

STOCK MARKET	ASIAN MARKETS	WORLD MARKETS	PESO-DOLLAR RATES	ASIAN MONIES-US\$ RATE	WORLD CURRENCIES	DUBAI CRUDE OIL
PSEi OPEN: 6,720.93 HIGH: 6,724.90 LOW: 6,642.71 CLOSE: 6,642.71 VOL.: 0.905 B VAL(P): 5.230 B 82.11 Pts. 1.22% 30 DAYS TO DECEMBER 11, 2024	DECEMBER 11, 2024 JAPAN (NIKKEI 225) 39,372.23 ▲ 4.65 0.01 HONG KONG (HANG SENG) 20,155.05 ▼ -156.23 -0.77 TAIWAN (WEIGHTED) 22,903.63 ▼ -221.45 -0.96 THAILAND (SET INDEX) 1,442.24 ▼ -5.29 -0.37 S.KOREA (KSE COMPOSITE) 2,442.51 ▲ 24.67 1.02 SINGAPORE (STRAITS TIMES) 3,794.72 ▼ -18.83 -0.49 SYDNEY (ALL ORDINARIES) 8,353.60 ▼ -39.40 -0.47 MALAYSIA (KLCSE COMPOSITE) 1,603.20 ▼ -5.77 -0.36	DECEMBER 10, 2024 DOW JONES 44,247.830 ▼ -154.100 NASDAQ 19,687.240 ▼ -49.450 S&P 500 6,034.910 ▼ -17.940 FTSE 100 8,280.360 ▼ -71.720 Euro Stoxx50 4,402.170 ▼ -28.500	FX OPEN P58.150 HIGH P58.130 LOW P58.300 CLOSE P58.280 W.AVE. P58.222 27.00 Cnts VOL. \$1,811.45 M 30 DAYS TO DECEMBER 11, 2024 SOURCE : BAP	DECEMBER 11, 2024 LATEST BID (0900GMT) JAPAN (YEN) 152.340 ▼ 151.470 HONG KONG (HK DOLLAR) 7.774 ▲ 7.776 TAIWAN (NT DOLLAR) 32.514 ▼ 32.486 THAILAND (BAHT) 33.850 ▼ 33.740 S. KOREA (WON) 1,434.060 ▼ 1,430.230 SINGAPORE (DOLLAR) 1.345 ▼ 1.341 INDONESIA (RUPIAH) 15,910 ▼ 15,860 MALAYSIA (RINGGIT) 4.430 ▼ 4.426	DECEMBER 11, 2024 US\$/UK POUND 1.2723 ▼ 1.2739 US\$/EURO 1.0498 ▼ 1.0527 US\$/AUST DOLLAR 0.6342 ▼ 0.6393 CANADA DOLLAR/US\$ 1.4188 ▲ 1.4179 SWISS FRANC/US\$ 0.8839 ▲ 0.8800	FUTURES PRICE ON NEAREST MONTH OF DELIVERY \$71.67/BBL \$0.09 30 DAYS TO DECEMBER 10, 2024

PHILIPPINE STOCK EXCHANGE'S 10 MOST ACTIVE STOCKS BY VALUE TURNOVER • DECEMBER 11, 2024 (PSEi snapshot on S1/5; article on S2/2)															
BDO	P153.000	BPI	P130.000	ALI	P27.200	ICT	P388.000	PLUS	P24.200	URC	P77.650	SMPH	P26.550	AREIT	P38.000
Value	P944,581,396	Value	P415,324,395	Value	P399,165,985	Value	P350,694,364	Value	P308,208,635	Value	P240,619,946	Value	P189,603,415	Value	P172,726,640
P1.000	▲ 0.658%	P0.100	▲ 0.077%	-P0.950	▼ -3.375%	-P16.800	▼ -4.150%	P0.950	▲ 4.086%	P0.150	▲ 0.194%	-P0.200	▼ -0.748%	P0.050	▲ 0.132%

TEL	P1,300.000	JFC	P268.600
Value	P172,669,535	Value	P118,137,708
-P20.000	▼ -1.515%	-P1.400	▼ -0.519%

NPL ratio highest in over two years

Lawmakers ratify 2025 national budget

By John Victor D. Ordoñez Reporter

PHILIPPINE LAWMAKERS on Wednesday evening ratified the bicameral conference committee report on the P6.352-trillion national budget for 2025.

The committee earlier on Wednesday approved the final version of the budget bill. After the measure is ratified by Congress, it will be sent to Malacañang.

Presidential Communications Office Secretary Cesar B. Chavez told reporters in a Viber message that Philippine President Ferdinand R. Marcos Jr. is “tentatively” scheduled to sign the 2025 General Appropriations Act on Dec. 20.

