P25 IN METRO MANILA, PHILIPPINES

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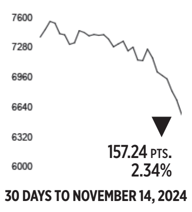
STOCK MARKET



PSEi	
OPEN:	6,730.38
HIGH:	6,730.38
LOW:	6,557.09
CLOSE:	6,557.09
VOL.:	0.674 B
VAL(P):	7.526 B

ASIAN MARKETS

NOVEMBER 14, 2024

	CLOSE		NET	%
Japan (Nikkei 225)	38,535.70	▼	-185.96	-0.48
Hong Kong (Hang Seng)	19,435.81	▼	-387.64	-1.96
Taiwan (Weighted)	22,715.38	▼	-144.85	-0.63
Thailand (SET Index)	1,450.48	▼	-0.99	-0.07
S.Korea (Kse Composite)	2,418.86	▲	1.78	0.07
Singapore (Straits Times)	3,731.44	▲	11.10	0.30
Sydney (All Ordinaries)	8,224.00	▲	30.60	0.37
Malaysia (Klse Composite)	1,600.68	▼	-10.82	-0.67

WORLD MARKETS

NOVEMBER 13, 2024

	CLOSE		NET
Dow Jones	43,958.190	▲	47.210
NASDAQ	19,230.725	▼	-50.676
S&P 500	5,985.380	▲	1.390
FTSE 100	8,030.330	▲	4.560
Euro Stoxx50	4,255.980	▲	6.320

PESO-DOLLAR RATES

FX	
OPEN	P58.800
HIGH	P58.750
LOW	P58.850
CLOSE	P58.777
W.AVE.	P58.814
VOL.	$1,531.00 M

SOURCE : BAP

ASIAN MONIES-US$ RATE

NOVEMBER 14, 2024

	LATEST BID (0900GMT)		PREVIOUS
Japan (yen)	155.960	▼	154.930
Hong Kong (HK dollar)	7.782	▼	7.778
Taiwan (NT dollar)	32.583	▼	32.408
Thailand (baht)	35.020	▼	34.690
S. Korea (won)	1,404.540	▼	1,398.260
Singapore (dollar)	1.346	▼	1.338
Indonesia (rupiah)	15,850	▼	15,770
Malaysia (ringgit)	4.478	▼	4.450

WORLD CURRENCIES

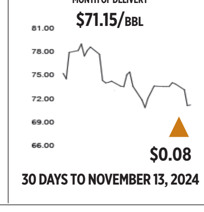
NOVEMBER 14, 2024

	CLOSE		PREVIOUS
US$/UK pound	1.2666	▼	1.2742
US$/Euro	1.0528	▼	1.0615
US$/Aust dollar	0.6467	▼	0.6525
Canada dollar/US$	1.4002	▲	1.3952
Swiss Franc/US$	0.8885	▲	0.8826

DUBAI CRUDE OIL

FUTURES PRICE ON NEAREST MONTH OF DELIVERY

$71.15/BBL



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PHILIPPINE STOCK EXCHANGE'S 10 MOST ACTIVE STOCKS BY VALUE TURNOVER • NOVEMBER 14, 2024 (PSEi snapshot on *S1/4*; article on *S2/2*)

		Value			
ALI	P28.800	P1,000,330,880	-P1.450	▼	-4.793%
BDO	P138.100	P869,449,753	-P3.900	▼	-2.746%
ICT	P380.000	P668,539,816	P2.000	▲	0.529%
SM	P876.000	P566,972,325	-P24.000	▼	-2.667%
URC	P79.500	P449,051,860	-P5.900	▼	-6.909%
SMPH	P26.100	P412,898,710	-P0.900	▼	-3.333%
BPI	P135.000	P345,890,310	P0.000	—	0.000%
AC	P620.000	P246,168,145	-P37.000	▼	-5.632%
AEV	P34.400	P213,076,065	P0.400	▲	1.176%
JFC	P258.000	P199,490,068	P3.000	▲	1.176%

Inflation seen within target until 2026

PRIVATE SECTOR ANALYSTS surveyed by the Bangko Sentral ng Pilipinas (BSP) still expect headline inflation to remain within the 2-4% target band until 2026.

In its Monetary Policy Report from its October meeting, the central bank said that economists' inflation expectations "remain well-anchored."

The BSP's survey of external forecasters for October showed that the mean inflation forecasts for 2024 and 2026 were unchanged at 3.4% and 3.2%, respectively, compared with September forecasts.

