

STOCK MARKET		ASIAN MARKETS			WORLD MARKETS		PESO-DOLLAR RATES		ASIAN MONIES-US\$ RATE		WORLD CURRENCIES		DUBAI CRUDE OIL										
7350 7070 6790 6510 6230 5950 24.84 pts. 0.37% 30 DAYS TO DECEMBER 13, 2024 PSEi OPEN: 6,631.61 HIGH: 6,633.60 LOW: 6,583.61 CLOSE: 6,616.51 VOL.: 1.198 B VAL(P): 5.023 B	DECEMBER 13, 2024			CLOSE	NET	DECEMBER 13, 2024		CLOSE	NET	DECEMBER 13, 2024		LATEST BID (0900GMT)	PREVIOUS	DECEMBER 13, 2024		CLOSE	PREVIOUS	FUTURES PRICE ON NEAREST MONTH OF DELIVERY					
	JAPAN (NIKKEI 225)			39,470.44	▼	-378.70	-0.95	DOW JONES		43,828.060	▼	-86.060	JAPAN (YEN)		153.640	▼	152.580	US\$/UK POUND		1.2618	▼	1.2756	75.000 70.000 65.000 \$73.49/BBL 30 DAYS TO DECEMBER 13, 2024 \$0.72
	HONG KONG (HANG SENG)			19,971.24	▼	-425.81	-2.09	NASDAQ		19,926.724	▲	23.883	HONG KONG (HK DOLLAR)		7.775	—	7.775	US\$/EURO		1.0502	▼	1.0513	
	TAIWAN (WEIGHTED)			23,020.48	▼	-26.32	-0.11	S&P 500		6,051.090	▼	-0.160	TAIWAN (NT DOLLAR)		32.499	▲	32.502	US\$/AUST DOLLAR		0.6361	▼	0.6411	
	THAILAND (SET INDEX)			1,431.67	▼	-8.22	-0.57	FTSE 100		8,300.330	▼	-11.430	THAILAND (BAHT)		34.050	▼	33.800	CANADA DOLLAR/US\$		1.4229	▲	1.4136	
S.KOREA (KSE COMPOSITE)			2,494.46	▲	12.34	0.50	EURO STOXX50		4,392.270	▼	-24.380	S. KOREA (WON)		1,434.030	▼	1,431.050	SWISS FRANC/US\$		0.8926	▲	0.8871		
SINGAPORE (STRAITS TIMES)			3,810.35	▲	1.08	0.03						SINGAPORE (DOLLAR)		1.349	▼	1.344							
SYDNEY (ALL ORDINARIES)			8,296.00	▼	-34.30	-0.41						INDONESIA (RUPIAH)		15,990	▼	15,920							
MALAYSIA (KLCSE COMPOSITE)			1,608.75	▲	6.67	0.42						MALAYSIA (RINGGIT)		4.447	▼	4.435							

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PHILIPPINE STOCK EXCHANGE'S 10 MOST ACTIVE STOCKS BY VALUE TURNOVER • DECEMBER 13, 2024 (PSEi snapshot on SI/6; article on SI/2)

BDO	P150.000	ALI	P26.600	BPI	P132.000	ICT	P397.000	URC	P77.450	PLUS	P25.000	AC	P614.000	DITO	P1.520	SMPH	P26.200	SM	P888.000
Value	P676,936,513	Value	P406,890,425	Value	P268,209,630	Value	P209,168,702	Value	P196,927,411	Value	P194,196,555	Value	P142,135,635	Value	P137,555,530	Value	P130,705,755	Value	P118,837,585
P1.800	▲ 1.215%	-P0.350	▼ -1.299%	-P2.600	▼ -1.932%	P2.000	▲ 0.506%	-P0.050	▼ -0.065%	P0.550	▲ 2.249%	-P12.000	▼ -1.917%	P0.120	▲ 8.571%	P0.100	▲ 0.383%	-P15.000	▼ -1.661%

BSP to lower rates this week — poll

NG debt servicing soars to P217 billion in October

By Aubrey Rose A. Inosante
Reporter

THE NATIONAL GOVERNMENT'S (NG) debt service bill sharply rose in October as amortization payments for domestic borrowings went up, the Bureau of the Treasury (BTr) reported.

The latest data from BTr showed that the debt service bill stood at P216.85 billion in October, surging by 179% from P77.76 billion in the same month last year.

Month on month, the debt service bill also jumped by 131.65% from P93.61 billion in September.

Debt service refers to payments made by the government on domestic and foreign borrowings.

The bulk or 74.46% of debt payments in October were made up of amortization payments, BTr data showed.

Amortization payments soared by 759.89% to P161.46 billion in October from P18.78 billion in the same month last year.

Broken down, principal payments on domestic debt sharply increased to P120 billion in October from P1.94 billion in 2023.

