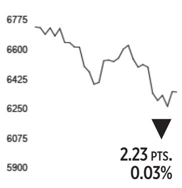
P25 IN METRO MANILA, PHILIPPINES

BusinessWorld

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

STOCK MARKET



PSEi

OPEN:	6,319.83
HIGH:	6,382.25
LOW:	6,316.85
CLOSE:	6,349.89
VOL.:	1.543 B
VAL(P):	3.808 B

▼ 2.23 PTS. 0.03%

30 DAYS TO JANUARY 20, 2025

ASIAN MARKETS

JANUARY 20, 2025

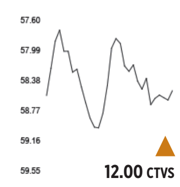
	CLOSE		NET	%
Japan (Nikkei 225)	38,902.50	▲	451.04	1.17
Hong Kong (Hang Seng)	19,925.81	▲	341.75	1.75
Taiwan (Weighted)	23,266.82	▲	118.74	0.51
Thailand (SET Index)	1,340.59	▼	-0.04	0.00
S.Korea (Kse Composite)	2,520.05	▼	-3.50	-0.14
Singapore (Straits Times)	3,811.89	▲	1.11	0.03
Sydney (All Ordinaries)	8,347.40	▲	37.00	0.45
Malaysia (Klse Composite)	1,572.34	▲	5.62	0.36

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

OPEN	P58.520
HIGH	P58.450
LOW	P58.600
CLOSE	P58.520
W.AVE.	P58.529
VOL.	$1,227.42 M

▲ 12.00 CTVS

30 DAYS TO JANUARY 20, 2025

SOURCE : BAP

ASIAN MONIES-US$ RATE

JANUARY 20, 2025

	LATEST BID (0900GMT)		PREVIOUS
Japan (yen)	156.230	▲	156.300
Hong Kong (HK dollar)	7.784	▲	7.786
Taiwan (NT dollar)	32.764	▲	32.891
Thailand (baht)	34.310	▼	34.290
S. Korea (won)	1,449.760	▲	1,456.030
Singapore (dollar)	1.365	▲	1.369
Indonesia (rupiah)	16,355	▲	16,360
Malaysia (ringgit)	4.490	▲	4.504

WORLD CURRENCIES

JANUARY 20, 2025

	CLOSE		PREVIOUS
US$/UK pound	1.2177	▲	1.2163
US$/Euro	1.0308	▲	1.0271
US$/Aust dollar	0.6198	▲	0.6190
Canada dollar/US$	1.4473	▼	1.4480
Swiss Franc/US$	0.9134	▼	0.9149

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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S1/1-12 • 2 SECTIONS, 16 PAGES

PHILIPPINE STOCK EXCHANGE'S 10 MOST ACTIVE STOCKS BY VALUE TURNOVER • JANUARY 20, 2025 (PSEi snapshot on *S1/4*; article on *S2/2*)

		Value			
SM	P830.000	P358,440,705	-P5.000	▼	-0.599%
BDO	P146.200	P327,519,182	P1.200	▲	0.828%
ALI	P25.250	P243,398,585	-P0.550	▼	-2.132%
SGP	P13.500	P241,400,608	P0.600	▲	4.651%
ICT	P396.000	P224,542,118	-P3.000	▼	-0.752%
MER	P495.000	P214,704,846	P4.000	▲	0.815%
SMPH	P24.100	P199,481,510	-P0.500	▼	-2.033%
CNVRG	P17.540	P185,331,264	P0.580	▲	3.420%
MBT	P71.200	P140,683,188	P0.950	▲	1.352%
URC	P68.800	P115,514,402	P0.200	▲	0.292%

BPO sector seen to drive PHL growth

CITIGROUP, INC. (Citi) expects the Philippine economy to expand by around 6% this year, partly driven by sustained growth in the business process outsourcing (BPO) sector.

"We expect the growth in 2025 to stay within the 6% handle," Citi Asia South Head Amol Gupte said in an online briefing on Monday.

Citi's forecast would be at the low end of the government's 6-8% target for the year.

"The Philippines will continue to benefit from [the BPO industry] and will create a lot of jobs. On moving up the value chain on global capability centers, countries like the Philippines will play a very large role along with India," Mr. Gupte said.

The information technology and business process management (IT-BPM) industry ended 2024 with $38 billion in export revenue, and 1.82 million full-time employees.

Under the Philippine IT-BPM Industry Roadmap, the target is to grow into a $59-billion industry and increase the full-time employee count to 2.5 million by 2028.

