



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

STOCK MARKET	ASIAN MARKETS	WORLD MARKETS	PESO-DOLLAR RATES	ASIAN MONIES-US\$ RATE	WORLD CURRENCIES	DUBAI CRUDE OIL
6725 6550 6375 6200 6025 5850 ▲ 43.41 PTS. 0.7% 30 DAYS TO JANUARY 28, 2025 PSEi OPEN: 6,212.08 HIGH: 6,248.31 LOW: 6,153.47 CLOSE: 6,153.47 VOL.: 1.525 B VAL(P): 5.644 B	JANUARY 28, 2025 CLOSE NET % JAPAN (NIKKEI 225) 39,016.87 ▼ -548.93 -1.39 HONG KONG (HANG SENG) 20,225.11 ▲ 27.34 0.14 TAIWAN (TAIEX) 1,343.95 ▲ 3.01 0.22 S. KOREA (KOSPI) 2,536.80 ▲ 21.31 0.85 SINGAPORE (STRAITS TIMES) 3,801.07 ▲ 4.36 0.11 SYDNEY (ALL ORDINARIES) 8,399.10 ▼ -9.80 -0.12 MALAYSIA (KLSE COMPOSITE) 1,552.69 ▼ -6.28 -0.40 * CLOSING PRICE AS OF JANUARY 24, 2025	JANUARY 27, 2025 CLOSE NET DOW JONES 44,713.580 ▲ 289.330 NASDAQ 19,341.834 ▼ -612.467 S&P 500 6,012.280 ▼ -88.960 FTSE 100 8,503.710 ▲ 1.360 EURO STOXX50 4,527.560 ▲ 0.860	57.80 56.15 54.50 52.85 51.20 49.55 ▲ 1.00 CTV 30 DAYS TO JANUARY 28, 2025 FX OPEN P58.480 HIGH P58.400 LOW P58.560 CLOSE P58.425 W.AVE. P58.475 VOL. \$1,660.50 M SOURCE : BAP	JANUARY 28, 2025 LATEST BID (0900GMT) PREVIOUS JAPAN (YEN) 155.760 ▼ 154.700 HONG KONG (HK DOLLAR) 7.792 ▼ 7.790 TAIWAN (NT DOLLAR) 32.933 ▼ 32.820 THAILAND (BAHT) 33.910 ▼ 33.700 S. KOREA (WON) 1,447.130 ▼ 1,432.110 SINGAPORE (DOLLAR) 1.352 ▼ 1.346 INDONESIA (RUPIAH) 16,170 ▼ 16,170 MALAYSIA (RINGGIT) 4.387 ▼ 4.379	JANUARY 28, 2025 CLOSE PREVIOUS US\$/UK POUND 1.2448 ▼ 1.2457 US\$/EURO 1.0435 ▼ 1.0481 US\$/AUST DOLLAR 0.6251 ▼ 0.6288 CANADA DOLLAR/US\$ 1.4392 ▲ 1.4372 SWISS FRANC/US\$ 0.9059 ▲ 0.9019	FUTURES PRICE ON NEAREST MONTH OF DELIVERY \$81.58/BBL ▼ \$0.26 30 DAYS TO JANUARY 27, 2025

PHILIPPINE STOCK EXCHANGE'S 10 MOST ACTIVE STOCKS BY VALUE TURNOVER • JANUARY 28, 2025 (PSEi snapshot on SI/2; article on S2/2)													
ICT	P349.200	CBC	P68.800	BDO	P142.000	SM	P822.000	BPI	P125.500	ALI	P24.650	AREIT	P39.750
Value	P801,900,912	Value	P436,620,555	Value	P313,629,517	Value	P221,696,940	Value	P193,629,476	Value	P171,087,540	Value	P164,361,610
-P25.800	▼ -6.880%	P3.900	▲ 6.009%	P3.000	▲ 2.158%	P2.000	▲ 0.244%	P1.000	▲ 0.803%	P0.000	— 0.000%	-P0.050	▼ -0.126%
												P0.520	▲ 4.736%
												Value	P137,675,912
												Value	P111,996,001
												-P0.500	▼ -0.707%
												-P7.500	▼ -1.339%
												AC	P552.500
												Value	P104,697,775

2024 farm output shrinks 2.2%

By Adrian H. Halili
Reporter

THE PHILIPPINES' agricultural output contracted by a record 2.2% in 2024, as farm production continued to decline in the fourth quarter.

Data from the Philippine Statistics Authority (PSA) showed the value of production in agriculture and fisheries at constant 2018 prices shrank by 2.2% to P1.73 trillion, a reversal of 0.4% growth in 2023.

The 2024 print was below the Department of Agriculture's (DA) 1-2% growth target.

