P25 IN METRO MANILA, PHILIPPINES

BusinessWorld

33rd EJAP-AYALA Business Journalism Awards
The 2023 Business News Source of the Year Award

STOCK MARKET

PSEi

OPEN:	6,820.98
HIGH:	6,823.14
LOW:	6,702.59
CLOSE:	6,702.59
VOL.:	0.375 B
VAL(P):	4.275 B

▼ 104.27 PTS. 1.53%

30 DAYS TO NOVEMBER 27, 2024

ASIAN MARKETS

NOVEMBER 27, 2024

	CLOSE		NET	%
Japan (Nikkei 225)	38,134.97	▼	-307.03	-0.80
Hong Kong (Hang Seng)	19,603.13	▲	443.93	2.32
Taiwan (Weighted)	22,334.78	▼	-343.98	-1.52
Thailand (SET Index)	1,430.40	▼	-7.85	-0.55
S.Korea (Kse Composite)	2,503.06	▼	-17.30	-0.69
Singapore (Straits Times)	3,708.09	▼	-4.30	-0.12
Sydney (All Ordinaries)	8,406.70	▲	47.30	0.57
Malaysia (Klse Composite)	1,604.25	▲	1.10	0.07

WORLD MARKETS

NOVEMBER 26, 2024

	CLOSE		NET
Dow Jones	44,860.310	▲	123.740
NASDAQ	19,174.300	▲	119.460
S&P 500	6,021.630	▲	34.260
FTSE 100	8,258.610	▼	-33.070
Euro Stoxx50	4,291.520	▼	-17.470

PESO-DOLLAR RATES

FX

OPEN	P58.920
HIGH	P58.695
LOW	P58.970
CLOSE	P58.710
W.AVE.	P58.829
VOL.	$1,379.75 M

▲ 29.00 CTVS

30 DAYS TO NOVEMBER 27, 2024 SOURCE : BAP

ASIAN MONIES-US$ RATE

NOVEMBER 27, 2024

	LATEST BID (0900GMT)		PREVIOUS
Japan (yen)	151.610	▲	154.100
Hong Kong (HK dollar)	7.782	▲	7.783
Taiwan (NT dollar)	32.509	▼	32.468
Thailand (baht)	34.560	▲	34.700
S. Korea (won)	1,392.820	▲	1,399.010
Singapore (dollar)	1.343	▲	1.348
Indonesia (rupiah)	15,925	—	15,925
Malaysia (ringgit)	4.435	▲	4.461

WORLD CURRENCIES

NOVEMBER 27, 2024

	CLOSE		PREVIOUS
US$/UK pound	1.2601	▲	1.2555
US$/Euro	1.0515	▲	1.0493
US$/Aust dollar	0.6483	▲	0.6482
Canada dollar/US$	1.4051	▼	1.4105
Swiss Franc/US$	0.8827	▼	0.8863

DUBAI CRUDE OIL

FUTURES PRICE ON NEAREST MONTH OF DELIVERY

$72.50/BBL

▼ $1.04

30 DAYS TO NOVEMBER 26, 2024

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S1/1-12 • 2 SECTIONS, 16 PAGES

PHILIPPINE STOCK EXCHANGE'S 10 MOST ACTIVE STOCKS BY VALUE TURNOVER • NOVEMBER 27, 2024 (PSEi snapshot on *S1/3*; article on *S2/2*)

		Value			
ICT	P385.000	P568,799,820	-P5.000	▼	-1.282%
BDO	P153.100	P473,483,988	P0.200	▲	0.131%
BPI	P130.500	P326,966,860	-P2.500	▼	-1.880%
AC	P619.500	P298,134,220	-P22.500	▼	-3.505%
ALI	P29.000	P238,780,740	-P0.700	▼	-2.357%
TEL	P1,290.000	P228,378,555	-P34.000	▼	-2.568%
SM	P879.000	P158,376,765	-P22.000	▼	-2.442%
SMPH	P27.000	P115,147,460	-P0.450	▼	-1.639%
MBT	P77.000	P112,753,960	-P0.650	▼	-0.837%
PLUS	P20.800	P108,047,570	P0.350	▲	1.711%

NG swings to budget surplus in Oct.

