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:	6,339.24
HIGH:	6,368.03
LOW:	6,326.30
CLOSE:	6,340.21
VOL.:	1.012 B
VAL(P):	3.873 B
▼ 9.68 PTS. 0.15%	
30 DAYS TO JANUARY 21, 2025	

ASIAN MARKETS JANUARY 21, 2025	CLOSE		NET	%
Japan (Nikkei 225)	39,027.98	▲	125.48	0.32
Hong Kong (Hang Seng)	20,106.55	▲	180.74	0.91
Taiwan (Weighted)	23,300.01	▲	33.19	0.14
Thailand (SET Index)	1,353.04	▲	12.54	0.94
S.Korea (Kse Composite)	2,518.03	▼	-2.02	-0.08
Singapore (Straits Times)	3,796.57	▼	-11.40	-0.30
Sydney (All Ordinaries)	8,402.40	▲	55.00	0.66
Malaysia (Klse Composite)	1,580.46	▲	8.12	0.52

WORLD MARKETS JANUARY 20, 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	8,520.540	▲	15.320
Euro Stoxx50	4,464.850	▼	-6.200

* CLOSING PRICES AS OF JANUARY 17, 2025

PESO-DOLLAR RATES FX	
OPEN	P58.333
HIGH	P58.330
LOW	P58.500
CLOSE	P58.490
W.AVE.	P58.439
VOL.	$1,600.70 M
▲ 3.00 CTVS	
30 DAYS TO JANUARY 21, 2025	SOURCE : BAP

ASIAN MONIES-US$ RATE JANUARY 21, 2025	LATEST BID (0900GMT)		PREVIOUS
Japan (yen)	155.770	▲	156.230
Hong Kong (HK dollar)	7.784	—	7.784
Taiwan (NT dollar)	32.724	▲	32.764
Thailand (baht)	34.070	▲	34.310
S. Korea (won)	1,440.280	▲	1,449.760
Singapore (dollar)	1.359	▲	1.365
Indonesia (rupiah)	16,330	▲	16,355
Malaysia (ringgit)	4.474	▲	4.490

WORLD CURRENCIES JANUARY 21, 2025	CLOSE		PREVIOUS
US$/UK pound	1.2254	▲	1.2177
US$/Euro	1.0359	▲	1.0308
US$/Aust dollar	0.6235	▲	0.6198
Canada dollar/US$	1.4421	▼	1.4473
Swiss Franc/US$	0.9095	▼	0.9134

DUBAI CRUDE OIL	
FUTURES PRICE ON NEAREST MONTH OF DELIVERY	$83.55/BBL
▼	$1.00
30 DAYS TO JANUARY 20, 2025	

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PHILIPPINE STOCK EXCHANGE'S 10 MOST ACTIVE STOCKS BY VALUE TURNOVER • JANUARY 21, 2025 (PSEi snapshot on *S1/4*; article on *S2/2*)

		Value			
BDO	P144.000	P313,101,403	-P2.200	▼	-1.505%
ICT	P390.000	P312,192,078	-P6.000	▼	-1.515%
URC	P66.000	P288,906,002	-P2.800	▼	-4.070%
SM	P837.000	P204,558,695	P7.000	▲	0.843%
MBT	P71.500	P198,745,857	P0.300	▲	0.421%
CNVRG	P18.000	P192,113,370	P0.460	▲	2.623%
ALI	P25.500	P165,200,245	P0.250	▲	0.990%
BPI	P122.500	P139,949,249	-P0.200	▼	-0.163%
GLO	P2,278.000	P132,569,740	-P12.000	▼	-0.524%
CBC	P70.050	P102,587,033	P1.000	▲	1.448%

2024 BoP surplus narrows sharply

By Luisa Maria Jacinta C. Jocson *Reporter*

THE PHILIPPINES' balance of payment (BoP) surplus sharply narrowed in 2024, falling short of the central bank's full-year projection.

Data from the Bangko Sentral ng Pilipinas (BSP) showed the full-year BoP position stood at a surplus of $609 million last year, plunging by 83.4% from the $3.672-billion surplus at end-2023.

This was also much lower than the BSP's full-year projection of $3.5 billion.

The BoP shows a glimpse of the country's transactions with the rest of the world. A surplus shows that more funds came into the country, while a deficit means more money fled.

"Based on preliminary data, the decline in the cumulative BoP surplus was due to higher trade-in-goods deficit and lower net receipts from trade in services and net foreign borrowings by the National Government (NG)," the BSP said.

Data from the local statistics agency showed the trade deficit widened by 3.2% year on year to $49.96 billion in the January-November period.

Outstanding external debt rose to a record $139.64 billion as of end-September, data from the BSP showed.

"This decline was partly muted, however, by the continued net inflows from personal remittances as well as net foreign portfolio and direct investments," the central bank added.