Meanwhile, the mean inflation forecast for 2025 was trimmed to 3% from 3.1% previously.

"Analysts consider the inflation risks to be broadly balanced, with headline inflation expected to remain low and within-target over the policy horizon," the BSP said.

The BSP's baseline forecasts see inflation settling at 3.1% this year, 3.2% in 2025 and 3.4% in 2026.

Headline inflation picked up to 2.3% in October, bringing the 10-month average to 3.3%.

The central bank said that the balance of risks to the inflation outlook for 2025 and 2026 shifted to the upside but will likely continue to remain within target.

"Inflation is expected to settle near the low end of the target band due to the impact of reduced tariffs on rice imports," it said.

An executive order that slashed tariffs on rice imports to 15% from 35% until 2028 took effect in July.

"However, by the second half of 2025, inflation could rise toward the upper end of the target range, largely due to positive base effects," it added.

It also noted that the upside risks are mainly due to "potential adjustments in electricity rates and higher minimum wages in regions outside Metro Manila."

"Meanwhile, downside risks continue to be linked to the impact of lower import tariffs on rice," the central bank said.

"Nevertheless, after incorporating the impact of these risks at their assigned probabilities, the risk-adjusted inflation forecasts remain within the 2-4% target range over the policy horizon."

The BSP said the inflation outlook and inflation expectations allow it to adopt a "less restrictive monetary policy" stance.

Inflation, S1/6

Double-digit credit growth to continue until 2025 — S&P Global

By Luisa Maria Jacinta C. Jocson *Reporter*

LOWER INTEREST RATES and easing inflation will fuel double-digit credit growth in the Philippines through 2025, S&P Global Ratings said.

"Credit growth could improve. Higher economic growth, along with lower inflation and interest rates, will support credit demand," S&P Global Primary Credit Analyst Nikita Anand said in a report.

"We forecast credit growth of 10%-12% in 2024 and 2025, compared with 8% in 2023," she added.

Latest data from the Bangko Sentral ng Pilipinas (BSP) showed that bank lending grew by 11% in September, its fastest pace in nearly two years.

S&P said this outlook is driven by expectations that interest rates will normalize over the next year.

"We forecast policy rates could decrease to 5.5% in 2024 and 4.25% in 2025 as inflation stays moderate. This should also help contain asset quality risks emanating from a higher share of consumer lending."

Since August, the central bank has reduced borrowing costs by 50 basis points (bps), bringing the key rate to 6%.

The Monetary Board's final policy review for the year is set for Dec. 19.

BSP Governor Eli M. Remolona, Jr. earlier signaled the possibility of a 25-bp rate cut next month, which would bring the benchmark to 5.75% by yearend if realized.

Mr. Remolona also earlier said the BSP can deliver up to 100 bps worth of rate cuts for next year, though not necessarily every quarter or every meeting.

Philippine headline inflation averaged 3.3% in the first 10 months, within the BSP's 2-4% target.

The BSP expects inflation to average 3.1% this year and 3.2% in 2025, both well within the target band.

Meanwhile, S&P Global said that economic growth will also support lending demand.

The credit rater sees Philippine gross domestic product (GDP) expanding by 5.7% this year and 6.2% in 2025.

The economy grew by a weaker-than-expected 5.2% in the third quarter, the weakest growth in five quarters. In the first nine months, GDP growth averaged 5.8%.