Principal payments on external debt increased by 146.29% to P41.46 billion in October from P16.84 billion in the same month a year ago.

On the other hand, interest payments fell by 6% to P55.39 billion in October from P58.98 billion in the same month last year.

Domestic interest payments slid by 10.82% to P35.33 billion in October from P39.62 billion last year.

Interest paid to foreign creditors increased by 3.56% to P20.05 billion in October from P19.36 billion in the same month in 2023.

Debt servicing, SI/14

PHL financial system's total resources hit P32.8T

THE TOTAL RESOURCES of the Philippine financial system rose by an annual 9% as of October, preliminary data from the Bangko Sentral ng Pilipinas (BSP) showed.

The resources of banks and non-bank financial institutions increased to P32.8 trillion as of October from P30.1 trillion in the same period a year ago.

However, month on month, total resources slipped by 0.9% from P33.1 trillion in September.

These resources include funds and assets such as deposits, capital, as well as bonds or debt securities.

BSP data showed banks' resources jumped by 9.7% year on year to P27.28 trillion at end-October from P24.85 trillion a year ago.

Total resources held by universal and commercial banks climbed by 9.6% to P25.52 trillion as of end-October from P23.28 trillion in the

same period in 2023. Big banks accounted for the bulk or 77.8% of total resources.

Thrift banks' resources stood at P1.15 trillion, up by 7.4% from P1.07 trillion in the comparable year-ago period.

Resources held by digital banks surged by 34.8% to P113.8 billion as of October from P84.4 billion in the previous year. Only consolidated data from March 2023 are available for digital banks.

Rural and cooperative banks' resources amounted to P498.3 billion as of October, higher by 17% from P425.8 billion last year.

Meanwhile, latest data showed that nonbanks' resources went up by 5.3% to P5.52 trillion as of end-June from P5.25 trillion in the year-ago period. There are no data as of end-October.

Resources, SI/14

Philippine bond bourse says trades hit record \$162 billion

VOLUME TRADED in the secondary market for peso bonds issued by Philippine entities reached a record of more than \$160 billion this year, according to the nation's fixed-income bourse, with the momentum likely to be sustained.

"It seems that we will be poised to sustain this level of market activity," Antonino Nakpil, president of the Philippine Dealing & Exchange Corp. said on Friday, citing recent market reforms, including the launch of a revamped interest rate swap.

As of Thursday, P9.5 trillion (\$162 billion) worth of debt securities have changed hands, he said, adding the monthly volume averaged P1.1 trillion from July to November.

In the primary market, new listings and enrollments of bonds at the local bond exchange reached P362.2 billion this year, outpacing P209 billion in 2023, he said.

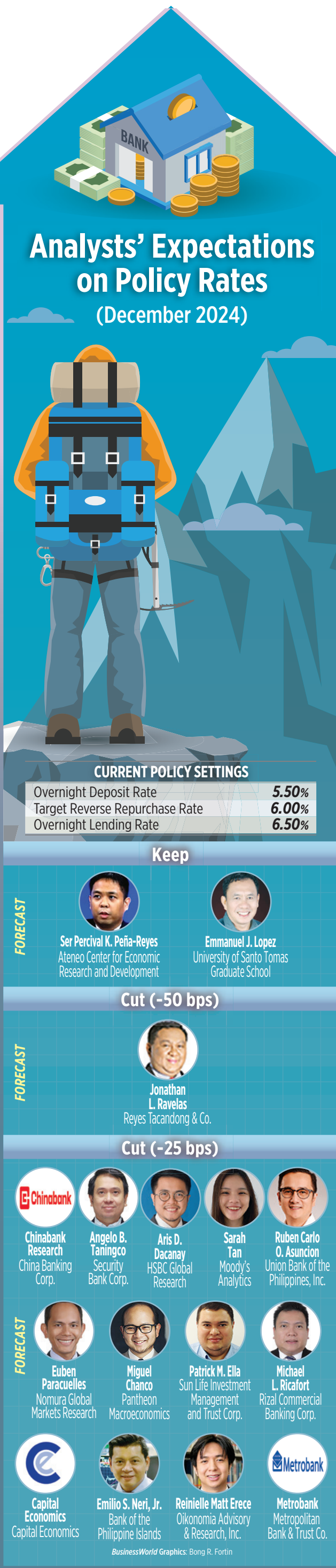
The Southeast Asian nation is pushing to deepen its capital mar-

ket with reforms including the rate swaps launched last month and cutting the process for taxing residents of countries covered by tax treaties. A developed capital market helps businesses raise money apart from bank loans and provides more options for investors.

The peso interest rate swap market should facilitate bond issuances by Philippine firms, Mr. Nakpil said. The PDS Group, parent of the fixed-income exchange, is also looking to launch a forward bond program that will provide another interest rate hedging mechanism for portfolio managers, he said.

