P25 IN METRO MANILA, PHILIPPINES

BusinessWorld

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

STOCK MARKET

PSEi — 30 DAYS TO JANUARY 17, 2025 — ▲ 86.60 PTS. 1.38%

OPEN:	6,329.43
HIGH:	6,352.12
LOW:	6,278.11
CLOSE:	6,352.12
VOL.:	0.994 B
VAL(P):	4.934 B

ASIAN MARKETS

JANUARY 17, 2025

	CLOSE		NET	%
Japan (Nikkei 225)	38,451.46	▼	-121.14	-0.31
Hong Kong (Hang Seng)	19,584.06	▲	61.17	0.31
Taiwan (Weighted)	23,148.08	▲	122.98	0.53
Thailand (SET Index)	1,340.63	▼	-11.93	-0.88
S.Korea (Kse Composite)	2,523.55	▼	-3.94	-0.16
Singapore (Straits Times)	3,810.78	▲	9.65	0.25
Sydney (All Ordinaries)	8,310.40	▼	-16.60	-0.20
Malaysia (Klse Composite)	1,566.72	▲	11.18	0.72

WORLD MARKETS

JANUARY 17, 2025

	CLOSE		NET
Dow Jones	43,487.830	▲	334.700
NASDAQ	19,630.199	▲	291.909
S&P 500	5,996.660	▲	59.320
FTSE 100	8,505.220	▲	113.320
Euro Stoxx50	4,471.050	▲	18.130

PESO-DOLLAR RATES

FX — 30 DAYS TO JANUARY 17, 2025 — ▼ 3.00 CTVS

OPEN	P58.550
HIGH	P58.480
LOW	P58.670
CLOSE	P58.640
W.AVE.	P58.555
VOL.	$1,599.50 M

SOURCE : BAP

ASIAN MONIES-US$ RATE

JANUARY 17, 2025

	LATEST BID (0900GMT)		PREVIOUS
Japan (yen)	156.300	▼	155.830
Hong Kong (HK dollar)	7.786	▲	7.788
Taiwan (NT dollar)	32.891	▲	32.914
Thailand (baht)	34.290	▲	34.560
S. Korea (won)	1,456.030	▲	1,456.770
Singapore (dollar)	1.369	▼	1.367
Indonesia (rupiah)	16,360	▼	16,355
Malaysia (ringgit)	4.504	▼	4.502

WORLD CURRENCIES

JANUARY 17, 2025

	CLOSE		PREVIOUS
US$/UK pound	1.2163	▼	1.2205
US$/Euro	1.0271	▼	1.0294
US$/Aust dollar	0.6190	▼	0.6216
Canada dollar/US$	1.4480	▲	1.4371
Swiss Franc/US$	0.9149	▲	0.9107

DUBAI CRUDE OIL

FUTURES PRICE ON NEAREST MONTH OF DELIVERY

$84.55/bbl — $0.0 — 30 DAYS TO JANUARY 17, 2025

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PHILIPPINE STOCK EXCHANGE'S 10 MOST ACTIVE STOCKS BY VALUE TURNOVER • JANUARY 17, 2025 (PSEi snapshot on *S1/2*; article on *S2/2*)

		Value			
BDO	P145.000	P560,449,292	P7.000	▲	5.072%
ICT	P399.000	P490,371,836	P5.000	▲	1.269%
SM	P835.000	P359,852,370	P14.000	▲	1.705%
SGP	P12.900	P275,403,736	-P0.600	▼	-4.444%
ALI	P25.800	P272,863,800	P0.050	▲	0.194%
TEL	P1,295.000	P211,879,880	-P20.000	▼	-1.521%
SMPH	P24.600	P189,489,305	P0.450	▲	1.863%
JFC	P247.000	P171,436,780	P4.400	▲	1.814%
AC	P575.000	P136,941,270	P10.000	▲	1.770%
MBT	P70.250	P118,439,181	P0.250	▲	0.357%

IMF sees faster PHL growth until 2026

By Luisa Maria Jacinta C. Jocson
Reporter

THE PHILIPPINE ECONOMY will continue to accelerate from this year to 2026 as domestic demand remains robust, the International Monetary Fund (IMF) said, but warned risks are tilted to the downside due to possible external shocks.

At the same time, Finance Secretary Ralph G. Recto said that the Philippines likely failed to hit its 6-6.5% growth goal for 2024, amid typhoons.

"If it hits 6% in the fourth quarter, I'll be happy with that. I don't think it will hit 6% for 2024, but I think it will surpass 6% in 2025," Mr. Recto told reporters on Jan. 16.

For the first nine months of 2024, Philippine growth averaged 5.8%, the same as the IMF's projection for the full year. Preliminary fourth-quarter and full-year gross domestic product (GDP) data will be released on Jan. 30.

