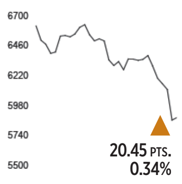
P25 IN METRO MANILA, PHILIPPINES

BusinessWorld

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

STOCK MARKET



PSEi	
OPEN:	5,986.65
HIGH:	5,994.04
LOW:	5,883.04
CLOSE:	5,883.04
VOL.:	1.256 B
VAL(P):	11.373 B

20.45 PTS. 0.34%
30 DAYS TO FEBRUARY 3, 2025

ASIAN MARKETS

FEBRUARY 3, 2025

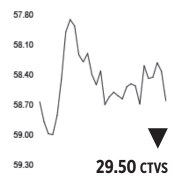
	CLOSE		NET	%
Japan (Nikkei 225)	38,520.09	▼	-1,052.40	-2.66
Hong Kong (Hang Seng)	20,217.26	▼	-7.85	-0.04
Taiwan (Weighted)	22,694.71	▼	-830.70	-3.53
Thailand (SET Index)	1,304.39	▼	-10.11	-0.77
S.Korea (Kse Composite)	2,453.95	▼	-63.42	-2.52
Singapore (Straits Times)	3,826.47	▼	-29.35	-0.76
Sydney (All Ordinaries)	8,379.40	▼	-152.90	-1.79
Malaysia (Klse Composite)	1,553.63	▼	-3.29	-0.21

WORLD MARKETS

JANUARY 31, 2025

	CLOSE		NET
Dow Jones	44,544.660	▼	-337.470
NASDAQ	19,627.441	▼	-54.308
S&P 500	6,040.530	▼	-30.640
FTSE 100	8,673.960	▲	27.080
Euro Stoxx50	4,607.740	▲	10.690

PESO-DOLLAR RATES



FX	
OPEN	P58.440
HIGH	P58.440
LOW	P58.720
CLOSE	P58.660
W.AVE.	P58.671
VOL.	$1,274.95 M

29.50 CTVS
30 DAYS TO FEBRUARY 3, 2025
SOURCE : BAP

ASIAN MONIES-US$ RATE

FEBRUARY 3, 2025

	LATEST BID (0900GMT)		PREVIOUS
Japan (yen)	155.010	▲	155.180
Hong Kong (HK dollar)	7.793	—	7.793
Taiwan (NT dollar)	32.992	▼	32.969
Thailand (baht)	34.010	▼	33.770
S. Korea (won)	1,465.640	▼	1,455.700
Singapore (dollar)	1.366	▼	1.358
Indonesia (rupiah)	16,430	▼	16,295
Malaysia (ringgit)	4.470	▼	4.450

WORLD CURRENCIES

FEBRUARY 3, 2025

	CLOSE		PREVIOUS
US$/UK pound	1.2288	▼	1.2390
US$/Euro	1.0227	▼	1.0362
US$/Aust dollar	0.6139	▼	0.6211
Canada dollar/US$	1.4692	▲	1.4524
Swiss Franc/US$	0.9175	▲	0.9107

DUBAI CRUDE OIL

FUTURES PRICE ON NEAREST MONTH OF DELIVERY
$79.89/BBL

$1.36
30 DAYS TO JANUARY 31, 2025

VOL. XXXVIII • ISSUE 135 | TUESDAY • FEBRUARY 4, 2025 • www.bworldonline.com | S1/1-12 • 2 SECTIONS, 16 PAGES

PHILIPPINE STOCK EXCHANGE'S 10 MOST ACTIVE STOCKS BY VALUE TURNOVER • FEBRUARY 3, 2025 (PSEi snapshot on *S1/4*; article on *S2/2*)