By Aubrey Rose A. Inosante
Reporter

THE NATIONAL Government's (NG) fiscal position swung to a surplus in October, driven by a 23% jump in revenues, the Bureau of the Treasury (BTr) said on Wednesday.

The NG posted a P6.3-billion budget surplus in October, a turnaround from the P34.4-billion deficit in the same month a year ago.

This was the first budget surplus since the P42.7-billion surplus posted in April.

Month on month, the budget balance swung to a surplus from the P273.2-billion deficit in September.

Data from the BTr showed government revenues increased by 22.63% to P473.1 billion in October from P385.8 billion a year ago, as tax revenues jumped by 16.94% to P414.9 billion.

The bulk of tax revenues came from the Bureau of Internal Revenue (BIR), which collected P325.5 billion in October, up 18.62% year on year.

"The double-digit growth in October can be attributed to higher collections on value-added tax (VAT), personal income tax (PIT), documentary stamp tax (DST), corporate income tax (CIT), excise tax on tobacco products, and percentage taxes," BTr said.

Collections by the Bureau of Customs jumped by an annual 11.5% to P86.9 billion in October, while collections by other offices were flat at P2.4 billion.

On the other hand, nontax revenues also went up by 87.65% year on year to P58.3 billion in October. Treasury revenues declined by 13.5% to P14.5 billion, due to "the base effect of early remittances of dividends from government-owned and -controlled corporations last year."

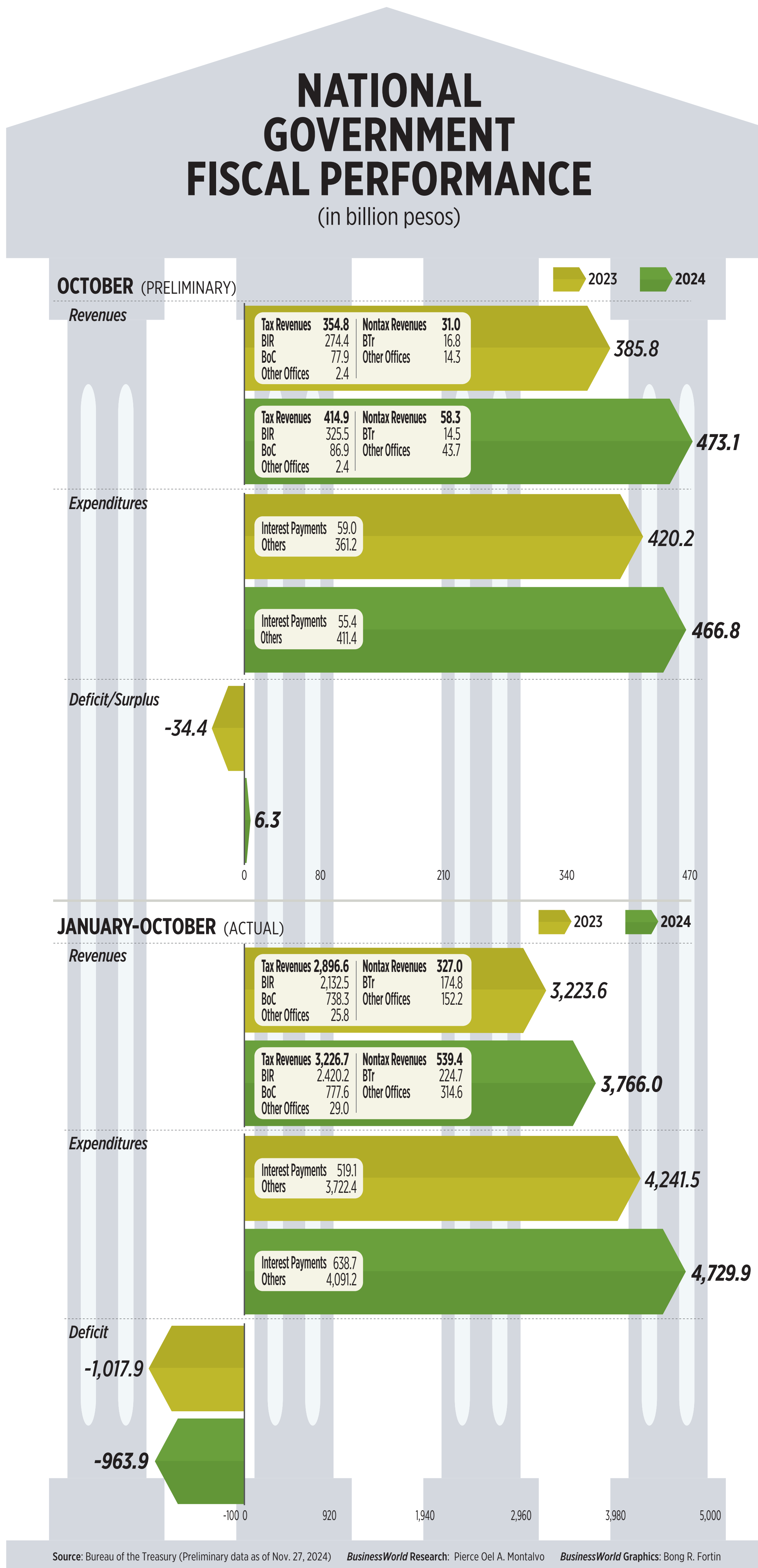
Collections by other offices surged by 206.72% to P43.7 billion.