In its latest World Economic Outlook update, the IMF kept its GDP forecasts for the Philippines at 6.1% this year and 6.3% for 2026, the same as its projections in October.

These would fall within the government's 6-8% GDP target for 2025 and 2026.

"Growth for 2025-2026 is projected to be primarily driven by domestic demand, namely consumption and investment," an IMF spokesperson said in an e-mail.

"Consumption growth will be supported by lower food prices and gradual monetary policy easing," it added.

Latest data from the Philippine Statistics Authority showed household consumption, which accounts for over three-fourths of the economy, jumped by 5.1% in the third quarter from 4.7% a quarter ago.

"Investment growth is expected to pick up on the back of a sustained public investment push, gradually declining borrowing costs and acceleration in the implementation of public-private partnership projects and foreign direct investments (FDI), following recent legislative reforms," the IMF said.

Gross capital formation, the investment component of the economy, expanded by 13.1% in the third quarter, a turnaround from the 0.3% dip a year ago.

However, the IMF said that the balance of risks to the growth outlook is tilted to the downside, citing external risks.

"Some of the main downside risks include recurrent commodity price volatility, and new supply shocks, which may necessitate tighter monetary policy to anchor inflation expectations," it said.

IMF, S1/10

Second Trump term adds to PHL economic uncertainty

By Luisa Maria Jacinta C. Jocson *and* **Aubrey Rose A. Inosante** *Reporters*

THE SECOND TERM of US President-elect Donald J. Trump could add more uncertainty to the Philippine economy, which could possibly impact trade prospects, financial flows, and monetary policy, analysts said.

However, the Philippines, which is heavily reliant on the US for business and economic activity, could also stand to gain from some of Mr. Trump's policies, they added.

Mr. Trump is set to be sworn in as US president on Jan. 20. For his second term, he has vowed to impose tariffs of up to 60% on imports of Chinese goods and 25% for Canadian and Mexican imports, as well as a 10% universal tariff.

Finance Secretary Ralph. G. Recto told *BusinessWorld* that it is "too early to tell" what would be the economic implications of Mr. Trump's policies on the Philippines.

"For now, there's a lot of uncertainty. Having said that, there are also many opportunities," he said in a Viber message.

Pantheon Macroeconomics Chief Emerging Asia Economist Miguel Chanco said that the economic impact of Trump 1.0 versus Trump 2.0 will be more global.

Trump, S1/10

External debt service burden rises at end-Oct.

THE COUNTRY'S external debt service burden jumped by almost 20% as of end-October, preliminary data from the Bangko Sentral ng Pilipinas (BSP) showed.

Debt servicing on external borrowings climbed by 19.8% to $14.475 billion in the January-October period from $12.078 billion in the same period in 2023. BSP data showed principal payments surged by 23.6% to $7.846 billion from $6.349 billion in the same period in 2023.

Amortization accounted for over half (54.2%) of debt servicing during the period.

Meanwhile, interest payments rose by 15.7% to $6.629 billion in the first 10 months from $5.73 billion in the previous year.

