

STOCK MARKET	ASIAN MARKETS	WORLD MARKETS	PESO-DOLLAR RATES	ASIAN MONIES-US\$ RATE	WORLD CURRENCIES	DUBAI CRUDE OIL
6365 6287 6209 6131 6053 5975 30 DAYS TO APRIL 4, 2025 61.54 PTS. 1% OPEN: 6,111.11 HIGH: 6,111.11 LOW: 6,053.74 CLOSE: 6,084.19 VOL.: 1.718 B VAL(P): 11.695 B PSEI	APRIL 4, 2025 CLOSE NET % JAPAN (NIKKEI 225) 33,780.58 ▼ -955.35 -2.75 HONG KONG (HANG SENG)**22,849.81 ▼ -352.72 -1.52 TAIWAN (WEIGHTED) * 21,298.22 ▲ 18.05 0.08 THAILAND (SET INDEX) 1,125.21 ▼ -36.60 -3.15 S.KOREA (KSE COMPOSITE) 2,465.42 ▼ -21.28 -0.86 SINGAPORE (STRAITS TIMES) 3,825.86 ▼ -116.37 -2.95 SYDNEY (ALL ORDINARIES) 7,667.80 ▼ -191.90 -2.44 MALAYSIA (KLC COMPOSITE) 1,504.14 ▼ -14.77 -0.97 * 04/02/2025 ** 04/03/2025	APRIL 4, 2025 CLOSE NET DOW JONES 38,314.860 ▼ -2,231.070 NASDAQ 15,587.786 ▼ -962.819 S&P 500 5,074.080 ▼ -322.440 FTSE 100 8,054.980 ▼ -419.760 Euro Stoxx50 4,226.430 ▼ -211.180	58.80 57.04 57.28 57.52 57.76 58.00 30 DAYS TO APRIL 4, 2025 27.40 CTVS OPEN P56.950 HIGH P56.740 LOW P56.950 CLOSE P56.821 W.AVE. P56.852 VOL. \$1,991.80 M SOURCE : BAP FX	APRIL 4, 2025 LATEST BID (0900GMT) PREVIOUS JAPAN (YEN) 146,900 ▼ 146.520 HONG KONG (HK DOLLAR) 7.774 ▲ 7.779 TAIWAN (NT DOLLAR) 33.161 ▲ 33.189 THAILAND (BAHT) 34.360 ▼ 34.200 S. KOREA (WON) 1,458.510 ▼ 1,455.970 SINGAPORE (DOLLAR) 1.346 ▼ 1.336 INDONESIA (RUPIAH) 16,555 — 16,555 MALAYSIA (RINGGIT) 4.434 ▼ 4.438	APRIL 4, 2025 CLOSE PREVIOUS US\$/UK POUND 1.2890 ▼ 1.3171 US\$/EURO 1.0955 ▼ 1.1033 US\$/AUST DOLLAR 0.6041 ▼ 0.6341 CANADA DOLLAR/US\$ 1.4218 ▲ 1.4150 SWISS FRANC/US\$ 0.8605 ▼ 0.8639	FUTURES PRICE ON NEAREST MONTH OF DELIVERY \$70.50/BBL 60.00 70.00 80.00 90.00 100.00 30 DAYS TO APRIL 4, 2025 \$4.60

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PHILIPPINE STOCK EXCHANGE'S 10 MOST ACTIVE STOCKS BY VALUE TURNOVER • APRIL 4, 2025 (PSEi snapshot on SI/4; article on SI/2)

AC	P571.000	ICT	P336.800	SM	P780.000	BDO	P155.600	TEL	P1,235.000	MBT	P73.050	ALI	P23.700	BPI	P133.000	JFC	P224.200	DITO	P1.500
Value	P864,305,110	Value	P805,596,046	Value	P321,594,180	Value	P307,056,872	Value	P297,353,460	Value	P252,907,222	Value	P217,883,825	Value	P213,626,740	Value	P127,559,188	Value	P115,277,940
P5.000	▲ 0.883%	-P16.200	▼ -4.589%	-P5.000	▼ -0.637%	P0.000	— 0.000%	-P15.000	▼ -1.200%	-P1.350	▼ -1.815%	-P0.050	▼ -0.211%	-P0.900	▼ -0.672%	P0.200	▲ 0.089%	P0.210	▲ 16.279%

PEZA is seeking reduced tariffs for key economic zone exports to US

By Justine Irish D. Tabile
Reporter

THE PHILIPPINE Economic Zone Authority (PEZA) will seek reduced US tariffs on key economic zone exports, which will likely be impacted by the

17% reciprocal tariff that will take effect on April 9.

