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:	6,625.70
HIGH:	6,742.89
LOW:	6,625.70
CLOSE:	6,742.89
VOL.:	0.386 B
VAL(P):	4.654 B

▲ 129.04 PTS. 1.95%
30 DAYS TO DECEMBER 2, 2024

ASIAN MARKETS

DECEMBER 2, 2024

	CLOSE		NET	%
Japan (Nikkei 225)	38,513.02	▲	304.99	0.80
Hong Kong (Hang Seng)	19,550.29	▲	126.68	0.65
Taiwan (Weighted)	22,736.93	▲	474.43	2.13
Thailand (SET Index)	1,434.16	▲	6.62	0.46
S.Korea (Kse Composite)	2,454.48	▼	-1.43	-0.06
Singapore (Straits Times)	3,751.35	▲	12.06	0.32
Sydney (All Ordinaries)	8,447.90	▲	11.70	0.14
Malaysia (Klse Composite)	1,595.48	▲	1.19	0.07

WORLD MARKETS

NOVEMBER 29, 2024

	CLOSE		NET
Dow Jones	44,910.650	▲	188.590
NASDAQ	19,218.166	▲	157.690
S&P 500	6,032.380	▲	33.640
FTSE 100	8,287.300	▲	6.080
Euro Stoxx50	4,328.450	▲	33.520

PESO-DOLLAR RATES

FX	
OPEN	P58.680
HIGH	P58.620
LOW	P58.820
CLOSE	P58.655
W.AVE.	P58.744
VOL.	$1,359.60 M

▼ 3.50 CTVS
30 DAYS TO DECEMBER 2, 2024 SOURCE : BAP

ASIAN MONIES-US$ RATE

DECEMBER 2, 2024

	LATEST BID (0900GMT)		PREVIOUS
Japan (yen)	150.240	▼	149.750
Hong Kong (HK dollar)	7.781	▲	7.782
Taiwan (NT dollar)	32.625	▼	32.441
Thailand (baht)	34.440	▼	34.270
S. Korea (won)	1,403.130	▼	1,394.670
Singapore (dollar)	1.345	▼	1.339
Indonesia (rupiah)	15,895	▼	15,840
Malaysia (ringgit)	4.453	▼	4.440

WORLD CURRENCIES

DECEMBER 2, 2024

	CLOSE		PREVIOUS
US$/UK pound	1.2702	▼	1.2737
US$/Euro	1.0515	▼	1.0575
US$/Aust dollar	0.6496	▼	0.6510
Canada dollar/US$	1.4030	▲	1.4002
Swiss Franc/US$	0.8853	▲	0.8809

DUBAI CRUDE OIL

FUTURES PRICE ON NEAREST MONTH OF DELIVERY
$72.35/BBL
▲ $0.50
30 DAYS TO NOVEMBER 29, 2024

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

		Value			
BPI	P128.400	P516,999,197	-P0.200	▼	-0.156%
ICT	P390.000	P474,632,926	P20.000	▲	5.405%
BDO	P155.200	P458,544,681	P0.700	▲	0.453%
URC	P77.300	P297,026,951	-P1.650	▼	-2.090%
PLUS	P23.050	P266,894,220	P1.250	▲	5.734%
ALI	P29.000	P262,258,645	P0.400	▲	1.399%
SM	P918.000	P201,461,810	P43.000	▲	4.914%
SMPH	P26.600	P176,064,150	P0.200	▲	0.758%
TEL	P1,342.000	P168,782,025	P45.000	▲	3.470%
AC	P638.000	P168,407,000	P26.000	▲	4.248%

DBCC tweaks GDP growth targets

THE DEVELOPMENT Budget Coordination Committee (DBCC) on Monday trimmed the economic growth target for this year to a range of 6-6.5% but widened the target band to 6-8% for 2025 until 2028, due to "evolving domestic and global uncertainties."

Budget Secretary Amenah F. Pangandaman, who chairs the DBCC, said Philippine gross domestic product (GDP) is now projected to grow by 6-6.5% this year, narrower than the previous 6-7% goal.

"Despite domestic challenges, we are optimistic that we can still attain our growth target for the year of 6% to 6.5%. In particular, we expect the Philippine economy to bounce back during the last quarter, given the anticipated increase in holiday spending, continued disaster recovery efforts, low inflation, and a robust labor market," she said at a briefing after a DBCC meeting on Monday afternoon.

The DBCC's review of the macroeconomic assumptions came after the Philippine economy expanded by a weaker-than-expected 5.2% in the third quarter, which was the slowest since the 4.3% logged in the second quarter of 2023.

In the first nine months, GDP growth averaged 5.8%. To meet the lower end of the government's revised 6-6.5% target band, the economy would need to grow by 6.5% in the fourth quarter.

Finance Secretary Ralph G. Recto said the Philippine economy can still "realistically" grow by 6% for the full year.