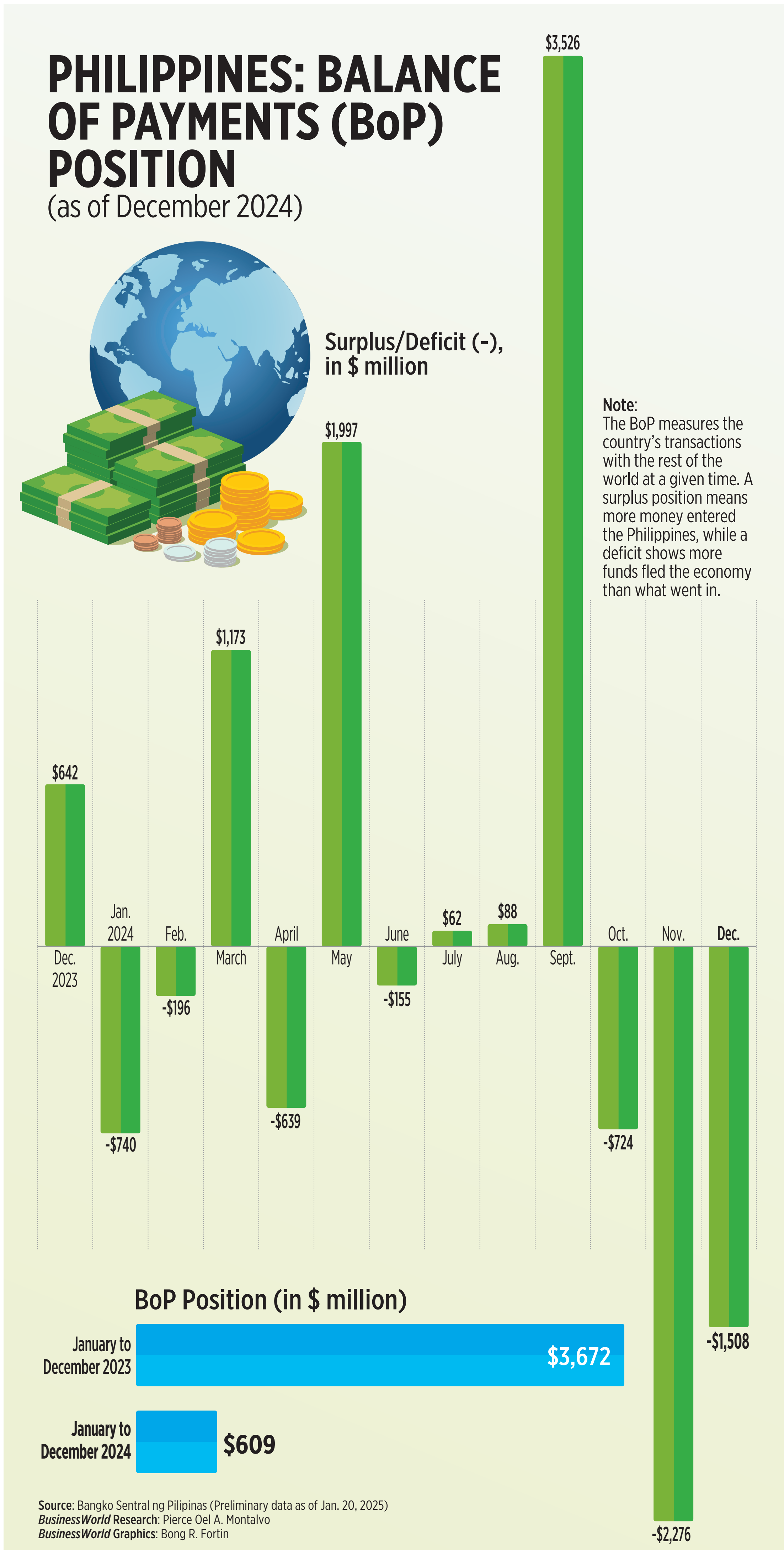
In December alone, the BoP swung to a deficit of $1.508 billion, a reversal of the $642-million surplus a year earlier.

"The BoP deficit in December 2024 reflected the BSP net foreign exchange operations and drawdown on the NG deposits with the BSP to pay off its foreign currency debt obligations."

Last year, the government raised $2 billion from global bonds in May and another $2.5 billion from its dollar bond offer in August.

At its end-December position, the BoP reflects a gross international reserve (GIR) level of $106.3 billion, down by 2% from $108.5 billion as of end-November.

BoP, S1/9



AMRO says Philippines likely to post 2nd fastest GDP expansion in region

By Aubrey Rose A. Inosante *Reporter*

THE PHILIPPINES is expected to be the second-fastest growing economy in Southeast Asia in 2025, as further monetary easing boosts domestic demand, the ASEAN+3 Macroeconomic Research Office (AMRO) said on Tuesday.

In its Regional Economic Outlook quarterly update, AMRO said Philippine gross domestic product (GDP) is projected to expand by 6.3% this year, unchanged from the forecast in December.

"We kept the growth forecast at 6.3%. That's among the highest in the region and that's partly because the Bangko Sentral ng Pilipinas (BSP) has started to also ease monetary policy." AMRO Chief Economist Hoe Ee Khor said at a virtual news briefing on Tuesday.

This is within the Development Budget Coordination Committee's 6-8% GDP growth target for 2025 until 2028.