Stock	Price	Value	Change		%
CBC	P93.000	P1,883,278,613	P0.000	—	0.000%
ALI	P24.000	P850,158,930	P1.700	▲	7.623%
SM	P769.000	P611,585,320	-P11.000	▼	-1.410%
BDO	P137.000	P557,768,989	-P0.600	▼	-0.436%
ICT	P341.000	P445,213,148	-P9.000	▼	-2.571%
PLUS	P29.650	P412,198,065	P2.750	▲	10.223%
AREIT	P40.000	P403,980,185	-P2.000	▼	-4.762%
BPI	P120.000	P379,264,251	P3.800	▲	3.270%
WLCON	P8.000	P347,535,824	-P0.400	▼	-4.762%
URC	P57.900	P308,009,831	-P2.900	▼	-4.770%

Manufacturing growth slows in Jan.

PHILIPPINE manufacturing activity continued to expand in January, albeit at the slowest pace in five months, S&P Global said on Monday.

The S&P Global Philippines Manufacturing Purchasing Managers' Index (PMI) stood at 52.3 in January, easing from the 54.3 logged in December 2024. This was the lowest PMI reading in five months or since the 51.2 reading in August 2024.

In its report, S&P Global said the PMI reading signaled a "solid improvement" in manufacturing conditions in the Philippines.

A PMI reading above 50 denotes better operating conditions than in the preceding month, while a reading below 50 shows a deterioration.

"The Filipino manufacturing sector started the year with a further and strong improvement in demand. Output grew again, albeit at a pace which notably weakened from December," Maryam Baluch, economist at S&P Global Market Intelligence, said in a statement on Monday.

In January, the Philippines had the fastest PMI reading among six Association of Southeast Asian Nations (ASEAN) member countries ahead of Indonesia at 52.3.

A contraction in manufacturing activity was seen in Thailand (49.6), Vietnam (48.9), Malaysia (48.7), and Myanmar (47.4).

Demand for Philippine-made goods improved in January, although the pace of growth slightly decelerated from the recent high observed in December, S&P Global said.

"Nevertheless, the rate of expansion in intakes of new orders remained historically robust, as firms reported that strong client demand and the acquisition of new customers drove increased sales," it said.

S&P noted that solid demand trends drove manufacturing output higher, but January marked the second weakest in the current 10 consecutive months of growth.

This was attributed to competition and elevated raw material prices that constrained production.

However, an increase in production requirements prompted manufacturers to hike purchasing activity in January.

"Companies also focused on stock building, with both pre- and post-production inventories rising at historically strong rates during the latest survey period," S&P said.

Manufacturing, S1/5

Food security emergency declared

THE DEPARTMENT of Agriculture (DA) declared on Monday a food security emergency on rice, the latest effort by the government to lower the cost of the staple grain.

"This emergency declaration allows us to release rice buffer stocks held by the National Food Authority to stabilize prices and ensure that rice, a staple food for millions of Filipinos, remains accessible to consumers," Agriculture Secretary Francisco P. Tiu-Laurel, Jr. said in a statement.

The DA cited the "extraordinary" increase in local rice prices despite the drop in global prices and the reduction in tariffs last July.

Last month, the National Price Coordinating Council approved the resolution urging the DA to declare a food security emergency for rice.

Food security, S1/5

FUEL PRICE TRACKER

(week-on-week change)

GASOLINE		
Jan. 21	▲	P1.65
Jan. 28	▼	P0.80
Feb. 4	▲	P0.70
DIESEL		
Jan. 21	▲	P2.70
Jan. 28	▼	P0.20
Feb. 4	▼	P1.15
KEROSENE		
Jan. 21	▲	P2.50
Jan. 28	▼	P0.50
Feb. 4	▼	P0.90

- ***Feb. 4, 12:01 a.m.*** — Caltex Philippines
- ***Feb. 4, 6 a.m.*** — Petron Corp.; Phoenix Petroleum; Pilipinas Shell Petroleum Corp.; PTT Philippines Corp.; Seaoil Philippines, Inc.
- ***Feb. 4, 8:01 a.m.*** — Cleanfuel (Shaw Autogas, Inc.)