“Guided by the Department of Trade and Industry (DTI) strategy, we hope to achieve reduced tariffs on our key exports to the US such as EMS-SMS (electronics manufacturing services and semiconductor manufacturing services),

automotive parts, and select agricultural products under a bilateral FTA (free trade agreement) framework,” PEZA Director-General Tereso O. Panga told *BusinessWorld*.

“This is by focusing on negotiations on preferential tariff agreements that will allow the Philippines and the US to pursue

mutually beneficial trade,” he added.

The Trump administration on Saturday began collecting the initial 10% baseline tariff on all imports from most countries. The higher reciprocal tariff rates of 11% to 50% on countries including the Philippines, Cambodia, Vietnam and

Thailand, will take effect on April 9.

“As they account for our biggest exports to the US and are the major generators of quality jobs in the country, the government may lobby for a reduced sectoral tariff for our exports of EMS-SMS products,” Mr. Panga said.

He noted EMS-SMS products account for 44.5% of export sales to the US.

The PEZA chief said this is a proposal worth considering by the US, as a big number of EMS-SMS are American companies that provide critical support to major clients in the US.

PEZA, SI/4

NG gross borrowings plunge in February

By Aubrey Rose A. Inosante
Reporter

THE NATIONAL GOVERNMENT'S (NG) gross borrowings plunged by 48.82% in February as domestic issuances declined, the Bureau of the Treasury (BTr) reported.

Data from the BTr showed that total gross borrowings slumped to P339.55 billion in February from P663.42 billion in the same month a year ago.

Month on month, gross borrowings went up by 59.31% from P213.14 billion in January.

Domestic debt dropped by 78.62% to P140.8 billion in February from P658.68 billion in February 2024.

The domestic borrowings in February 2024 included the proceeds from the record-high P584.86 billion raised from retail Treasury bonds.

Domestic debt in February this year was made up of P130 billion in fixed-rate Treasury bonds and P10.8 billion in Treasury bills.

Meanwhile, external debt accounted for the bulk or 58.53% of total gross borrowings.

Gross external borrowings ballooned to P198.75 billion in February from P4.74 billion in the previous year, as the government issued global bonds. Last year's external borrowings were only composed of new project loans.

This consisted of P191.97 billion in global bonds and P6.79 billion in project loans.

Rizal Commercial Banking Corp. Chief Economist Michael L. Ricafort said the decline in domestic borrowings was offset by the global bond issuance which raised \$3.3 billion or P192 billion in late January but settled in February.

The government raised \$3.3 billion from the issuance of dollar and euro-denominated sustainability bonds. This included \$1.25 billion from 10-year US bonds, \$1 billion from 25-year US bonds and one billion euros from 25-year euro bonds.

In the January-to-February period, the NG's gross debt fell by 36.22% to P552.69 billion from P866.57 billion in the same period last year.

Domestic debt accounted for the bulk or 53.01% of total gross borrowings in the first two months.

Borrowings, SI/9

PHL to benefit from trade diversion due to reciprocal tariffs

TRADE DIVERSION in Asia arising from the United States' reciprocal tariff orders could benefit the Philippines as it is one of the few countries slapped with a lower tariff.

“This time around, the US tariffs are imposed globally, with differing tariff hikes across countries,” Nomura Global Markets Research said in a report.

“This could result in US firms replacing some of their imports from countries that have higher tariffs (e.g. Thailand, Vietnam) with imports from countries that have lower tariffs (e.g. Philippines).”

US President Donald J. Trump on April 2 announced the imposition of a baseline tariff of 10% on all its trading partners. Some countries were hit with higher-than-expected tariffs, with the Philippines facing a 17% tariff that will be implemented starting April 9.

Nomura said trade diversion benefits to the low-tariff countries could be a “partial offset.”

“There may be some scope for trade diversion, as some countries have higher tariff rates than others.”

“Back in 2017-18, US tariffs on China resulted in US firms replacing some of their imports from China with imports from other countries, including those in Asia,” it added.

In the region, the Philippines has the second-lowest tariff rate, just after Singapore, which received the 10% baseline tariff.