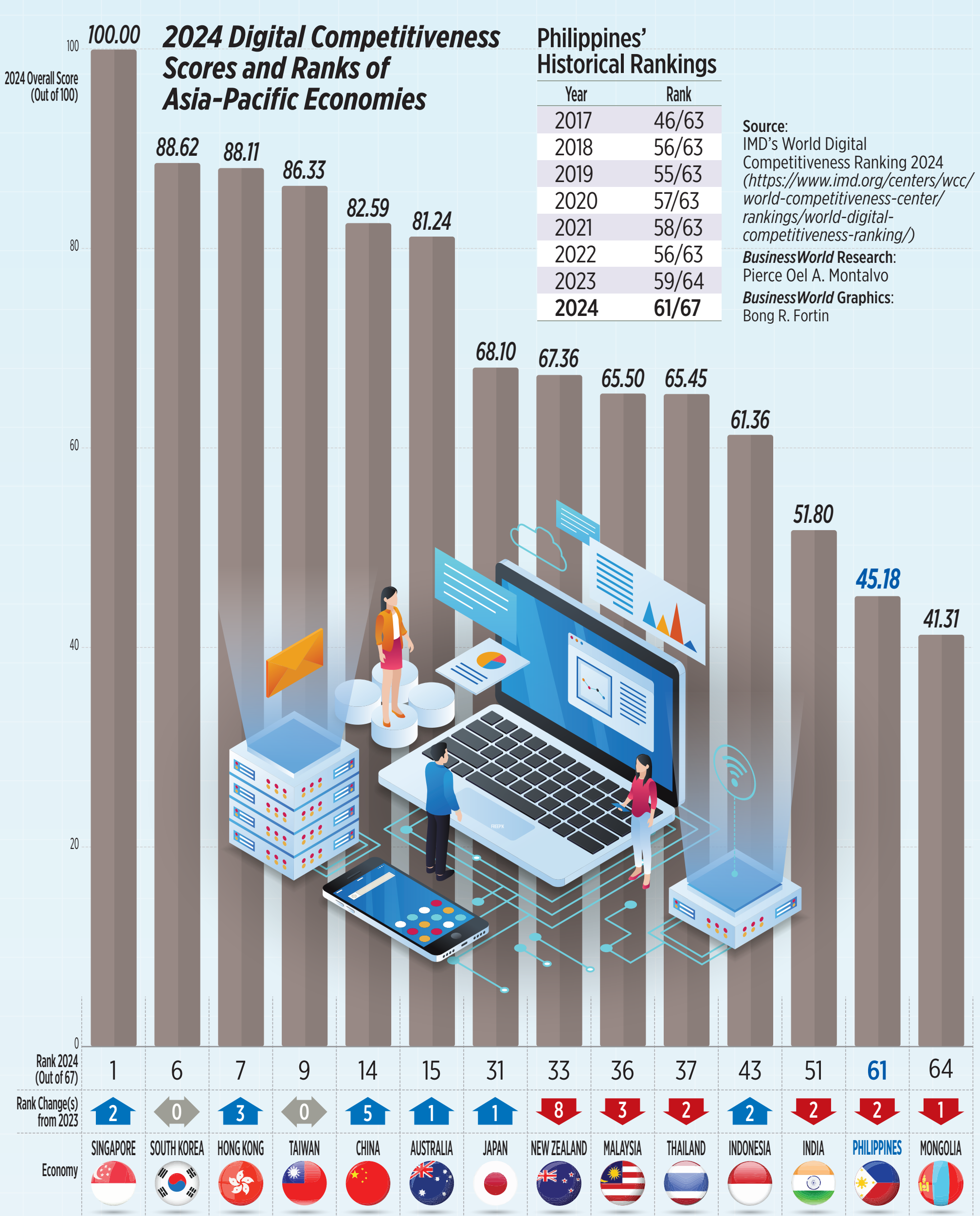
BANKING SECTOR OUTLOOK

Meanwhile, S&P Global said that the country's banking system remains resilient.

Credit growth, S1/6

PHILIPPINES DROPS FURTHER IN IMD's DIGITAL COMPETITIVENESS REPORT

The Philippines dropped two spots to 61st out of 67 economies with an overall score of 45.18 (out of 100) in the 2024 IMD World Digital Competitiveness Ranking by IMD World Competitiveness Center. This was its worst performance since the report's debut in 2017. The report ranks countries based on the capacity of an economy to adopt and explore new digital technologies to transform government practices, business models, and society in general. The Philippines stayed in 13th place out of 14 economies in the Asia-Pacific region.



Philippines' Historical Rankings

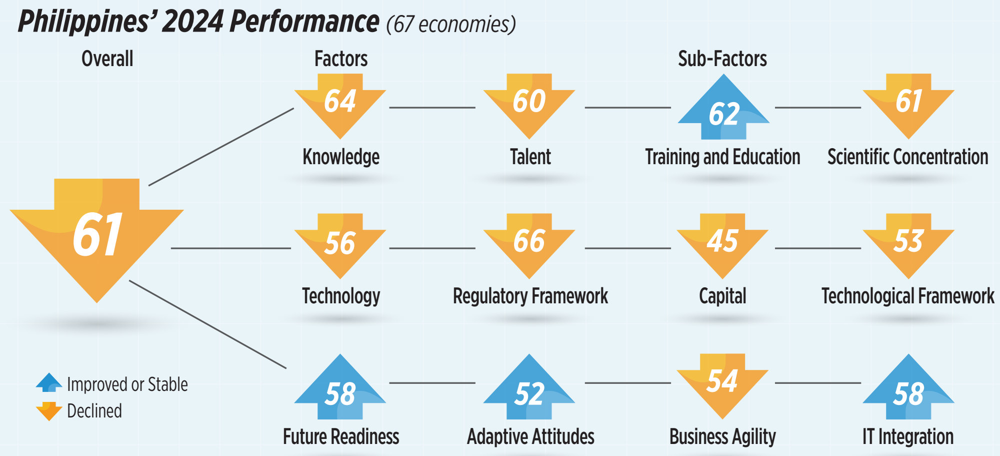
Year	Rank
2017	46/63
2018	56/63
2019	55/63
2020	57/63
2021	58/63
2022	56/63
2023	59/64
2024	**61/67**

