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:	6,367.87
HIGH:	6,378.70
LOW:	6,296.20
CLOSE:	6,296.20
VOL.:	1.135 B
VAL(P):	4.740 B

▼ 82.66 PTS. 1.29%
30 DAYS TO JANUARY 24, 2025

ASIAN MARKETS

JANUARY 24, 2025

	CLOSE		NET	%
Japan (Nikkei 225)	39,931.98	▼	-26.89	-0.07
Hong Kong (Hang Seng)	20,066.19	▲	365.63	1.86
Taiwan (Weighted) *	23,525.41	▲	225.40	0.97
Thailand (SET Index)	1,354.07	▲	9.90	0.74
S.Korea (Kse Composite)	2,536.80	▲	21.31	0.85
Singapore (Straits Times)	3,804.26	▼	-2.31	-0.06
Sydney (All Ordinaries)	8,408.90	▲	30.20	0.36
Malaysia (Klse Composite)	1,573.73	▼	-3.47	-0.22

WORLD MARKETS

JANUARY 24, 2025

	CLOSE		NET
Dow Jones	44,424.250	▼	-140.820
NASDAQ	19,954.301	▼	-99.377
S&P 500	6,101.240	▼	-17.470
FTSE 100	8,502.350	▼	-62.850
Euro Stoxx50	4,526.700	▲	5.660

PESO-DOLLAR RATES

FX

OPEN	P58.630
HIGH	P58.300
LOW	P58.630
CLOSE	P58.310
W.AVE.	P58.459
VOL.	$1,568.60 M

▲ 38.20 CTVS
30 DAYS TO JANUARY 24, 2025
SOURCE : BAP

ASIAN MONIES-US$ RATE

JANUARY 24, 2025

	LATEST BID (0900GMT)		PREVIOUS
Japan (yen)	155.980	▲	156.510
Hong Kong (HK dollar)	7.787	▲	7.789
Taiwan (NT dollar)	32.733	▲	32.781
Thailand (baht)	33.540	▲	33.990
S. Korea (won)	1,427.980	▲	1,438.090
Singapore (dollar)	1.346	▲	1.357
Indonesia (rupiah)	16,170	▲	16,275
Malaysia (ringgit)	4.375	▲	4.443

WORLD CURRENCIES

JANUARY 24, 2025

	CLOSE		PREVIOUS
US$/UK pound	1.2479	▲	1.2301
US$/Euro	1.0493	▲	1.0404
US$/Aust dollar	0.6309	▲	0.6258
Canada dollar/US$	1.4342	▼	1.4388
Swiss Franc/US$	0.9057	▼	0.9076

DUBAI CRUDE OIL

FUTURES PRICE ON NEAREST MONTH OF DELIVERY
$81.84/BBL
▼ $0.28
30 DAYS TO JANUARY 24, 2025

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S1/1-14 • 3 SECTIONS, 24 PAGES

PHILIPPINE STOCK EXCHANGE'S 10 MOST ACTIVE STOCKS BY VALUE TURNOVER • JANUARY 24, 2025 (PSEi snapshot on *S1/5*; article on *S2/2*)

		Value			
BDO	P140.500	P790,154,597	-P7.100	▼	-4.810%
ICT	P385.200	P438,066,134	-P5.000	▼	-1.281%
CNVRG	P17.000	P262,571,206	-P0.900	▼	-5.028%
MBT	P70.550	P183,039,443	-P0.750	▼	-1.052%
AREIT	P40.100	P174,446,655	P0.050	▲	0.125%
BPI	P124.500	P161,933,767	P0.500	▲	0.403%
MWC	P27.700	P158,280,265	P0.550	▲	2.026%
SM	P845.000	P157,417,745	-P15.000	▼	-1.744%
SMPH	P23.850	P140,979,315	-P0.400	▼	-1.649%
JFC	P247.600	P124,019,832	-P1.000	▼	-0.402%

GDP likely expanded in Q4 — poll

PHILIPPINE economic growth was expected to have quickened in the fourth quarter of 2024, driven by strong consumer spending during the holiday season, although the full-year print likely fell short of the government target, a *BusinessWorld* poll showed.