The farm sector's dismal performance last year was mainly due to the contraction in the value of crops (-4.2%), livestock (-4.3%) and fishery (-1.1%) production. On the other hand, poultry output grew by 6.6%.

In the fourth quarter, the value of agricultural production contracted by 2.2% to P483.58 billion, a reversal of 0.9% growth a year earlier.

However, it marked the third successive quarter of decline, although slower than the 3.6% drop in the July-to-September period.

At current prices, the value of production in agriculture and fisheries went up by 0.4% year on year to P663.06 billion in the fourth quarter.

"The 2.2% decline in Philippine agriculture in 2024 was attributed to various challenges. El Niño in the first half and La Niña in the fourth quarter disrupted production in crops, livestock, and fisheries," University of Asia and the Pacific (UA&P) Center for Food and Agribusiness Executive Director Marie Annette Galvez-Dacul said in a Viber message.

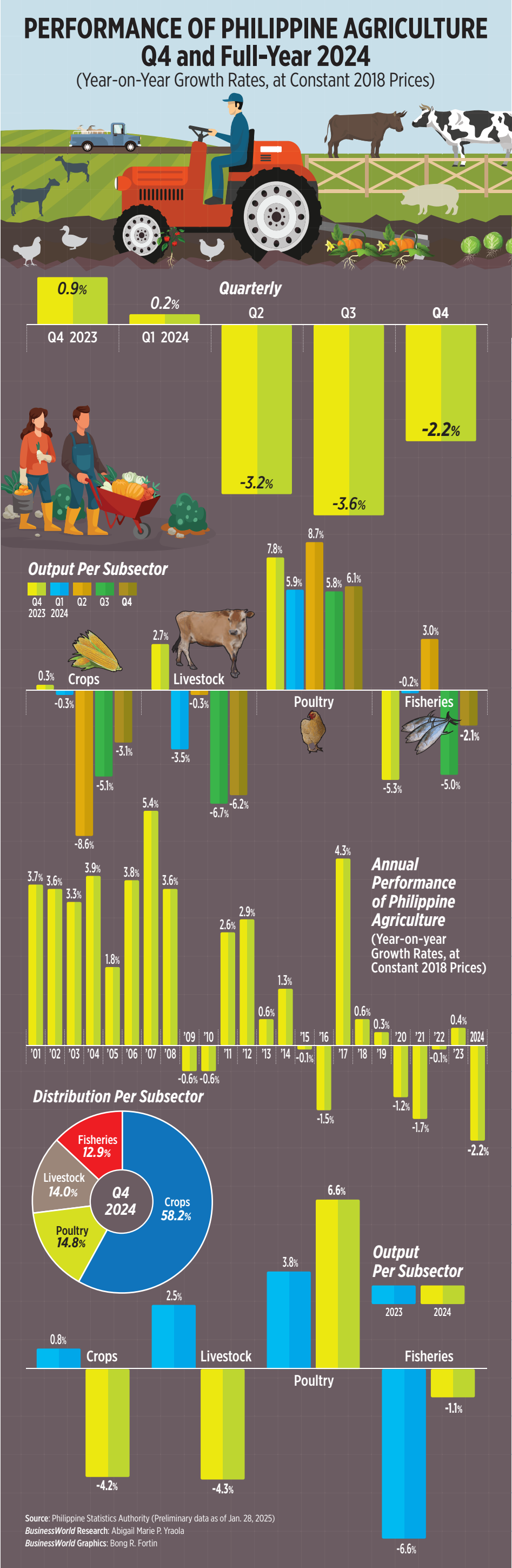
The country faced below-normal rainfall conditions during the first half of 2024 due to El Niño. This was followed by La Niña that brought a series of storms that wreaked havoc on several agricultural areas.

"The decline in agricultural output in 2024 is the result of the confluence of events which includes impacts of El Niño and La Niña, typhoons and flooding, and lack of technical assistance at the local level," former Agriculture Secretary William D. Dar said in a text message.

El Niño, which started in June 2023, brought prolonged cases of low rainfall, dry spells, and drought. The state weather bureau declared its end in June 2024.

On the other hand, La Niña conditions are expected to persist until the end of the first quarter.

Farm output, SI/2



Q3 GDP growth maintained at 5.2%

THE PHILIPPINE Statistics Authority (PSA) on Tuesday said it kept the country's gross domestic product (GDP) growth rate at 5.2% for the third quarter.

The PSA said gross national income remained unchanged at 6.8%. Net primary income from the rest of the world for the third quarter was lowered to 19.2% from 19.3%.

The PSA also noted some changes in some components of the national accounts.

On the demand side, private consumption was raised to 5.2% in the third quarter from the 5.1% initially reported. Likewise, gross capital formation — the investment component of the economy — was raised to 13.7% from 13.1%.