In the bicameral report, lawmakers scrapped the P74-billion subsidy for Philippine Health Insurance Corp. (PhilHealth) under next year’s budget, saying the agency needs to use its P600-billion reserve funds to boost its services.

“PhilHealth has P600 billion in reserve funds and they should use these to address delayed reimbursements, and we will use this (funding subsidy) to fund departments that need it more,” Senate Finance Committee Chairperson Mary Grace Natividad S. Poe-Llamanzares said in mixed English and Filipino.

Ms. Poe said PhilHealth would still have funding for its operations, but she did not give the exact figures.

Senator Joseph Victor G. Ejercito, one of the authors of the Universal Health Care (UHC) Act, said the legality of slashing the PhilHealth subsidy could be challenged since it is mandated under the sin tax and UHC laws.

“By law, this is really earmarked for PhilHealth’s use and for indirect contributors such as persons with disabilities, senior citizens and those who cannot pay for their premiums,” he told reporters later in the afternoon.

Senator Sherwin T. Gatchalian said PhilHealth could continue to provide services without the P74-billion yearly subsidy.

“It’s a question of spending, not cash flow,” he told reporters. “If you look at the balance sheet of PhilHealth, they’re very healthy and the reserve funds are quite substantial.”

In a statement, Senate Deputy Minority Floor Leader Ana Theresia N. Hontiveros-Baraquel opposed the removal of the subsidy for PhilHealth since it is mandated by the Constitution for the government to pay for the premiums of its indirect members.

“Despite these ‘excess or reserve funds’ there are still laws that mandate this, and it is illegal, unfair and potentially unconstitutional to remove it,” she said in a statement in mixed English and Filipino.

“If the government abandons this obligation, ordinary citizens will be burdened by their monthly contributions to PhilHealth.”

In August, the Senate passed on final reading a bill that seeks to cut PhilHealth premiums to 3.25% next year from 5% this year under the Universal Health Care Act.

Ms. Poe said the 2025 budget does not include a provision allowing the National Government to sweep unused funds of government-owned or -controlled corporations (GOCC).

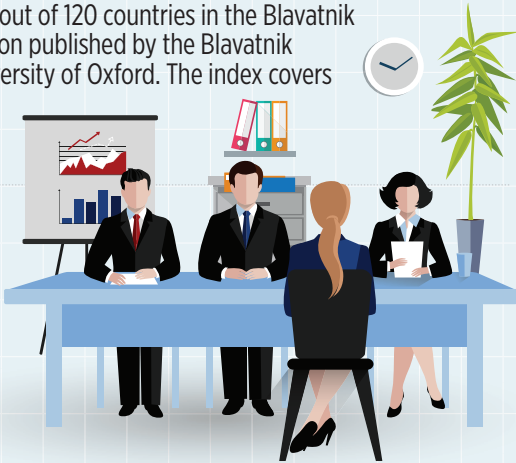
A provision in this year’s national budget authorized a cash sweep from GOCCs. The Supreme Court had blocked the transfer of P29.9 billion, the last tranche of PhilHealth’s P90 billion excess funds, to the Treasury.

The excess PhilHealth funds would have been used to support unprogrammed appropriations worth P203.1 billion, for state health, infrastructure and social service programs.

Budget, S1/9

PHILIPPINES 62nd IN PUBLIC ADMINISTRATION INDEX

The Philippines ranked 62nd out of 120 countries in the Blavatnik Index of Public Administration published by the Blavatnik School of Government, University of Oxford. The index covers 120 countries and their public administrations across four domains: strategy and leadership, public policy, national delivery, and people and processes. The country was tied with Argentina, Kenya, Panama, and Vietnam.



By Luisa Maria Jacinta C. Jocson Reporter

PHILIPPINE BANKS’ asset quality continued to worsen as the industry’s gross nonperforming loan (NPL) ratio rose to an over two-year high in October.

Preliminary data from the Bangko Sentral ng Pilipinas (BSP) showed the ratio rose to 3.6% from 3.47% in September and 3.44% a year ago.

This was the highest bad loan ratio since 3.75% in May 2022. It matched the 3.6% NPL ratio in June 2022.

Data from the BSP showed that soured loans rose by 1.3% to P524.31 billion in October from P517.45 billion a month earlier.

Year on year, bad loans jumped by 16.7% from P449.45 billion.

Loans are considered nonperforming once they remain unpaid for at least 90 days after the due date. These are deemed as risk assets since borrowers are unlikely to pay.

NPL, S1/9

ADB keeps PHL growth forecasts for 2024, 2025

THE ASIAN Development Bank (ADB) has kept its Philippine economic growth forecasts for this year and 2025, with expansion expected to be driven by easing inflation and lower interest rates.

Philippine gross domestic product (GDP) is expected to expand by 6% this year and 6.2% in 2025, the ADB said in its December 2024 Asian Development Outlook report, unchanged from its September forecasts.