The Securities and Exchange Commission is expected to approve it soon, he added.

PDS is also set to start digitalizing documents this month including short-tenor instruments like commercial papers to encourage smaller enterprises to access debt markets. — **Bloomberg**



By Luisa Maria Jacinta C. Jocson
Reporter

THE BANGKO SENTRAL ng Pilipinas (BSP) is expected to continue its rate-cutting cycle at its last policy review for the year on Thursday, analysts said.

A *BusinessWorld* poll conducted last week showed that 13 out of 16 analysts expect the Monetary Board to reduce the target reverse repurchase (RRP) rate by 25 basis points (bps) at its meeting on Dec. 19.

If realized, this would bring the benchmark rate to 5.75% from the current 6%.

This would also mark the third straight meeting the central bank will cut rates since it began its easing cycle in August with a 25-bp cut. It trimmed borrowing costs by another 25 bps in October.

On the other hand, one analyst expects the central bank to cut by 50 bps, while two analysts see the BSP keeping policy rates unchanged on Thursday.

"We now expect the BSP to cut the RRP rate by 25 bps at their Dec. 19 policy meeting," Bank of the Philippine Islands Lead Economist Emilio S. Neri, Jr. said. "While a pause (or skip) remains possible, recent economic data and external developments have aligned in favor of monetary easing," he added.

Analysts attributed the expectations of another rate cut to easing inflation and weaker-than-expected third-quarter gross domestic product (GDP) data.

"My forecast is for the BSP to cut by 25 bps to 5.75% next week. Factors for this decision are GDP growth and inflation trend and outlook," Security Bank Vice-President and Research Division Head Angelo B. Taningco said.

"We expect BSP to cut the policy rate by 25 bps to 5.75% with the latest inflation data still well within its target and the outlook continues to be benign," Nomura Global Markets Research analyst Euben Paracuelles said.

Headline inflation stood at 2.5% in November, bringing the 11-month average to 3.2%. This is still well within the BSP's 2-4% target band.

The central bank expects inflation to settle at 3.1% this year.

"We think that it is ripe for the BSP to cut another 25 bps this December. Inflation staying within the BSP's target is one of the main reasons why we think

that the BSP will consider to cut," Ruben Carlo O. Asuncion, chief economist at Union Bank of the Philippines, Inc., said.

Mr. Neri said the inflation outlook for next year also supports the case for a rate cut.

For next year, the BSP expects inflation to average 3.2%, still within target.

"Recent inflation prints have been at the lower end of the BSP's 2-4% target range, and we estimate that inflation will remain firmly within target going forward," Chinabank Research said.

SLOWING GROWTH

Slower-than-expected economic output may also prompt further easing, analysts said.

Chinabank Research said the BSP may be prompted to further ease policy to "provide an additional boost to the economy, especially on the investments side."

"Members are likely to be persuaded to ease further in the wake of the weaker-than-expected third-quarter GDP print, which we rightly predicted would disappoint market expectations," Pantheon Chief Emerging Asia Economist Miguel Chanco said.

The Philippine economy sharply slowed to 5.2% in the third quarter from 6.4% in the second quarter and 6% a year prior.

Economic growth averaged 5.8% in the first nine months, short of the government's revised 6-6.5% target for the year.

"Recent Philippine economic activity data have fallen short of government and analyst expectations," Mr. Neri said.

"Thus, while many other factors have dragged economic performance since the pandemic, pressure on government officials to deliver a rate cut continues to build, especially ahead of the mid-term elections," he added.

Expectations of the US Federal Reserve's continued easing cycle will also make more room for the BSP's own rate cuts.

"If the US Fed doesn't deliver its own 25 bps (cut), we believe that the BSP will all the more consider cutting key interest rates," Mr. Asuncion said.

Trader bets on the cut at the US central bank's Dec. 17-18 meeting stand at near 97%, according to CME's FedWatch Tool, Reuters reported.

"The latest US inflation report reinforced expectations of a 25-bp rate cut from the Fed (this) week," Chinabank Research said.

Poll, SI/14



A FESTIVE PRELUDE (MANILA, PHILIPPINES) RHK Land and The Velaris Residences ushered in the Christmas season with an elegant event at their stunning Show Gallery in Bridgetowne. The showroom was adorned with exquisite holiday decorations. Guests were captivated by performances from the Halili-Cruz School of Ballet and Kammerchor Manila. Santa Claus also made a special appearance to delight the young attendees. Pictured here are the talented performers with RHK Land Head of Marketing Martha Herrera-Subido and RHK Land Head of Sales Ehryq Young. To own a piece of one of the city's most coveted addresses, visit thevelarisresidences.com to learn more about the property.