fortin

Domestic demand key to insulating PHL from US trade risks

By Kyle Aristophere T. Atienza
Reporter

THE PHILIPPINES needs to boost domestic demand to insulate its economy from a potential setback on multilateralism, which is likely to happen if Donald J. Trump returns to power in the United States, according to economists.

"It's not only the Philippines which will be adversely affected should the US pivot away from multilateralism, something of a certainty under a Trump presidency," Diwa C. Guinigundo, country analyst for the Philippines of GlobalSource Partners, said in an e-mail.

The United States' trading partners "will suffer from the consequences of a fundamentally closed trading system — higher tariffs will actually reduce US imports and growth, while its trading partners will have compressed markets, lower trading gains and economic growth," he said.

Mr. Trump, the Republican candidate, faces Democratic rival and Vice-President Kamala Harris in the Nov. 5 presidential elections.

If he wins, Mr. Trump has said he will impose a 10% tariff on imports from all countries and 60% tariff on imports from China.

Philippine Finance Secretary Ralph G. Recto last week said a potential Trump presidency poses risks to global growth as increased protectionism could weaken global trade.

"We are concerned that there will be a setback on multilateralism, in particular in trade as well... We know that the driver of global growth is more trade. So, that is a concern," Mr. Recto said at a briefing of the Intergovernmental Group of Twenty-Four (G24) Board of Governors in Washington, D.C. on Oct. 22.

Mr. Recto said the Philippines is counting on its relationship with the US to encourage firms to do more offshoring to the Philippines.

"If the US adopts a more protectionist stance, the Philippines, as a net exporter with a $2.3-billion trade surplus in goods trade with the US in 2023, could be negatively affected," George N. Manzano, who teaches trade at the University of Asia and the Pacific, said in an e-mail.

"An across-the-board tariff increase by the US would adversely impact Philippine exports."

But Mr. Manzano said it is an advantage for the Philippines that electronic products account for a huge chunk of its exports to the US, thanks in large part to a 1990s World Trade Organization (WTO) agreement that eliminated all import duties on many information technology products.

"Approximately 67% of the Philippines' goods trade with the US in 2023 was in the electronics sector, which currently benefits from duty-free access, likely due to the Information Technology Agreement (ITA) under the WTO," he said.

US trade, S1/10

Households reliant on remittances may be more vulnerable to shocks

By Luisa Maria Jacinta C. Jocson
Reporter

FILIPINO HOUSEHOLDS' heavy reliance on remittances could leave them more vulnerable during economic shocks, according to a Bangko Sentral ng Pilipinas (BSP) discussion paper, citing the low savings and investments among families.

The paper, authored by BSP Assistant Governor Veronica B. Bayangos and Research Associate Cymon Kayle Lubangco, said that households dependent on remittances could be at risk of external headwinds.

"A substantial decline in remittances would have serious consequences at both the macroeconomic and household levels. Vulnerable remittance-receiving households could face reduced access to education and healthcare, negatively affecting their quality of life," the paper said.

"Local communities that rely heavily on remittances could experience economic disruptions. For instance, during the COVID-19 (coronavirus disease 2019) pandemic, families of overseas Filipino workers (OFWs) saved and invested less."

BSP data showed the percentage of households that used remittances as savings dropped to 31.7% in the fourth quarter of 2021 from 33.4% in the same quarter of 2020. However, this improved to 32.1% in the first quarter of 2024.

Households that used remittances for investments also fell to 6.2% in the first quarter of 2024 from 11% in the third quarter of 2021.

"In our analysis, we find that OFW households prioritize immediate consumption over saving and investing," the paper said.

In the first quarter of this year, the bulk (96.6%) of surveyed OFW households used their remittances for food and household needs.

"The saving rate for cash remittances peaked in 2009, where an average of 13.1% of cash remittances were allocated for savings. Since 2009, the average saving rate for cash remittances among OFW households has slightly declined to around 9.0-10.0%."

"Despite slower remittance growth, data show that many households and rural communities still rely on remittances for their livelihood," it added.

The BSP paper showed that migrant households' immediate consumption is geared towards nonfood spending compared with non-migrant households.

"These nonfood commodities are largely welfare-inducing commodities such as health, education, and housing. The allocation towards productive consumption goods shows that remittances are treated as transitory income," it added.

Remittances, S1/11

We've got the power and it's renewable

ROBINSONS OFFICES and Wuling Philippines are taking the lead in full-scale sustainability with solar-powered electric vehicle charging stations. In photo: (from left) Wuling Philippines Ambassador Shamcey Supsup-Lee, Wuling Philippines President Lloyd Lee, Robinsons Offices Senior Vice-President and Business Unit General Manager Jericho P. Go, and Robinsons Offices Vice-President JP Balboa.

New Maersk facility a boost to Philippines' logistics ambitions — Marcos

DENMARK-BASED A.P. Moller-Maersk has opened a $4.8-billion (P280-billion) distribution facility in Calamba City that President Ferdinand R. Marcos, Jr. said would help decongest Manila and unlock economic potential in the countryside.

This is a significant investment in the Southeast Asian nation's transport and storage sector, whose market size is projected to grow to P1.16 trillion by 2027, Mr. Marcos said in a speech at the opening of the Maersk Optimus Distribution Center on Wednesday.

"This strategic location in Calamba aligns with our efforts to decongest Manila and to unlock the economic potential in the countryside," he said.

Calling it one of the Philippines' largest logistics centers, Mr. Marcos said the Laguna facility would bolster import and export activities in Southern Luzon, including the Bicol Region.

"With the grand opening of the Maersk Optimus Distribution Center, our logistics system would be a step closer to becoming a powerful force — bridging our islands, breathing life into our industries, our businesses, bringing together our people on a path towards sustained development," he said.

The Maersk facility has a 70,000-pallet position capacity racking system with cantilever and a 3,281-square meter (sq.m.) mezzanine area for value-added services such as bundling, repacking and stickering, according to the Presidential Communications Office.

The facility has 73 docks to accommodate all truck sizes, a 500-sq.m. battery room that can accommodate 28 units of reach trucks at a single time, and a one-glance room for live monitoring of operations.

Economists said the new logistics center will help in boosting economies of scale in a region notable for the presence of manufacturing sites.

The region has 31 world-class industrial estates and economic zones, most of which are known for semi-processed industrial raw materials and industrial components, according to a regional profile from the Trade department.

"The new logistics facility would be strategic in Calabarzon (Cavite, Laguna, Batangas, Rizal and Quezon) where there are many industrial parks, economic zones, and foreign locators," said Rizal Commercial Banking Corp. Chief Economist Michael L. Ricafort, noting that manufacturers in the region have huge logistical needs.

Mr. Ricafort said Calabarzon is a "strategic logistical hub," given its proximity to Metro Manila and lower rental and lease rates that would reduce operating costs for companies,

Maersk, S1/11