Source: IMD's World Digital Competitiveness Ranking 2024 *(https://www.imd.org/centers/wcc/world-competitiveness-center/rankings/world-digital-competitiveness-ranking/)*

***BusinessWorld* Research**: Pierce Oel A. Montalvo

***BusinessWorld* Graphics**: Bong R. Fortin

Philippines' 2024 Performance *(67 economies)*



Top 10

Rank 2024 (Out of 67)	Economy	Rank Change(s) from 2023	2024 Overall Score (Out of 100)
1	Singapore	▲ 2	100.00
2	Switzerland	▲ 3	93.15
3	Denmark	▲ 1	91.99
4	United States	▼ 3	91.31
5	Sweden	▲ 2	90.42
6	South Korea	◆ 0	88.62
7	Hong Kong, SAR	▲ 3	88.11
8	The Netherlands	▼ 6	87.03
9	Taiwan (Chinese Taipei)	◆ 0	86.33
10	Norway	▲ 4	84.58

Bottom 10

Rank 2024 (Out of 67)	Economy	Rank Change(s) from 2023	2024 Overall Score (Out of 100)
67	Venezuela	▼ 3	18.05
66	Nigeria	◆ 0	30.67
65	Ghana	◆ 0	31.75
64	Mongolia	▼ 1	41.31
63	Peru	▼ 7	41.85
62	Argentina	▼ 1	44.56
61	Philippines	▼ 2	45.18
60	Botswana	◆ 0	46.01
59	Mexico	▼ 5	46.21
58	Colombia	▲ 4	48.19

PHL slips in global digital competitiveness ranking

By Justine Irish D. Tabile *Reporter*

THE PHILIPPINES slumped to its worst showing in the World Digital Competitiveness Ranking by the International Institute for Management Development (IMD), mainly due to a decline in talent and scientific concentration.

The country slid two spots to 61st place out of 67 economies, scoring 45.18 in the 2024 World Digital Competitiveness Ranking, conducted by the World Competitiveness Center.

This was the Philippines' lowest ranking since the report started in 2017.

Among 14 Asia-Pacific economies, the Philippines ranked 13th, ahead only of Mongolia (64th).

Singapore ranked first in the global digital competitiveness index with 100 points, followed by Switzerland and Denmark.

The ranking measures a country's capacity to adopt and explore digital technologies to transform government practices, business models and society in general.

Competitiveness, S1/6

Foreign investment pledges surge in Q3

FOREIGN INVESTMENT pledges received by Philippine investment promotion agencies (IPA) surged in the third quarter, driven by investments from South Korea and Switzerland, the statistics agency reported.

Preliminary data from the Philippine Statistics Authority (PSA) showed the value of foreign commitments approved by IPAs soared by 434.4% year on year to P146.75 billion in the July-to-September period from P27.46 billion in the third quarter of 2023.

Despite the strong annual growth, the amount was the lowest in investment commitments since the third quarter of 2023.

Quarter on quarter, it also slid by 22.56% from P189.5 billion in the second quarter.

South Korea was the top source of foreign investment pledges in the third quarter with P53.72 billion (36.6%), followed by Switzerland with P51.84 billion (35.3%). Investment commitments from Japan stood at P15.96 billion (10.9%).

The PSA compiles investment pledges approved by the government's six IPAs: Board of Investments (BoI), BoI-Bangsamoro Autonomous Region in Muslim Mindanao (BoI-BARMM), Clark Development Corp. (CDC), Cagayan Economic Zone Authority (CEZA), Philippine Economic Zone Authority (PEZA), and Subic Bay Metropolitan Authority (SBMA).

Foreign investment, S1/6