"So, I think it's really important that the Philippines, as it thinks about the BPO industry, moves up the value chain so that it retains and bring more middle-office kinds of jobs beyond the voice jobs that exist in the tens of thousands," Mr. Gupte said.

However, the rise of artificial intelligence (AI) could be a risk to the IT-BPM sector in the Philippines.

"There's also the risk to that in terms of what AI will do to that industry and whether that will reduce jobs," Mr. Gupte said.

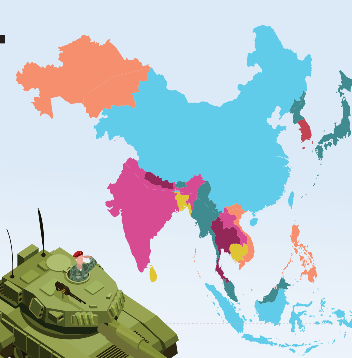
Meanwhile, Citi South Asia Corporate Banking Head K Balasubramanian said sustained economic growth ensures that Philippine banks are well-positioned to continue to generate profits.

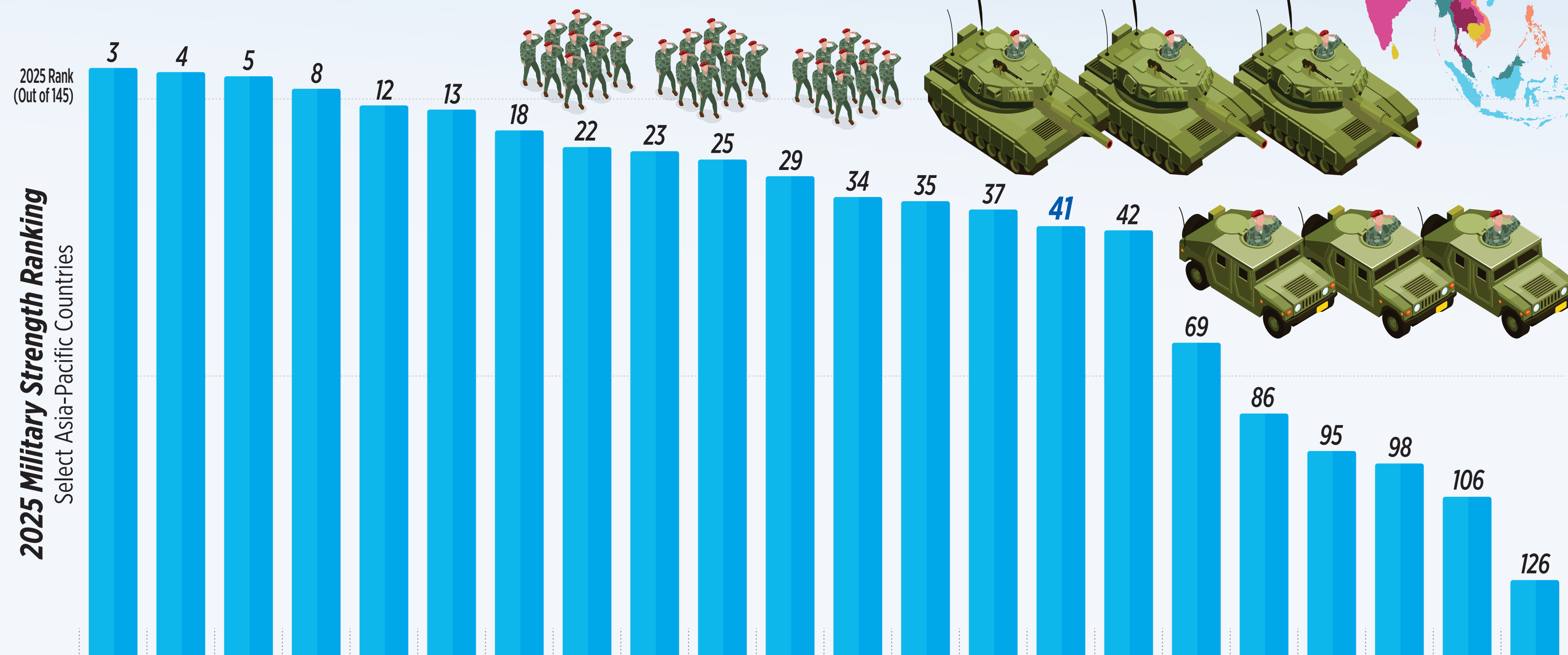
"I think the financial profile of the Filipino banks continues to be very strong, and with 6% growth I think they are well capitalized to look at the opportunities ahead," he said.