The growth projection for the Philippines is the second-fastest among Association of Southeast Asian Nations (ASEAN) members, behind Vietnam (6.5%), but ahead of Cambodia (5.8%), Indonesia (5.1%), Malaysia (4.7%), Laos (4.6%), Thailand (3.1%), Brunei Darussalam (3%), Singapore (2.7%) and Myanmar (1%).

In the ASEAN+3 region, the Philippines is also ahead of China (4.8%), Hong Kong (2.6%), South Korea (1.9%) and Japan (1.3%).

"The (central bank) governor has announced that there's scope for them to continue to ease because the real interest rate is still pretty high. And we see signs that the economy is beginning to respond," Mr. Khor said.

AMRO, S1/10

Philippine CEOs confident in economic growth in the next 12 months — survey

MOST chief executive officers (CEO) based in the Philippines are optimistic about economic growth prospects despite worries over a shortage of skilled workers and technological disruption, a survey showed.

In the PwC 28th Global CEO Survey, 78% of Filipino CEO respondents said they expect domestic economic growth to improve in the next 12 months.

On the other hand, 9% of the Filipino executives said they expect gross domestic product growth to stay the same in the next 12 months, while 13% said they expect a decline.

PwC's 28th Global CEO Survey gathered 4,701 responses from CEOs globally from October to November 2024. Of the total, 1,520 are from the Asia-Pacific region, including 32 from the Philippines.

For the next 12 months, 38% of the CEOs said that they are very confident about revenue growth, 38% are moderately confident, while 19% are only slightly confident.

Meanwhile, 44% of the CEOs said that they are optimistic about revenue growth in the next three years, 38% said they are moderately confident, and 13% said they are only slightly confident.

CEOs, S1/10

Recto sees slower rate cuts due to global risks

PHILIPPINE Finance Secretary Ralph G. Recto said the central bank would continue to deliver interest rate cuts this year, but they might be fewer and farther apart than in 2024 in the face of geopolitical tensions and uncertainties from US policies.

The government will return to the global debt market most likely in the first half to start raising the $3.5-billion foreign bond sale it plans for 2025, Mr. Recto told Bloomberg Television on Monday on the sidelines of the World Economic Forum in Davos.

The government is in talks with eight banks to help with the debt sale, which will be mostly denominated in dollars, he said.

"There's uncertainty on what he plans to do with regards to tariffs and inflation," according to Mr. Recto, referring to US President Donald J. Trump hours before he took office, adding that the US would "tariff and tax" other countries, while sidestepping specific details.

The Philippines is unlikely to be directly hit by any Trump levies, but they could lead to higher prices globally that could fan inflation and hold back policy easing, the Finance secretary said. This is why Mr. Recto, who sits on the central bank's Monetary Board, said he's only looking at a total of 50 to 75 basis points (bps) in key rate reductions this year and staggered as far apart as 25 bps per semester.

As Mr. Trump starts his second term after promising steep tariffs and strict immigration policies during the campaign, governments all over the world are trying to spell out how their economies will be affected.

Recto, S1/9

High rice prices may affect BSP's easing cycle

STILL-ELEVATED rice prices could stoke inflation and threaten the Bangko Sentral ng Pilipinas' (BSP) pace of monetary easing, GlobalSource Partners said.

"Such a precarious rice situation does not promise bright prospects for domestic inflation," GlobalSource Partners Country Analyst Diwa C. Guinigundo said in a report.

"Given the inflationary impact of an expected weakening of the peso-dollar exchange rate, the uptrend in rice prices coupled with creeping fuel price increases and the reported price hikes of 63 goods in February could generate more price pressures."

Headline inflation averaged 3.2% last year, the first time that full-year inflation fell within the central bank's 2-4% target since 2021. It was also the slowest since 2.4% in 2020.

"The BSP would have to be careful in issuing forward guidance that commits itself to more rate reductions in the next meetings of the Monetary Board," Mr. Guinigundo said.

"The supply side does not appear to be supportive of its 2-4% target," he said, noting that inflation risk-adjusted forecasts for 2025 and 2026 stand at 3.4% and 3.7%, respectively.

For this year, the BSP expects inflation to average 3.3%. Accounting for risks, inflation could average 3.4%.

The Monetary Board delivered a total of 75 basis points of rate cuts last year, bringing the benchmark to 5.75%.

"Since the weight of rice at 8.9% dominates the weight of food in the consumer price index and food weighs heaviest among all the other components, economists and inflation forecasters fear of another surge in inflation this year and the next," Mr. Guinigundo said.

The Agriculture department has announced plans to declare a food security emergency for rice. This would allow the release of buffer stocks of local rice from the National Food Authority to be sold at subsidized prices.

Mr. Guinigundo said this activity could be a "potential source of corruption."

"Many buffer stocks could be declared aging and discounted only to be resold with minimal polishing. Given the forthcoming election, local government units could also use them to win votes," he said adding that the impact of this move would be "minimal."

Rice prices were supposed to start declining after the government slashed tariffs on rice imports, Mr. Guinigundo said.

Rice, S1/9