Both projections are within the government’s revised GDP growth targets of 6%-6.5% for 2024 and 6%-8% for 2025.

“Household consumption and investment continue to drive the economy with both rising faster in the third quarter. Moderating inflation and monetary policy easing should continue to support growth,” the multilateral lender said in a report on Wednesday.

“On the supply side, buoyant services sector, construction, and manufacturing are contributing to overall growth,” the ADB said.

Services will remain a major growth driver for the Philippines, “with retail trade, tourism, and information technology—busi-

The total loan portfolio of the banking system stood at P14.55 trillion, down by 2.4% from P14.9 trillion at end-September. However, it rose by 11.3% from P13.07 trillion a year ago.

Past due loans went up by 1.3% to P640.88 billion in October from P632.87 billion in the month prior. It likewise climbed by 15% from P557.27 billion a year earlier.

This brought the past due ratio to 4.4%, higher than 4.25% in September and 4.26% a year ago.

On the other hand, restructured loans dropped by 0.6% month on month to P292.75 billion from P294.53 billion in September and by 5.3% from P309.16 billion in the previous year.

Restructured loans accounted for 2.01% of the industry’s total loan portfolio, higher than the 1.98% in the month prior but lower than 2.36% in October 2023.

Banks’ loan loss reserves stood at P487.52 billion, up by 1% from P482.84 billion in September and rising by 5.7% from P461.41 billion a year earlier.

NPL, S1/9

ness process outsourcing as major contributors,” it added.

“Public infrastructure projects continue to lift growth, along with brisk private construction,” the ADB said.

It expects the Philippines to be the second-fastest growing economy in Southeast Asia this year, behind Vietnam with 6.4% and ahead of Indonesia (5%), Malaysia (5%), Singapore (3.5%), and Thailand (2.6%).

“While Vietnam sees rising foreign investment, other Southeast Asian economies like Indonesia and the Philippines are on track to meet previous growth forecasts,” the ADB said. “However, geopolitical tensions, trade fragmentation, and severe weather events—such as Typhoon Yagi and Tropical Storm Trami — pose risks to growth, particularly in agriculture and infrastructure,” it added.

A series of storms hit the Philippines in November, resulting in about P10 billion worth of farm damage, according to the Department of Agriculture.

The World Bank on Tuesday trimmed its GDP growth projection for the Philippines to 5.9%, from 6%, reflecting the impact of typhoons.

ADB, S1/9

OECD urges Philippine market regulators to ease listing requirements

REGULATORS should consider easing requirements for listing in the Philippine stock market, as well as reducing fees, to encourage more companies to go public, the Organisation for Economic Co-operation and Development (OECD) said.

In its Capital Market Review of the Philippines released on Wednesday, the OECD said the number of newly listed firms and capital raised via initial public offerings (IPO) in the Philippines have been the lowest among the Association of

Southeast Asian Nations (ASEAN) since 2000.

“The authorities could consider easing listing requirements to encourage the listing of companies with growth potential,” it said.

The OECD said the listing process is lengthy and “suffers from organizational challenges, with requirements being less flexible than in peers.”

“As stock market conditions are highly sensitive to timing, delays in the listing process may discourage companies from pur-

suing an IPO. Lengthy review periods can cause companies to miss optimal market windows, potentially affecting their valuation and investor interest,” it said.

In the Philippines, public equity offerings require the approval of both the PSE and Securities and Exchange Commission (SEC).

The OECD recommended that the SEC and PSE collaborate to expedite the IPO approval process to encourage more companies to list on the stock exchange.

“A single listing submission process and a three-month commitment for IPO approval could streamline the process,” the OECD said.

SEC Commissioner McJill Bryant T. Fernandez said the commission has streamlined the requirements and shortened the process for IPOs, implementing a 45-day processing period.

The OECD also said regulators should reduce fees, simplify their structure and lower the stamp duty tax. It noted that list-

ing fees in the Philippines are also “relatively high,” and the fee structure is “more complex” than its peers.

Compared with the Philippines’ peer countries, the initial listing fee on the main market is relatively high at \$150 million (P8.3 billion). It is, however, in line with most peers for a small IPO worth \$10 million (P556 million) on the Small and Medium Enterprises (SME) Board.

“If you look at the listing fees of PSE, we’re talking about half

of a basis point. That’s less than one-tenth of 1%. That’s our listing fees,” he said. “And I don’t think that is a deal breaker for anybody who wants to list,” PSE President Ramon S. Monzon said during a panel discussion on Wednesday. “When you talk about listing fees, the biggest component would be the underwriting fees... I think it’s probably high because with the low liquidity of the market, there’s high risk for them,” he added.

OECD, S1/9