Gross domestic product (GDP) in the October-to-December period likely grew by 5.8% from a year earlier, accelerating from the 5.2% growth in the third quarter, according to the median forecast of a *BusinessWorld* poll of 18 economists and analysts last week.

This would match the 5.8% expansion in the fourth quarter of 2023.

At the same time, the *BusinessWorld* poll yielded a median estimate growth of 5.7% for 2024, below the Development Budget Coordination Committee's revised 6-6.5% GDP growth goal.

If realized, the growth in 2024 would be faster than the 5.5% print in 2023. This would also be the fastest annual economic growth in two years or since the 7.6% recorded in 2022.

The full-year estimate would also be below the forecasts made by the Asian Development Bank (6%), World Bank (5.9%), International Monetary Fund (5.8%) and ASEAN+3 Macroeconomic Office (5.8%).

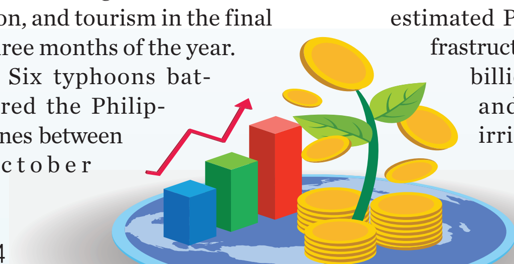
The Philippine Statistics Authority (PSA) will release the fourth-quarter and full-year 2024 GDP on Thursday, Jan. 30.

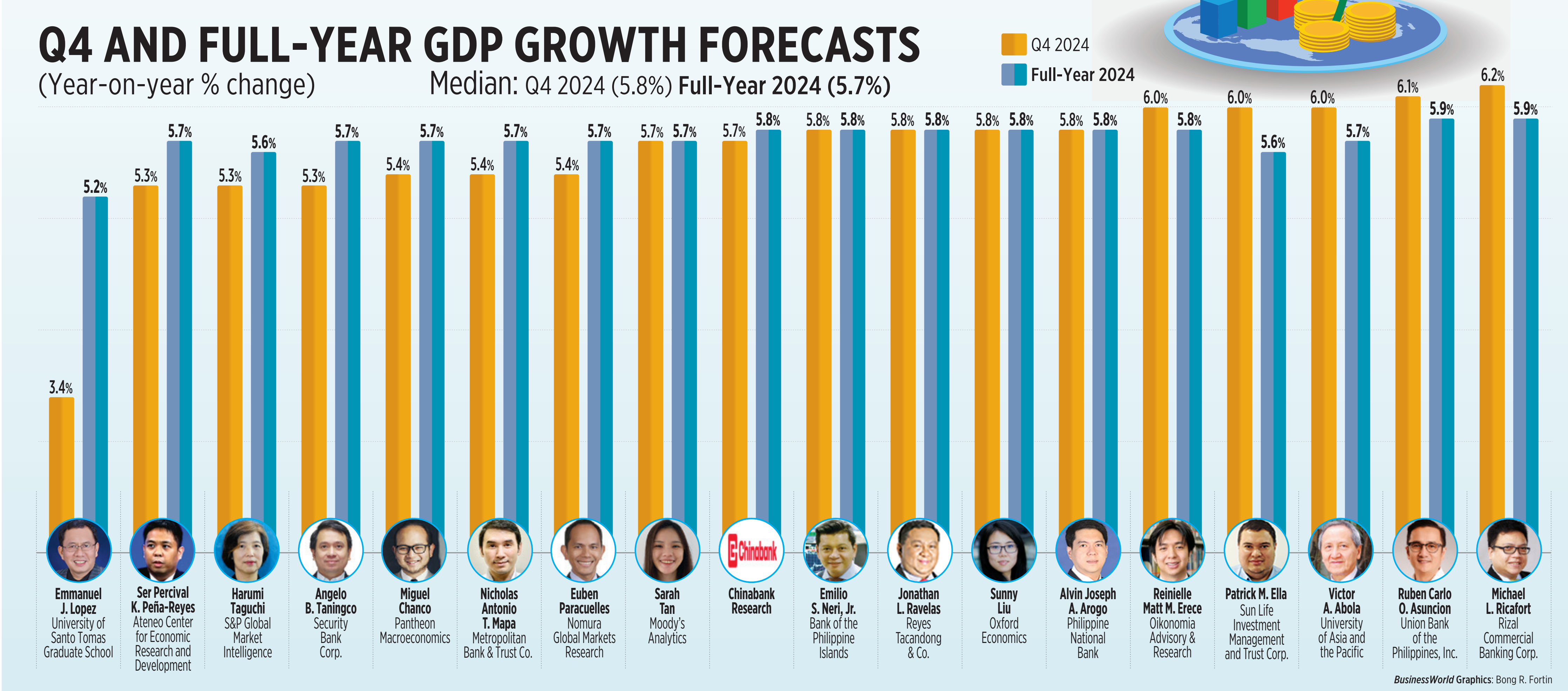
"The economy's primary growth engine, household consumption, likely continued to rebound from its subdued growth in the first half of last year, supported by lower and stable inflation, a robust labor market, and steady remittance inflows," Chinabank Research said in an e-mail.