"The growth assumptions for 2025 to 2028 have been given a wider band of 6% to 8%, reflecting the anticipated impact of structural reforms and evolving domestic and global uncertainties," Ms. Pangandaman said.

To achieve the targets, she said the government is committed to "accelerating infrastructure investments, enhancing the ease of doing business, and boosting national competitiveness."

The DBCC chair said they expect the recently signed Republic Act No. 12066 or Corporate Recovery and Tax Incentives for Enterprises to Maximize Opportunities for Reinvigorating the Economy (CREATE MORE) Act to spur faster growth and attract more foreign investments.

DBCC, S1/3

AMRO cuts Philippine growth outlook amid slowing consumption

By Luisa Maria Jacinta C. Jocson *Reporter*

PHILIPPINE ECONOMIC GROWTH may fall short of the government's target this year amid a slower-than-expected rise in consumption and investment, the ASEAN+3 Macroeconomic Research Office (AMRO) said.

In its latest Annual Consultation Report, AMRO cut its gross domestic product (GDP) growth projection for the Philippines to 5.8% this year from its 6.1% estimate in October.

This would fall below the government's revised 6-6.5% growth target for 2024.

AMRO said household spending and private investment were weaker than expected this year due to elevated inflation and high interest rates.

"Household consumption, underpinned by a strong labor market and robust remittances, continued to expand, but at a slower pace due to the lagged impact of high inflation."

"Private investment is gradually rebounding but has yet to reach pre-pandemic levels, partly due to weak investment sentiment amid high interest rates," it added.

Latest data from the Philippine Statistics Authority (PSA) showed that Philippine GDP growth averaged 5.8% in the first nine months of the year.

For 2025, AMRO retained its growth forecast of 6.3% for 2025.

"The pickup in growth is driven by higher government spending as well as an upturn in external demand and strengthening domestic demand," it said.

The think tank also expects domestic demand to improve moving forward, which would support growth.

"Private consumption is anticipated to grow faster in the rest of the year, supported by strong labor market conditions, lower inflation and robust overseas remittances."

"With the start of the monetary policy easing cycle, private investment sentiments are expected to improve," it added.

However, AMRO said the growth outlook faces "heightened geopolitical risks" that may increase the likelihood of supply disruptions and further global economic fragmentation.

The Philippine economy's growth momentum could also be "derailed by a sharp slowdown in major trading partners in the near term," it added.

"Over the long term, the country's potential growth could be constrained by insufficient infrastructure investment, vulnerabilities to climate change, and prolonged scarring effects caused by the coronavirus disease 2019 (COVID-19) pandemic."

Consumption growth may still be hampered by elevated inflation, it added.

"Philippine growth prospects, particularly private consumption, are clouded by the risk of high food inflation... Higher costs of basic needs would further reduce households' ability to afford discretionary items and hence constrain household consumption."

However, AMRO projects headline inflation to average 3.2% this year and the next.

"Inflation is expected to stay broadly within the target range in the second half of 2024 through 2025, benefiting from the continued easing of global commodity prices and government measures," it said.

The Bangko Sentral ng Pilipinas (BSP) expects inflation to average 3.1% this year and 3.2% in 2025.

"While upside risks such as wage increases and local food supply shocks remain, the decline in headline inflation is expected to continue in the second half of 2024 due to lower commodity prices of fuel and food, and tariff cuts on imported rice," AMRO said.

"Meanwhile, inflationary pressure will likely remain moderate due to a positive output gap and second-round effects, following increases in minimum wages and persistently high inflation expectations."

With inflation expected to remain within target, AMRO said that there is room for the BSP to continue its rate-cutting cycle.

"As inflation will continue to ease within the target band, there is room to adopt a less restrictive monetary policy stance if current growth trends continue," it said.