BPO, S1/8

PHILIPPINES WORSENS IN MILITARY STRENGTH LIST

The Philippines fell seven notches to place 41st out of 145 countries in the latest edition of the Military Strength Ranking by Global Firepower (GFP) with a PowerIndex score of 0.6987. The ranking utilizes over 60 individual factors to determine a nation's PowerIndex (PwrIndx), covering war-making capability across land, sea, and air fought by conventional means.* The smaller the PwrIndx value, the more powerful a nation's perceived fighting capability is.





2025 Military Strength Ranking — Select Asia-Pacific Countries

Country	2025 Rank (Out of 145)	2025 Power Index Score	Rank Changes from 2024
China	3	0.0788	0
India	4	0.1184	0
South Korea	5	0.1656	0
Japan	8	0.1839	▼1
Pakistan	12	0.2513	▼3
Indonesia	13	0.2557	0
Australia	18	0.3298	▼2
Taiwan	22	0.3988	▲2
Vietnam	23	0.4024	▼1
Thailand	25	0.4536	0
Singapore	29	0.5271	▲1
North Korea	34	0.6016	▲2
Bangladesh	35	0.6062	▲2
Myanmar	37	0.6735	▼2
Philippines	41	0.6987	▼7
Malaysia	42	0.7429	0
Sri Lanka	69	1.3941	▲6
New Zealand	86	1.9039	▼19
Cambodia	95	2.0752	▲16
Mongolia	98	2.1135	▲7
Laos	106	2.2663	▲6
Nepal	126	2.8915	▲2

Top 10

2025 Rank (Out of 145)	Country	Rank Changes from 2024	2025 Power Index Score
1	United States	0	0.0744
2	Russia	0	0.0788
3	China	0	0.0788
4	India	0	0.1184
5	South Korea	0	0.1656
6	United Kingdom	0	0.1785
7	France	▲4	0.1878
8	Japan	▼1	0.1839
9	Turkey	▼1	0.1902
10	Italy	0	0.2164

Bottom 10

2025 Rank (Out of 145)	Country	Rank Changes from 2024	2025 Power Index Score
145	Bhutan	0	6.3934
144	Benin	▼3	4.3156
143	Central African Rep.	▼6	4.2347
142	Somalia	0	4.2037
141	Kosovo	▼6	4.9141
140	Sierra Leone	▼2	3.9701
139	Suriname	▲4	3.9127
138	Liberia	▲2	3.7781
137	Beliz	▲2	3.7191
136	Panama	▼2	3.6575

Notes:
- In 2025, the index evaluated 145 countries according to their modern military power, collating data from more than 60 individual factors. However, a perfect PwrIndx of 0.0000 is realistically unattainable in the scope of GFP's current formula.

*Nuclear capability is not taken into account.

Source: Global Firepower's 2025 Military Strength Ranking (https://www.globalfirepower.com/)
BusinessWorld Research: Kenneth H. Hernandez
BusinessWorld Graphics: Bong R. Fortin

DoF chief seeks to woo global investors in Davos

MORE INVESTMENTS would be needed for the Philippines to be able to reach the high end of its growth target, Finance Secretary Ralph G. Recto said.

This week, Mr. Recto is hoping to woo global investors at the World Economic Forum (WEF) annual meeting in Davos, Switzerland.

Mr. Recto, Trade Secretary Ma. Cristina A. Roque, House Speaker Ferdinand Martin G. Romualdez and Ambassador and Philippine Permanent Representative to the World Trade Organization (WTO) Manuel Antonio J. Teehankee are scheduled to hold an economic briefing for global investors in Davos.

"The event will showcase the country's promising potential as the next big investment destination, especially with the recent enactment of the Corporate Recovery and Tax Incentives for Enterprises to Maximize Opportunities for Reinvigorating the Economy (CREATE MORE) Act," the Department of Finance (DoF) said in a statement.

CREATE MORE expanded tax incentives and streamlined value-added tax processes in a bid to make the Philippines more attractive to foreign investors.

"In the latest DBCC (Development Budget Coordination Committee), our projected growth is 6% to 8%. It would appear that the consensus would be anywhere from 6% to 7%. But it all depends. We passed CREATE MORE. We're going to WEF... We will present CREATE MORE, and hopefully we're able to get more investments," Mr. Recto told reporters on Jan. 16.

Asked if the 8% growth target is realistic, Mr. Recto said: "It all depends. It really all depends on how much investments take place."

The DBCC in December widened the gross domestic product growth target band to 6-8% for 2025 until 2028, due to "evolving domestic and global uncertainties."

The Finance chief is also slated to hold one-on-one meetings with global firms, including banks, manufacturers, and technology companies to discuss possible investment and expansion in the Philippines.