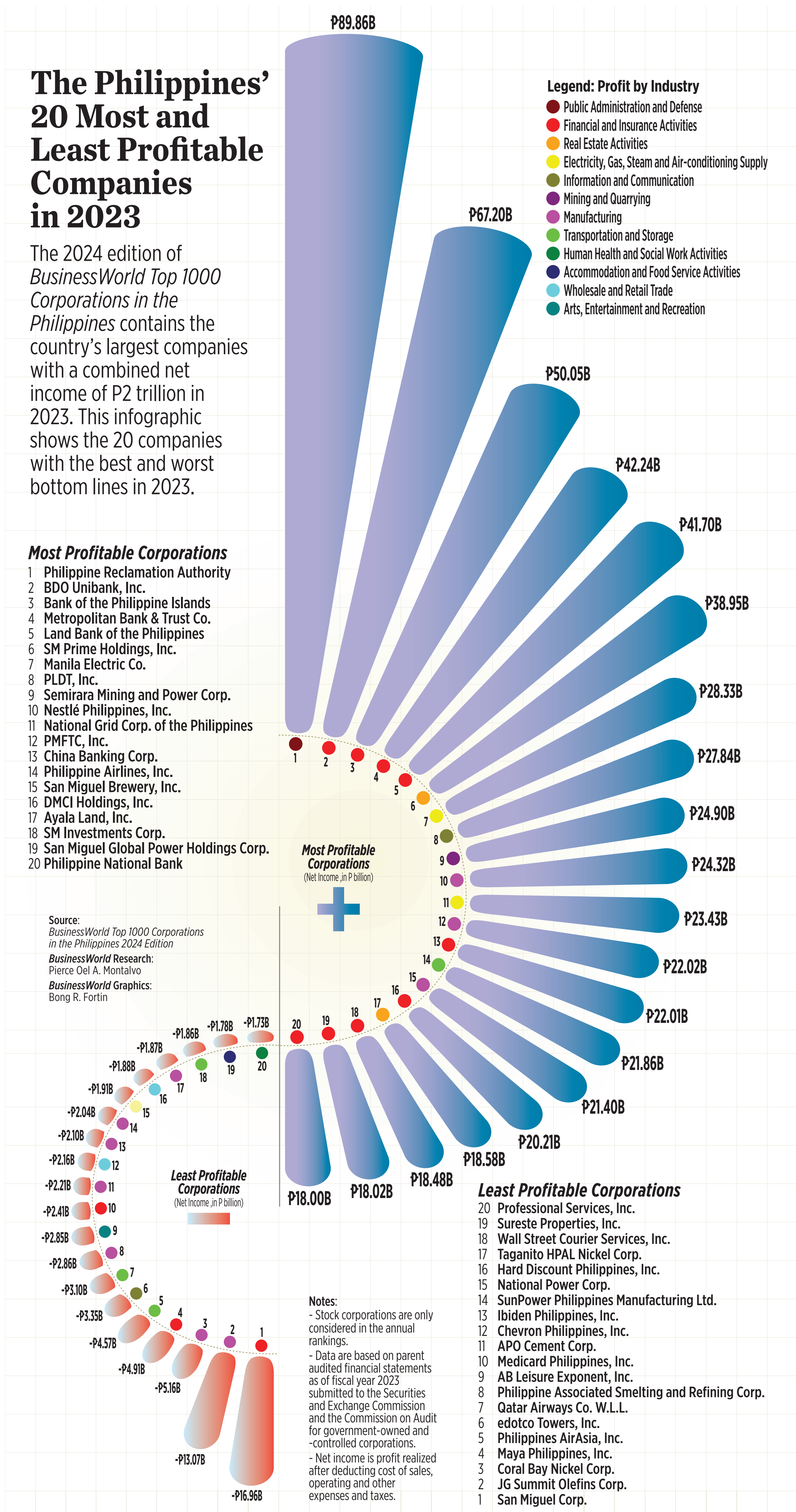
At end-September, the external debt service burden as a share of gross domestic product (GDP) stood at 3.9%, up from 3.5% in the previous year.

Separate data from the BSP showed the Philippines' outstanding external debt hit a record $139.64 billion as of end-September, higher by 17.5% year on year.

Broken down, this was composed of $86.88 billion in public sector debt and $52.76 billion from private sector obligations.

This brought the external debt-to-GDP ratio to 30.6% at the end of the third quarter.

The BSP's external debt data cover borrowings of Philippine residents from nonresident creditors, regardless of sector, maturity, creditor type, debt instruments or currency denomination. **— L.M.J.C. Jocson**



Government spending to slow in 1st half

GOVERNMENT SPENDING is likely to slow in the first half of 2025 due to the election ban on public works and congressional insertions in the national budget, the Department of Budget and Management (DBM) said.

Budget Assistant Secretary Romeo Matthew T. Balanquit said government spending in the first two quarters "might be lower" compared with the same period in 2024 due to the public works ban ahead of the May elections.

The Commission on Elections (Comelec) will implement a ban on public works on March 28 or 45 days before the May 12 elections. Social welfare dole-outs are also prohibited during the period.

The Development Budget Coordination Committee earlier said there "may be a slowdown in project execution during the first half of 2025 on account of the upcoming midterm national and local elections."

However, the DBM said that infrastructure spending ahead of the election will not be "disrupted" by the election ban, as "the phasing of the projects is already planned, especially in the transport sector."

"The only infrastructure projects affected are those worth P707 billion, covering over 12,900 projects, the bulk of which are under the Department of Public Works and Highways (DPWH)," DBM Undersecretary Goddes Hope O. Libiran said.

At the same time, Mr. Balanquit said budget releases may be slower as the congressional adjustments under the 2025 General Appropriations Act will be subject to a process called For Issuance of Special Allotment Release Orders (FISARO) before being released.

The SARO will only be released once agencies meet the necessary requirements and secure approvals from the Executive Secretary and the Office of the President.

"Now, the release might not be that significant because of the P757-billion [adjustments], which is around 11% or 12% of the total budget. So, it's really a big amount," Mr. Balanquit told reporters on Jan. 16.

Last year, most of the national budget was already released around the first month without the required conditions.

Meanwhile, former Finance Secretary Margarito B. Teves said that spending on public works usually falls in April and May during election years due to the 45-day ban.

"However, we see the impact as minimal given that the National Government always seeks the exemption of infrastructure projects from the ban, particularly those of national significance," he told *BusinessWorld* in an e-mail over the weekend.

Mr. Teves added that the ban will affect projects at the local and district levels more than those at the national level.

Spending, S1/10