It also noted the series of typhoons "disrupted" economic activities in agriculture, construction, and tourism in the final three months of the year.

Six typhoons battered the Philippines between October and November that resulted in economic losses worth more than P22 billion, according to situational reports by the National Disaster Risk Reduction and Management Council. Broken down, the agency estimated P13.7 billion in infrastructure damage, P7.47 billion in agriculture, and P1.16 billion in irrigation systems.

Poll, S1/10





BusinessWorld Graphics: Bong R. Fortin

Philippines may escape 'middle-income trap' by 2050 — Nomura Research

IT MAY TAKE more than two decades before the Philippines can escape the "middle-income trap," Nomura Global Markets Research said, citing the need to implement key reforms to boost investment-led growth.

"The countries that continue to reap the benefits of the demographic dividend include Vietnam, Indonesia and the Philippines, and all have brighter prospects than Thailand on breaking free of the trap," it said in a report.

"However, this is still a long-term challenge. Assuming strong potential growth is sustained (i.e., 5% for Indonesia and 6% for the Philippines and Vietnam), these countries may escape the trap by 2050."

The Philippines remained a lower middle-income country despite an increase in its gross national income (GNI) per capita to $4,230 in 2023 from $3,950 in 2022, according to the World Bank's latest income classification data.

To become an upper middle-income country, the Philippines would need a GNI per capita of $4,516 to $14,005.

The Philippines has been stuck in the lower middle-income bracket since 1987, according to the latest available data.

In its report, Nomura created a Middle-Income Trap Escape Index (MITEI), which assesses the ability of countries to break free from the middle-income trap.

Countries are ranked on a scale where a score of 100 is the sample average, with anything higher or lower than 100 indicating an above or below average score, respectively.

The Philippines garnered a score of 85 under the MITEI Index, the lowest among Southeast Asia. It scored lower than Malaysia (103), Thailand (98), Vietnam (94) and Indonesia (87).

Nomura said the Philippines is considered in a "tight spot," which is defined as "traditionally poorer countries that continue to trail middle-income league tables."

"Vietnam, Indonesia and the Philippines are catching up fast, propelled by strong investment growth, but breaking free of the trap is a long-term challenge."

There is a need to implement structural reforms to drive investment growth through infusion and innovation, it added.

The Marcos administration is targeting to reach upper middle-income status by this year. The World Bank usually releases the income classification data in July.

Nomura said "business-as-usual" growth is not enough to escape the middle-income trap.