Meanwhile, the contraction in exports of goods and services deepened to 1.4% in July to September from the 1% drop initially estimated.

Growth rates for government spending (5%) and imports of goods and services (6.4%) were unchanged.

On the supply side, the decline in agriculture was lowered to 2.7% from the 2.8% contraction previously reported.

Growth in industry was raised to 5.1% from 5%, largely thanks to manufacturing, which rose to 3% from 2.8%.

Service sector growth was kept at 6.3%, but some of its subsectors saw changes.

GDP, SI/8

Maharlika interested in Chinese stake in NGCP

By Aubrey Rose A. Inosante
and Sheldene Joy Talavera
Reporters

MAHARLIKA Investment Corp. (MIC) is interested in acquiring State Grid Corp. of China's (SGCC) stake in the sole operator of the Philippines' power grid.

MIC President and Chief Executive Officer Rafael D. Consing, Jr. told a Palace briefing that the sovereign wealth fund would be interested in SGCC's shares in the National Grid Corp. of the Philippines (NGCP) "if it becomes available."

China's State Grid has a 40% stake in NGCP, while the rest is effectively controlled by Synergy Grid & Development Phils., Inc. (SGP).

"We have not spoken basically to the Chinese. We only saw this opportunity at the SGP level. We're not having any discussions with the State Grid of China at this point in time," Mr. Consing said.

On Monday, MIC signed a deal to acquire a 20% stake in SGP for P19.7 billion or about P15 per

preferred share, giving it a "foot-hold" in NGCP.

Mr. Consing said MIC could convert the preferred stocks into common shares later on at a conversion price of P22.50 each.

"The preferred shares will guarantee us a 6.5% dividend yield over the first three years... Within those three years, we've got the option to convert to common shares... Failing that, the dividend rate would then rise to 8%," he said, estimating this would generate about P1.7 billion to P1.8 billion annually for MIC.

MIC aims to finalize the deal within 90 days, with an option to extend it for another 90 days, he added.

Meanwhile, Mr. Consing said MIC expects to announce four more investments this year.

"This (NGCP deal) is going to be our first announcement and intuitively I would say in the next 30 days we could have another one," he said. "For the year, we will aim for three to four material ones. By the end of this year, we should already have quite a number of foreign investors."

Maharlika, SI/8

Low rates not enough to boost lending — study

RATE CUTS do not necessarily boost credit activity even as monetary policy is seen to influence bank lending, a study by researchers from the Bangko Sentral ng Pilipinas (BSP) showed.

"Central banks can 'pull' back economic activity by raising interest rates, but they cannot 'push' it forward simply by lowering rates," BSP researchers said in a recent discussion paper.

The paper, authored by BSP Research Academy Principal Researcher Carolina A. Escranda and BSP Department of Economic Research Bank Officer Bernadette Marie M. Bondoc-Quiban, discussed the impact of monetary policy on bank lending.

"We found that monetary policy affects the lending activity of universal and commercial banks in the Philippines. However, the impact is asymmetric, with evidence of transmission during restrictive periods but not during accommodative ones," the BSP researchers said.

"During restrictive periods, higher interest rates increase borrowing

costs, reducing loan demand and tightening credit supply. Conversely, during accommodative periods, lower interest rates may not suffice to boost lending."

The BSP began its easing cycle in August last year. It had slashed borrowing costs by a total of 75 basis points (bps) to 5.75% by end-2024.

From mid-2022 to late 2023, the BSP was the most aggressive central bank in the region as it hiked key rates by 450 bps to tame inflation, which soared to as high as 8.7% in January 2023.

The Monetary Board is set to hold its first rate-setting meeting of the year on Feb. 13. The BSP has signaled further easing, though in "baby steps."

"Banks may be reluctant to lend due to heightened perceptions of borrower risk or diminished profitability. Borrowers may also be unwilling to take on new debt amid economic uncertainty," according to the BSP researchers.

Separate data from the BSP showed outstanding loans of big banks jumped

by 11.1% to P12.68 trillion in November, the fastest in close to two years.

The BSP researchers noted that when central banks raise interest rates, market rates increase, as banks pass these on to borrowers, citing another study.

"While that is true in most cases, banks may limit their interest rate hikes to avoid defaults. Instead, they may ration credit during high-interest rate periods, lending only to certain borrowers."

"This credit rationing can lead to a bigger decline in output, magnifying the impact of contractionary monetary policy. However, this is not the case for expansionary monetary policy."

Lower policy rates do not necessarily boost borrowing "if there is no demand for additional credit given economic conditions," they added.

"The central bank's tightening policy impacts credit supply in smaller institutions, while its influence on larger banks remains minimal," the researchers said.

Lending, SI/8