Meanwhile, expenditures rose by 11.08% to P466.8 billion in October from P420.2 billion a year ago.

"This was mainly attributed to higher personnel services expenses due to the first tranche of the salary adjustments of qualified civilian government employees and the release of FY 2022 Performance-Based Bonus of the Department of Education," it said.

Spending also got a boost from the implementation of infrastructure projects of the Department of Public Works and Highways and foreign-assisted rail projects of the Department of Transportation, as well as social protection and health programs.

Surplus, S1/2



Trump policies may hurt BPOs in Philippines

US PRESIDENT-ELECT Donald J. Trump's protectionist policies could spell trouble for the Philippines' business process outsourcing (BPO) sector, economists warned.

GlobalSource Country Analysts Diwa C. Guinigundo and Wilhelmina C. Mañalac said Mr. Trump has repeatedly claimed Americans have lost jobs to other countries and vowed to "punish" American firms that manufacture outside of the United States.

"This policy stance could negatively impact the Philippines' business process outsourcing (BPO) industry, especially since it has been reported that around 70% of its earnings come from the US," they said in a commentary.

Mr. Guinigundo and Ms. Mañalac said the BPO industry has been one of the Philippine economy's fastest-growing sectors, generating much-needed foreign exchange revenues and jobs.

"The BPO industry has in fact been comparable to foreign exchange revenues sourced from overseas Filipino workers' remittances. Thus, executing these (protectionist) policies may have a stifling effect on the growth of the BPO industry," they said.

The information technology and business process management (IT-BPM) industry is expected to book between $38 billion and $40 billion in revenue this year. It also aimed to increase staffing to between 1.82 million and 1.84 million by yearend.

The industry caters to the banking, financial services and insurance, healthcare, retail and IT sectors.

"Given the size of business in the BPO sector and the high attrition rate in the industry at 40% due to limited career progression, low pay and an unhealthy work-life balance, the uncertainty of the Trump policy on the business contracting industry could therefore have non-trivial effects on the Philippines' output growth and employment," the GlobalSource analysts said.

The Philippines is one of the top destinations for US firms seeking to outsource services.