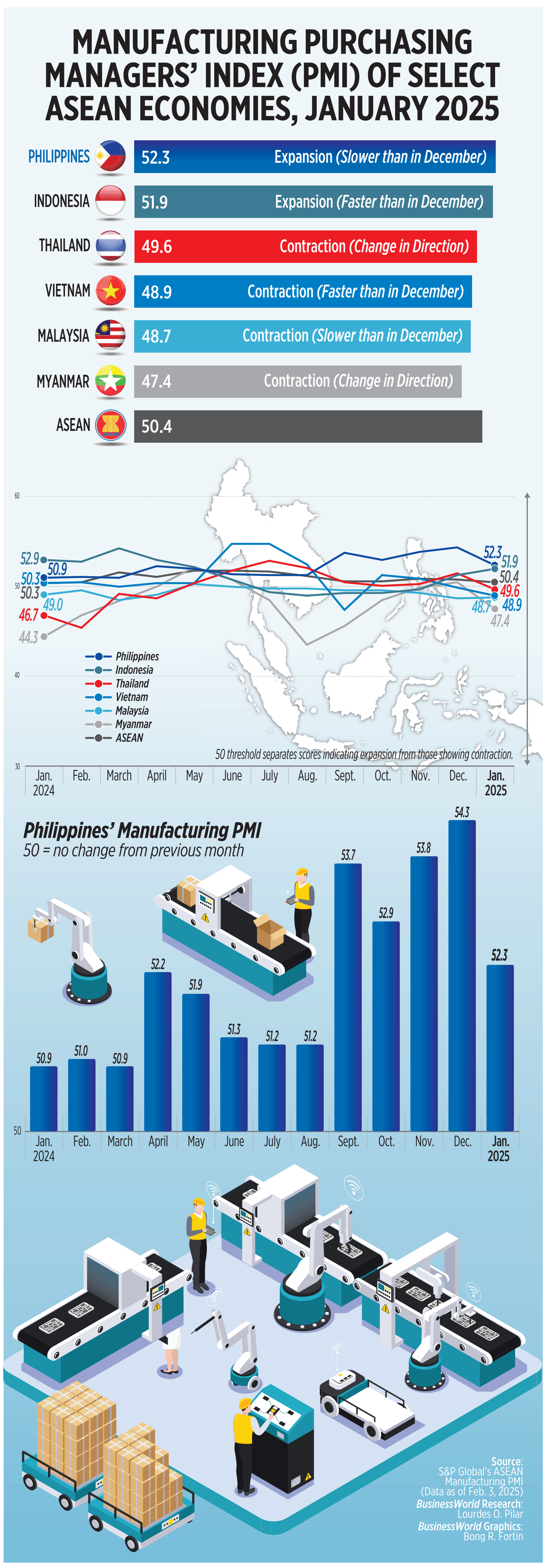
PCCI opposes P200 daily wage hike

THE PHILIPPINE Chamber of Commerce and Industry (PCCI) is opposing the proposed P200 across-the-board daily minimum wage hike for workers.

"A blanket national minimum wage (hike) does not take into account the differences in the cost of living across regions as well as the unique needs of businesses based on the specific industry, location, and type of labor they need. Cities have higher costs of living versus rural areas," said PCCI President Enunina V. Mangio in a statement on Monday.

The business group's statement came after a House Committee on Labor approved last week a bill that will grant a P200 across-the-board wage increase for private-sector workers.

PCCI, S1/5



PHL unlikely to reach the upper end of 2025 target

By Aubrey Rose A. Inosante *Reporter*

THE PHILIPPINES may have difficulty achieving the upper end of the government's 6-8% gross domestic product (GDP) growth target amid heightened global uncertainties this year.

Asked if the country could hit 8% growth this year, Finance Secretary Ralph G. Recto told *BusinessWorld*: "6-6.5% [growth] is doable for 2025."

