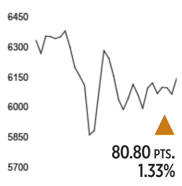
P25 IN METRO MANILA, PHILIPPINES

BusinessWorld

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

STOCK MARKET



PSEi	
OPEN:	6,070.59
HIGH:	6,144.96
LOW:	6,058.21
CLOSE:	6,144.96
VOL.:	0.467 B
VAL(P):	5.307 B

ASIAN MARKETS

FEBRUARY 26, 2025

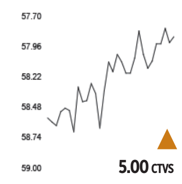
	CLOSE		NET	%
Japan (Nikkei 225)	38,142.37	▼	-95.42	-0.25
Hong Kong (Hang Seng)	23,787.93	▲	753.91	3.27
Taiwan (Weighted)	23,402.55	▲	116.83	0.50
Thailand (SET Index)	1,231.14	▲	24.75	2.05
S.Korea (Kse Composite)	2,641.09	▲	10.80	0.41
Singapore (Straits Times)	3,908.05	▼	-7.82	-0.20
Sydney (All Ordinaries)	8,240.70	▼	-11.20	-0.14
Malaysia (Klse Composite)	1,588.71	▲	20.68	1.32

WORLD MARKETS

FEBRUARY 25, 2025

	CLOSE		NET
Dow Jones	43,621.160	▲	159.950
NASDAQ	19,026.386	▼	-260.539
S&P 500	5,955.250	▼	-28.000
FTSE 100	8,668.670	▲	9.690
Euro Stoxx50	4,738.550	▲	11.180

PESO-DOLLAR RATES



FX	
OPEN	P57.870
HIGH	P57.855
LOW	P57.920
CLOSE	P57.880
W.AVE.	P57.880
VOL.	$1,085.20 M

SOURCE : BAP

ASIAN MONIES-US$ RATE

FEBRUARY 26, 2025

	LATEST BID (0900GMT)		PREVIOUS
Japan (yen)	149.380	▲	149.540
Hong Kong (HK dollar)	7.773	—	7.773
Taiwan (NT dollar)	32.791	▼	32.770
Thailand (baht)	33.700	▼	33.670
S. Korea (won)	1,432.800	▲	1,433.190
Singapore (dollar)	1.337	▲	1.339
Indonesia (rupiah)	16,365	▼	16,340
Malaysia (ringgit)	4.426	▼	4.419

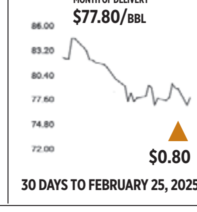
WORLD CURRENCIES

FEBRUARY 26, 2025

	CLOSE		PREVIOUS
US$/UK pound	1.2651	▲	1.2620
US$/Euro	1.0500	▲	1.0470
US$/Aust dollar	0.6328	▼	0.6337
Canada dollar/US$	1.4328	▲	1.4259
Swiss Franc/US$	0.8945	▼	0.8969

DUBAI CRUDE OIL

FUTURES PRICE ON NEAREST MONTH OF DELIVERY
$77.80/BBL



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S1/1-12 • 2 SECTIONS, 16 PAGES

PHILIPPINE STOCK EXCHANGE'S 10 MOST ACTIVE STOCKS BY VALUE TURNOVER • FEBRUARY 26, 2025 (PSEi snapshot on *S1/4*; article on *S2/2*)

		Value			
BDO	P147.900	P675,362,944	P3.400	▲	2.353%
ICT	P340.000	P423,815,144	P0.000	—	0.000%
JFC	P268.000	P404,539,984	P9.000	▲	3.475%
ALI	P22.500	P402,603,520	-P0.400	▼	-1.747%
URC	P71.000	P299,060,063	P4.000	▲	5.970%
SMPH	P24.400	P279,800,920	P0.900	▲	3.830%
BPI	P132.000	P274,948,271	P2.000	▲	1.538%
SM	P781.000	P221,472,275	P7.000	▲	0.904%
JGS	P17.680	P192,666,178	P0.700	▲	4.122%
MBT	P74.000	P165,874,885	P1.500	▲	2.069%

Trade war poses risk to PHL growth

By Luisa Maria Jacinta C. Jocson *and* **Aaron Michael C. Sy**
Reporters

THE PHILIPPINE ECONOMY'S biggest risk this year is the looming global trade war, Security Bank said, which could also cause the central bank to be more "external-dependent" to account for these uncertainties.