Trump, S1/2

PHL retailers urged to adapt to consumer preferences, AI

By Revin Mikhael D. Ochave
Reporter

LOCAL RETAILERS should adapt to rapid digitalization, the growing use of artificial intelligence (AI), and changing consumer preferences to ensure sustained growth, industry players said.

"Digitalization is here to stay. The use of artificial intelligence is really picking up. It really says a lot about how digitally fluent the Filipinos are," Metro Retail Stores Group, Inc. Chairperson Sherisa P. Nuesa said during a panel discussion at the BusinessWorld Forecast 2025 forum on Tuesday.

The e-commerce sector saw significant growth in the country during the pandemic as consumers turned to online shopping. This prompted many businesses to continue expanding in the e-commerce space.

BusinessWorld FORECAST 2025 PH FORWARD: TOWARDS A SUSTAINED GROWTH PATH

Ms. Nuesa said Filipino consumers have become smarter when it comes to shopping.

"They choose and are ready to switch to cheaper alternatives. What has happened is that digitalization has empowered customers with many choices," she added.

Household consumption accounts for over 70% of the Philippine economy.

"Consumption has always been a strong component of the Philippine economy. We have a young population and they still need a lot of consumer goods," Ms. Nuesa said.

Vicky V. Abad, country manager for global research company Ipsos in the Philippines, said that AI is poised to transform the retail industry.

Retailers, S1/2

Fed cites volatility and uncertainty as reasons to go slow on rate cuts

WASHINGTON — US Federal Reserve officials appeared divided at their meeting earlier this month over how much farther they may need to cut interest rates, but as a group agreed to avoid giving much guidance from here on about how US monetary policy is likely to evolve.

There was uncertainty about the direction of the economy, Fed officials noted, according to the minutes of the Nov. 6-7 meeting, uncertainty about just how much the current level of interest rates was doing to restrict the economy — a key issue in deciding how much further rates should fall — and a developing case to step carefully.

"Many participants observed that uncertainties concerning the level of the neutral rate of interest complicated the assessment of the degree of restrictiveness of monetary policy and, in their view, made it appropriate to reduce policy restraint gradually," said the minutes, which were released on Tuesday.

The neutral interest rate is the level at which economic activity is neither stimulated nor restrained.

"Participants noted that monetary policy decisions were not on a pre-set course and were conditional on the evolution of the economy and the implications for the economic outlook... They stressed that it would be important for the (Federal Open Market) Committee (FOMC) to make this clear as it adjusted its policy stance," the minutes stated, referring to the central bank's policy-setting committee.

The Fed cut its benchmark policy rate by a quarter of a percentage point to the 4.5%-4.75% range at the meeting three weeks ago, a session that followed Republican candidate Donald J. Trump's victory in the Nov. 5 US presidential election.

Though the implication of the election outcome was not mentioned in the minutes, "many" participants noted the complications of making policy at a time when economic data were volatile due to storms, strikes and other factors, and geopolitical tensions were high.

Fed officials generally agree that inflation is all but controlled, and the risk of a sharp rise in unemployment has diminished.

Still "some participants noted that the Committee could pause its easing of the policy rate and hold it at a restrictive level" if inflation remained too high, and some said rate cuts could be accelerated "if the labor market turned down or economic activity faltered."

After the release of the minutes, financial markets added slightly to bets on a rate cut at the Fed's Dec. 17-18 meeting, and kept intact prior bets on a slower pace of reductions next year, with just one cut priced in by the middle of the year.

STRONG ECONOMY

"We continue to think that the FOMC will reduce the funds rate by a further 25 bps (basis points) in December," wrote Samuel Tombs, chief US economist for Pantheon Macroeconomics, but then scale back next year to navigate a potentially complicated set of policy developments once Mr. Trump takes office.

The president-elect this week, for example, said that on his first day in office he plans to impose import tariffs of 25% on Mexico and Canada alongside demands for tougher border control.

Fed, S1/2