Mr. Recto, however, said the outlook will depend on "inflation, interest rates, and strength of US dollar."

The Philippine economy expanded by 5.6% last year, slightly faster than 5.5% in 2023 but fell short of the government's revised 6-6.5% target.

The National Economic and Development Authority earlier said the GDP growth was hampered by extreme weather events, geopolitical tensions, and subdued global demand — which is now considered as the "new normal."

Multilateral lenders World Bank and the Asian Development Bank project the Philippines to grow by 6.1% and 6.2% in 2025.

In an e-mail interview with BusinessWorld, Ateneo School of Government Dean Philip Arnold "Randy" P. Tuaño said the Philippines will "face difficulty" meeting the 8% growth target.

"It was relatively easy to achieve a 7% to 8% growth in the 2022-2023 period as we have been coming from a low-income base during the pandemic," Mr. Tuaño said.

"Even then, 5% to 6%, while a respectable rate of growth, would make it difficult to achieve significant growth in income among the middle class and vulnerable in the next few years," he added.

HSBC economist for ASEAN Aris D. Dacanay said that achieving an 8% growth rate is possible, but "a tall order."

He cited global and domestic headwinds, including a sluggish Chinese economy, tariff risks, and climate-related impacts on the agricultural sector.

"This isn't to say the Philippines won't grow. Growing by 6.3%, we expect it to be one of Asia's top performers in 2025 with the business process outsourcing sector (BPO), digitalization, and household consumption — sectors of the economy that are not subject to tariff risks — leading the charge," he told *BusinessWorld* via e-mail.

In a note, Citi downgraded its 2025 GDP forecast to 5.9%, from 6% previously, after the weaker-than-expected growth momentum in 2024.

"Still, recent activity data such as income remittances continue to suggest that domestic demand would remain well-supported. Commercial bank loans rose 11.1% year on year in November 2024 suggesting robust business activities and consumption growth... Furthermore, continued monetary easing and more moderate inflation are also expected to support domestic demand expansion in 2025," Citi said.

Target, S1/10

BSP: Shift from 'obsolete' OTPs to more secure methods needed

By Luisa Maria Jacinta C. Jocson *Reporter*

THE BANGKO SENTRAL ng Pilipinas (BSP) is seeking to veer away from the use of one-time passwords (OTPs) in favor of more secure and advanced authentication methods.

"Our objective is to make it future proof. You know how technology is. If you say that what we have right now is efficient, then by next week or next year, it may no longer be," BSP Deputy Governor Elmore O. Capule said in a seminar over the weekend.

"We are encouraging the banks to go on a higher level of protection. While what we have now may be sufficient for now, we want them to continually upgrade," he added.

The BSP said OTPs as an authentication method are becoming "obsolete."

Other central banks in the region, like Singapore, have begun to gradually phase out OTPs as a means for bank account logins, amid increasing instances of financial scams such as phishing.

"That's where we are coming from, we are looking at banks having more sophisticated methods," Mr. Capule added.

The BSP recently released a draft circular seeking to strengthen the regulatory framework on IT risk management of banks and nonbanks.

Under the draft rules, the central bank is seeking to limit the use of interceptable authentication mechanisms, such as OTPs through short message service (SMS) or e-mail, as these can be shared or intercepted by third parties.

It cited the "increasing prevalence of social engineering attacks aimed at obtaining login credentials."

"Our basis is it really depends on how sophisticated your system and the bank are. Like if we're talking about a rural bank or thrift bank, perhaps we will be satisfied with the OTPs," Mr. Capule said.

"But if you are looking at, let's say, digital banks, then being a digital bank means your system should be more robust and more advanced. So, we are trying to influence their behavior."

Mr. Capule said the goal is to eventually veer away from OTPs to adopt more advanced security methods.

The central bank will need to consult with the industry to discuss the transition, he added.

"Of course, we have to listen to them, realistically, how long will it take you to change technology," he added.

OTPs, S1/10