"We're less affected compared to the likes of China and Japan if ever the automobile tariffs (push through). But we're not purely unscathed from a trade war," Security Bank Corp. Vice-President and Research Division Head Angelo B. Taningco told reporters on Wednesday.

"Being part of the global value chain, we will also get affected in terms of the growth of our exports, it will get weaker."

Security Bank expects the country's gross domestic product (GDP) to grow by 6.1% this year, at the low end of the government's 6-8% target.

However, this base case does not take into account the impact of a possible trade war.

Mr. Taningco said it will be "difficult" for the Philippines to grow by 6.1% if the trade uncertainties materialize.

"It depends on the magnitude of the trade war. It depends also on how much the tariff will be hiked," he added.

Markets are bracing for the potential impact of US President Donald J. Trump's trade policies, such as reciprocal tariffs on all countries that tax US imports.

Since taking office in January, Mr. Trump has imposed a 10% duty on Chinese imports. A 25% tariff on Mexico and Canada, as well as a tariff on all steel and aluminum imports is set to take effect next month.

Mr. Taningco said that if the US pushes its plans for reciprocal tariffs, other countries are expected to retaliate.

He said the "tit-for-tat" retaliation will likely be more widespread than during Mr. Trump's first term, as more countries are involved.

POLICY IMPACT

The slew of tariffs will have implications on US inflation and monetary easing, which could also impact the Philippines' own rate-cutting cycle.

"It will be worse on inflation in the US if they do it alongside the tax cuts. Demand-side inflation, that's scarier, because inflation will spike. So, no more rate cuts," Mr. Taningco said.

"Growth will go down and that's being felt by the consumers. Normally, when they are scared, consumers in the US, they pull back their spending plans."

This could prompt the Bangko Sentral ng Pilipinas (BSP) to be "more external-dependent," Mr. Taningco said, amid heightened global uncertainty.