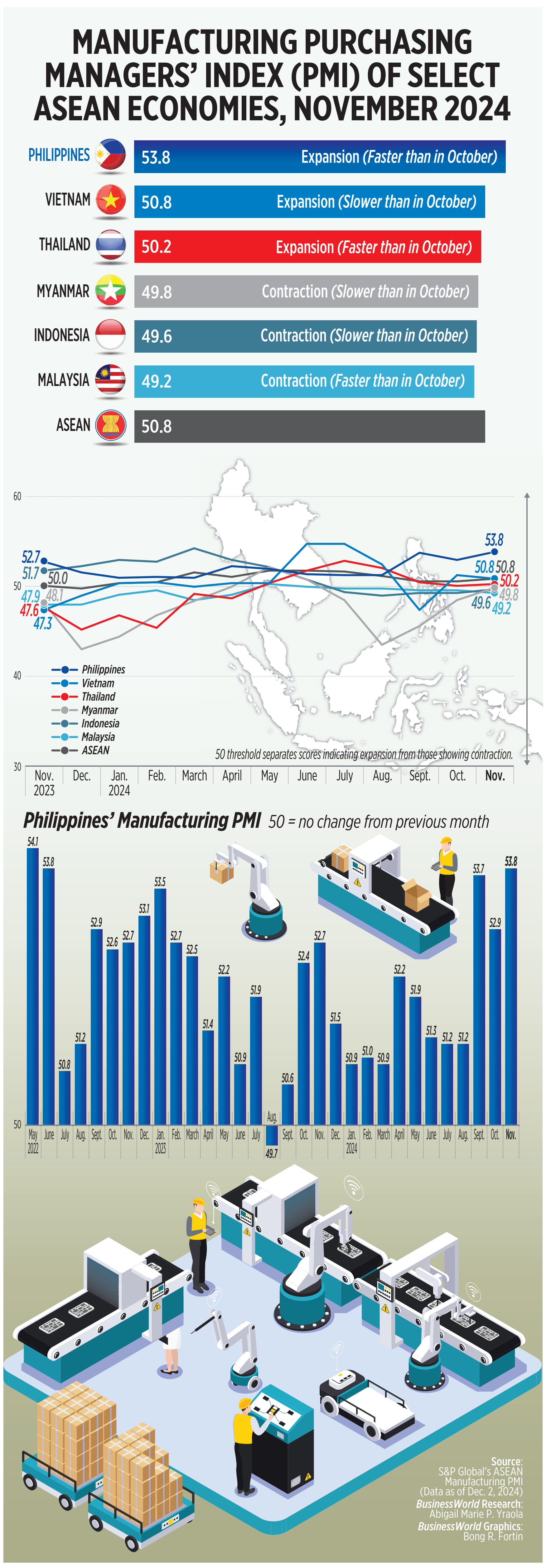
"However, if supply-side risks emerge, a whole-of-government approach should be taken to address inflationary pressures."

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

The Monetary Board is set to have its last policy review for the year on Dec. 19.

"As year-to-date inflation has returned to the upper half of the target range, the BSP has room to gradually adjust the policy rate to a moderately restrictive stance," AMRO said.

AMRO, S1/9



Factory activity expands in Nov.

By Aubrey Rose A. Inosante *Reporter*

PHILIPPINE MANUFACTURING ACTIVITY jumped to a 30-month high in November, as firms anticipate stronger demand in the coming months, a survey by S&P Global showed on Monday.

The S&P Global Philippines Manufacturing Purchasing Managers' Index (PMI) rose to 53.8 in November from 52.9 in October. This was the strongest improvement in operating conditions since the 54.1 reading in May 2022.

It also marked the 15th straight consecutive monthly improvement in manufacturing activity in the Philippines.

A PMI reading above 50 means improved operating conditions from the previous month, while a reading below 50 shows deterioration.

"November saw the Filipino manufacturing sector ramping up production in anticipation of greater sales in the coming months," Maryam Baluch, economist at S&P Global Market Intelligence, said in a report.

"Hiring, purchasing activity and post-production inventories were also raised in preparation. New sales recorded further growth, as demand conditions continued to improve."

The Philippines posted the highest PMI reading among six Association of Southeast Asian Nation (ASEAN) member countries, followed by Vietnam (50.8) and Thailand (50.2).

Myanmar (49.8), Indonesia (49.6) and Malaysia (49.2) all saw a contraction in PMI in November.

"Last month's headline improvement was led by a big bounce in the Philippines' gauge to 53.8 from 52.9, with the archipelago's stellar outperformance in this survey continuing to mask a lot of the softness across the broader region," Pantheon Macroeconomics Chief Emerging Asia Economist Miguel Chanco said in an e-mailed statement.

The average PMI among the six Southeast Asian economies stood at 50.8.

"Manufacturers eagerly anticipated a sales boost in the months ahead, prompting a notable ramp-up in production during the latest survey period, with growth accelerating from October," S&P said.

It noted that the increased production went to supporting the growth of new sales, as demand conditions rose for a 15th straight month.

"While the pace of increase moderated to a three-month low, it remained solid and historically strong. The uptick in output was also attributed by companies to inventory building," S&P said.

Factory, S1/9

FUEL PRICE TRACKER

(week-on-week change)

GASOLINE		
Nov. 19	▼	P0.85
Nov. 26	▲	P1.15
Dec. 3	▲	P0.90
DIESEL		
Nov. 19	▼	P0.75
Nov. 26	▲	P0.20
Dec. 3	▼	P0.20
KEROSENE		
Nov. 19	▼	P0.90
Nov. 26	▲	P0.80
Dec. 3	▼	P0.40

- ***Dec. 3, 12:01 a.m.*** — Caltex Philippines
- ***Dec. 3, 6 a.m.*** — Petron Corp.; Phoenix Petroleum; Pilipinas Shell Petroleum Corp.; PTT Philippines Corp.; Seaoil Philippines, Inc.
- ***Dec. 3, 8:01 a.m.*** — Cleanfuel (Shaw Autogas, Inc.)