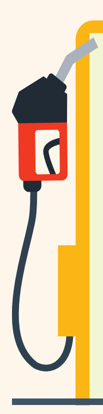
In a separate statement, Ms. Roque said the WEF "presents a unique platform to showcase the Philippines as a dynamic and a resilient economy, driven by innovation and inclusivity."

"Our participation underscores our commitment to strengthening international partnerships that uplift Philippine industries to thrive in the global marketplace," she said.

Davos, S1/8

FUEL PRICE TRACKER

(week-on-week change)



GASOLINE		
Jan. 7	▲	P1.00
Jan. 14	▲	P0.80
Jan. 21	▲	P1.65
DIESEL		
Jan. 7	▲	P1.40
Jan. 14	▲	P0.90
Jan. 21	▲	P2.70
KEROSENE		
Jan. 7	▲	P1.00
Jan. 14	▲	P0.80
Jan. 21	▲	P2.50

- *Jan. 21, 12:01 a.m.* — Caltex Philippines
- *Jan. 21, 6 a.m.* — Petron Corp.; Phoenix Petroleum; Pilipinas Shell Petroleum Corp.; PTT Philippines Corp.; Seaoil Philippines, Inc.
- *Jan. 21, 8:01 a.m.* — Cleanfuel (Shaw Autogas, Inc.)

DoTr weighs options for MRT-3

By Ashley Erika O. Jose
Reporter

THE Department of Transportation (DoTr) is still considering two options for the planned bidding of the operations and maintenance (O&M) contract for Metro Rail Transit Line 3 (MRT-3), an official from the Transportation department said.

"In terms of MRT-3, the present contract was established through the BOT (build-operate-transfer) system. That contract will expire or will end this July. The DoTr right now is considering its two options," Transportation Undersecretary for Railways Jeremy S. Regino told reporters last week.

"Our study is already ongoing, and we will have to decide on this within the year."

In 2024, the Transportation department said that it plans to bid out the concession for the O&M of MRT-3 by the first quarter of this year.

"The study is now ongoing. This is a big project, and we are studying its implications. We are evaluating the best possible options," Mr. Regino said.

He hinted that it is possible for the MRT-3 contract to lapse first before the DoTr comes up with a decision on the project.

The Sobrepeña-led Metro Rail Transit Corp. (MRTC) is set to turn over the MRT-3 to the government by July once its BOT agreement lapses.

The government said previously that it hopes to privatize MRT-3 before the contract expires this year.

The Transportation department is carefully studying its privatization options for the MRT-3, Mr. Regino said, adding that Asian Development Bank is also helping the agency assess whether it would go the solicited or unsolicited route for the project.

Meanwhile, Public-Private Partnership (PPP) Center Deputy Executive Director Jeffrey I. Manalo said that the DoTr had rejected the unsolicited proposal of Metro Pacific Investments Corp. (MPIC) for the MRT-3 project.

MRT-3, S1/8

Elections may help boost consumer goods firms' bottom line

By Revin Mikhael D. Ochave
Reporter

LISTED CONSUMER GOODS companies may see a boost in their bottom line this year as demand is expected to increase ahead of the May elections, analysts said.

AP Securities, Inc. Research Head Alfred Benjamin R. Garcia said the likely increase in sales of fast-moving consumer goods during the campaign season would lift earnings of companies such as Jollibee Foods Corp., Puregold Price Club Inc., Universal Robina Corp., and Monde Nissin Corp.

"Historically, we tend to see higher spending on consumer goods during election years," he said in a Viber message.

"This is more pronounced during presidential elections, but the effect is still there to a lesser extent during midterms," he added.

Luna Securities, Inc. Research Officer and Market Strategist Annika Gabrielle S. Angeles said other companies also seen to benefit from the May elections include San Miguel Food and Beverage, Inc., Century Pacific Food, Inc., RFM Corp., and Emperador, Inc.

"Elections, both national and midterm, typically serve as a boost to the consumer sector. Power usage is also likely to rise due to heightened campaign activities," she said in a Viber message.

Midterm elections are scheduled for May 12, when Filipinos will elect senators, congressmen and local officials.

The election period officially began on Jan. 12, but the 90-day campaign period for national candidates will start on Feb. 11. For local bets, the campaign period will begin on March 28.

"Midterm elections tend to boost the economy primarily due to the massive amount of campaign spending," China Bank Capital Corp. Managing Director Juan Paolo E. Colet said in a Viber message.

"This should benefit a number of listed companies, particularly those in the consumer sector," he added.

Elections, S1/8