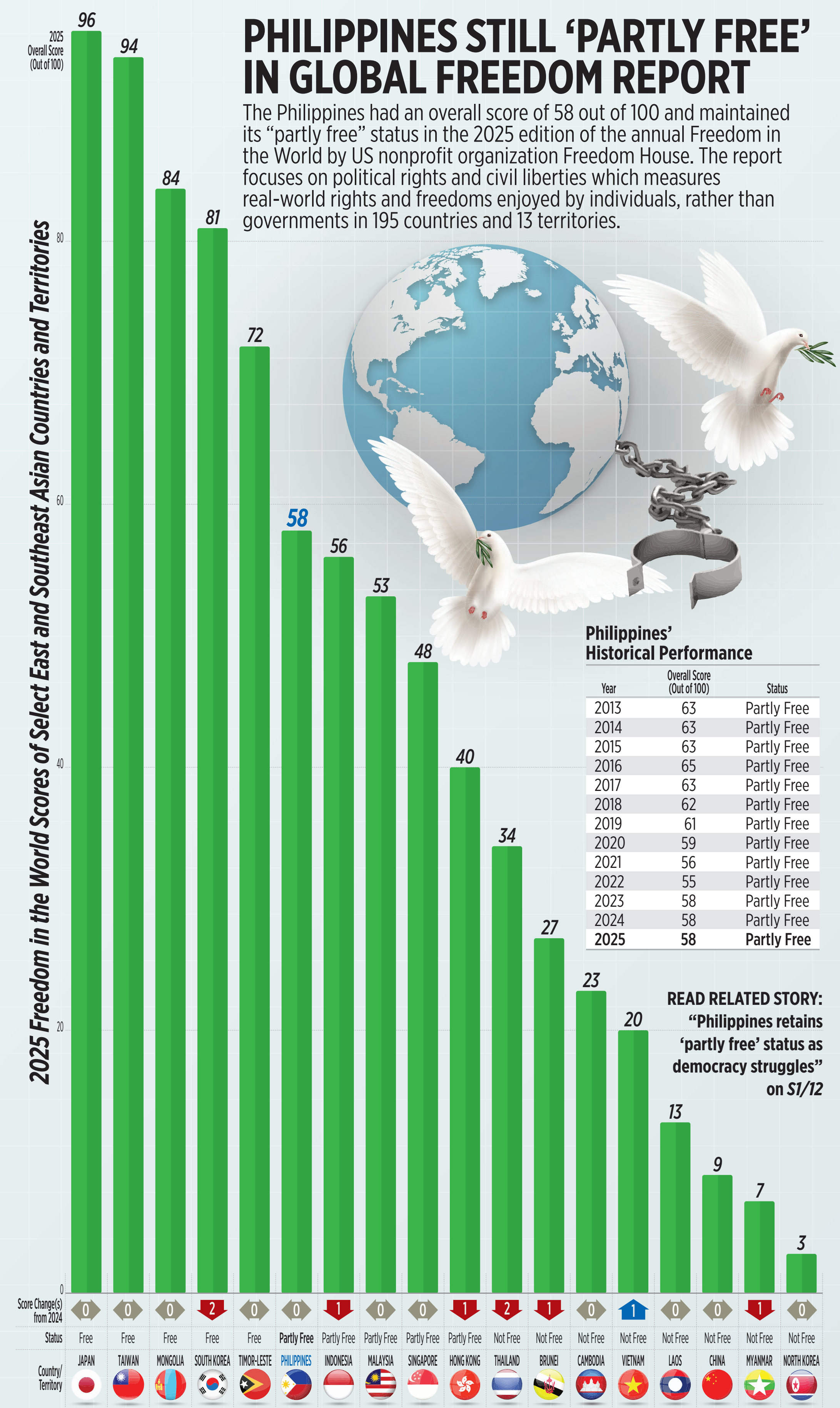
"If tariffs are raised sharply, prospects for rate cuts in the US might diminish. But on second thought, your growth prospects will diminish. But the central bank has a dual mandate. It will be a delicate balancing act."

Security Bank expects the BSP to cut rates by a total of 50 basis points (bps) this year through 25-bp cuts at each of its June and October meetings.

Trade war, S1/9

PHILIPPINES STILL 'PARTLY FREE' IN GLOBAL FREEDOM REPORT

The Philippines had an overall score of 58 out of 100 and maintained its "partly free" status in the 2025 edition of the annual Freedom in the World by US nonprofit organization Freedom House. The report focuses on political rights and civil liberties which measures real-world rights and freedoms enjoyed by individuals, rather than governments in 195 countries and 13 territories.



Philippines' Historical Performance

Year	Overall Score (Out of 100)	Status
2013	63	Partly Free
2014	63	Partly Free
2015	63	Partly Free
2016	65	Partly Free
2017	63	Partly Free
2018	62	Partly Free
2019	61	Partly Free
2020	59	Partly Free
2021	56	Partly Free
2022	55	Partly Free
2023	58	Partly Free
2024	58	Partly Free
2025	**58**	**Partly Free**

READ RELATED STORY: "Philippines retains 'partly free' status as democracy struggles" on *S1/12*

Philippines' 2025 Snapshot

	2025 Score
Overall Score (Status)	**58** (Partly Free)
Categories and Subcategories	2025 Score
Political Rights Total (0-40)	**25**
Electoral Process	9
Political Pluralism and Participation	10
Functioning of Government	6
Civil Liberties Total (0-60)	**33**
Freedom of Expression and Belief	11
Associational and Organizational Rights	7
Rule of Law	5
Personal Autonomy and Individual Rights	10

NOTES:
— The latest edition covers developments in the countries and territories throughout the year from Jan. 1, 2024 through Dec. 31, 2024.
— Each country and territory is based on 25 indicators, which are scored on a scale of 0-4, summing up with an aggregate score of 100.
— The indicators are then grouped into two categories, political rights (0-40) and civil liberties (0-60), with equal weighting. These categories, in turn, determine whether the country or territory is classified as Free, Partly Free, or Not Free.