'Middle-income trap,' S1/10

Agricultural output may have contracted in 2024

By Adrian H. Halili
Reporter

PHILIPPINE FARM OUTPUT likely contracted in 2024, reflecting the adverse impact of weather-related events such as El Niño and La Niña, analysts said.

Former Agriculture Undersecretary Fermin D. Adriano estimates that the value of agricultural output may have declined by more than 1% in 2024.

If realized, this would be a reversal of the 0.4% growth in the value of agricultural production in 2023 and miss the Department of Agriculture's (DA) 1-2% growth target for 2024.

"Of course, El Niño and La Niña adversely affected the sector," Mr. Adriano said in a Viber message.

The El Niño weather event, which began in June 2023, brought below-normal rainfall conditions, dry spells and droughts that affected overall harvest during the year.

The Philippines continued to experience below-normal rainfall conditions in the first half of the year. In the second half, the country experienced a series of storms that brought heavy rains and caused flooding.

"The year 2024 was full of challenges and issues. Overall, the agricultural output will be lower than 2023 due to natural calamities including El Niño and La Niña one after the other," former Agriculture Secretary William D. Dar said in a text message.

Mr. Dar said the delayed distribution of inputs to farmers, as well as lack of technical assistance from local government units may have also contributed to the decline in agricultural production.

"With the series of typhoons and calamities in the fourth quarter, we can only expect output in the whole of 2024 to be lower than in 2023," said Federation of Free Farmers National Manager Raul Q. Montemayor in a Viber message, citing El Niño and La Niña as factors that contributed to the drop in farm output.

The Philippine Atmospheric, Geophysical, and Astronomical Services Administration (PAGASA) declared the end of the El Niño in June 2024 but dry spells persisted in some parts of the country.

According to the DA's final El Niño bulletin, agricultural damage was tallied at P15.3 billion with total volume lost at 330,717 metric tons, spanning 109,481 hectares of farmland.

In the second half, La Niña conditions increased the likelihood of tropical cyclones, low-pressure areas, and the intensification of the southwest monsoon in the Philippines.

La Niña conditions are expected to persist until the end of the first quarter of 2025, according to PAGASA.

Hog production, in particular, saw a decline in production due to these weather disturbances.

"El Niño affected production because warmer temperatures caused pigs to pant and reduced significantly their feed intake causing slower growth and lower weights,"

National Federation of Hog Farmers, Inc. (NatFed) Vice-Chairman Alfred Ng said in a Viber message.

Agricultural output, S1/10

Philippines may turn to local debt after $3.3-B bond sale

THE PHILIPPINES is weighing an option to raise the balance of its 2025 borrowing requirements locally, having implemented the bulk of its overseas funding plan for the year.

There's a possibility that the Southeast Asian nation will no longer return to the international bond market this year after selling $3.3 billion of dollar and euro bonds on Thursday, according to National Treasurer Sharon Almanza.

"It depends, because another option is to source the balance from the domestic market," Ms. Almanza said in a mobile-phone message on Friday when asked if the government will be opportunistic in selling international bonds for the remainder of 2025.

The Philippines, one of the most active sovereign issuers of dollar debt out of the region, is left with roughly $200 million to complete its foreign commercial bond program of about $3.5 billion for the year.

The investment-grade borrower received orders exceeding a combined $6.2 billion for its latest Securities and Exchange Commission-registered two-part dollar notes, according to a person familiar with the matter. The benchmark offering comes with a concurrent euro global bond sale.

A favorable market over the week provided "an opportune window for the Republic to reenter the capital market," the treasurer separately said in a statement. Philippine dollar bonds returned 3.3% in the past year, underperforming most peers in emerging markets.

"Our goal is to capitalize on the current market momentum to secure the most efficient cost dynamics ahead of potential uncertainties in the near future," Ms. Almanza said.

The government has penciled in a budget deficit of P1.54 trillion ($26.4 billion) for this year, or 5.3% of the nation's economic output. It plans to raise P2.04 trillion from gross domestic borrowings to help plug the shortfall. — ***Bloomberg***