Top 5

Country/Territory	2025 Overall Score (Out of 100)	Status
Finland	100	Free
New Zealand	99	Free
Sweden	99	Free
Norway	99	Free
Canada	97	Free

Bottom 5

Country/Territory	2025 Overall Score (Out of 100)	Status
Russian-Occupied Territories of Ukraine	-1	Not Free
Tibet	0	Not Free
South Sudan	1	Not Free
Turkmenistan	1	Not Free
Gaza Strip	2	Not Free

Source:
Freedom House's Freedom in the World 2025: The Uphill Battle to Safeguard Rights *(https://freedomhouse.org/report/freedom-world/2025/uphill-battle-to-safeguard-rights)*
***BusinessWorld* Research:**
Kenneth H. Hernandez and Abigail Marie P. Yraola
***BusinessWorld* Graphics:**
Bong R. Fortin

Digital banks likely to remain in the red

By Luisa Maria Jacinta C. Jocson *Reporter*

DIGITAL BANKS in the Philippines remained in the red in 2024 and will likely continue to post losses in the near term as they struggle to expand the reach of their credit products, a central bank official said.

"Fintech startups, including digital banks (DBs), often face losses in their initial years due to significant pre-operating and establishment expenses," Bangko Sentral ng Pilipinas (BSP) Deputy Governor Chuchi G. Fonacier told *BusinessWorld*.

"As startups, it is expected that most of the DBs will not reach positive net results within the first five to seven years of operations," she added.

Preliminary data from the BSP showed that the digital banking sector posted a P7.07-billion net loss as of end-December.

The digital bank industry has been in the red since the BSP began consolidating data from the sector starting March 2023.

Ms. Fonacier said the losses were mainly due to digital lenders putting in large investments for technology and personnel, as well as high customer acquisition costs.

Digital banks have also been unable to expand their lending products, she added.

"While DBs have been able to attract deposits at a fast rate, the roll-out of credit products has not kept pace, as shown by the low industry loan-to-deposit ratio of 36%."

"There are difficulties in securing high-quality loans due to the limited financial data or credit history of their target market," she added.

Digital banks, S1/9

EXPERTS on Wednesday discussed the challenges and opportunities facing the local bourse at the BusinessWorld Insights: Stock Market Outlook 2025 at the Dusit Thani Manila, Makati City.

In photo: PhilSTAR Media Group Executive Vice-President Lucien C. Dy Tioco; Unicapital Group Senior Vice-President for Investment Banking Pamela Victoriano; Department of Finance Assistant Secretary Neil Adrian S. Cabiles; Sunlife Investment Management and Trust Corp. President Michael Gerard D. Enriquez; COL Financial First Vice-President and Chief Investor Relations Officer April Lynn C. Lee-Tan; *BusinessWorld* Editor-in-Chief Cathy Rose A. Garcia; First Metro Securities Brokerage Corp. First Vice-President and Equity Research Division Head Reuben Mark Angeles; BDO Securities Corp. Head Trader Jasper M. Jimenez; and PhilSTAR Media Group Vice-President for Sales & Marketing Jay R. Sarmiento.

PHL stock market seen to bounce back this year

By Ashley Erika O. Jose
Reporter

BusinessWorld insights

THE PHILIPPINE stock market is likely to bounce back this year, amid easing inflation and further rate cuts by the central bank, analysts said.

"It is the first time in two years that we're bullish on this market," First Metro Securities Brokerage Corp. First Vice-President and Equity Research Division Head Reuben Mark Angeles said during the BusinessWorld Insights: Stock Market 2025 forum on Wednesday.

"For the last two years, we've been very bearish. And we see a lot of things that have turned around. And we see that at the end of the year, we will see stronger equity market performance."

Mr. Angeles said PSEi is expected to hit the 7,600 level by yearend.

The PSE index (PSEi) closed 2024 at 6,528.79, up by 1.2% from its 6,450.04 finish in 2023. This marked the first time the bellwether index closed higher since 2019.

He noted the Philippine economy is on a "clear growth path," with the midterm elections and favorable base effects to stimulate consumption this year.

Stock market, S1/10