Countries that were recipients of “moderate” tariffs (24% to 27%) were Japan, South Korea and India.

Meanwhile, Cambodia, Vietnam, Thailand, Indonesia and China bore the brunt of higher tariffs (32% to 49%).

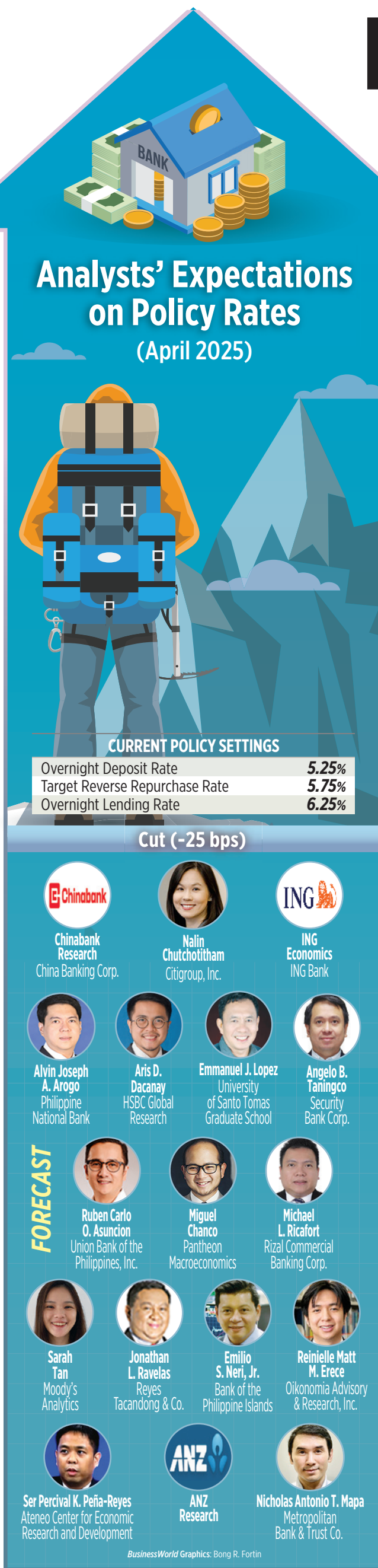
“Higher reciprocal tariffs will also influence the next round of supply-chain shifts. During the last eight years, Southeast Asian countries such as Vietnam have benefited from US-China trade tensions,” Nomura said.

“Higher reciprocal tariffs on Vietnam and Cambodia, if they are sustained, will eliminate this advantage. Instead, India, which faces a 27% reciprocal tariff and is trying to negotiate this down, stands to benefit from the next round of supply-chain shifts, helped also by its strategic alliance to the US.”

The Philippines' top destination for exports is the United States, accounting for about 17% of the total in 2024.

Data from Nomura showed that US exports accounted for 2.6% of the Philippines' gross domestic product last year.

Tariffs, SI/9



BSP to resume easing — poll

By Luisa Maria Jacinta C. Jocson
Senior Reporter

THE BANGKO SENTRAL ng Pilipinas (BSP) is expected to cut rates this week as low inflation and the US' tariff policy will give it more than enough room to resume its rate-cutting cycle, analysts said.

A *BusinessWorld* poll conducted last week showed that all 17 analysts surveyed expect the Monetary Board to reduce the target reverse repurchase rate by 25 basis points (bps) at its policy meeting on April 10.

If realized, this would bring the benchmark rate to 5.5% from the current 5.75%.

The central bank kept interest rates steady in February as it waited to see how global trade uncertainties would unfold. It slashed borrowing costs by a total of 75 bps in 2024.

“The door to continue the easing cycle has now swung even wider, with domestic conditions becoming even more appropriate for a rate cut,” HSBC economist for ASEAN Aris D. Dacanay said.

Bank of the Philippine Islands Lead Economist Emilio S. Neri, Jr. said there is a “90% chance” the Monetary Board will cut rates by 25 bps on Thursday.

“We think a gradual cut will be conducted given below-than-expected March inflation and need to underpin economic growth amid higher global tariffs,” Security Bank Corp. Vice-President and Research Division Head Angelo B. Taningco said.

Philippine National Bank economist Alvin Joseph A. Arogo said further easing will be justified by “low inflation, higher probabilities of Fed rate cut, and relatively better reciprocal tariff compared to other Asian countries.”

“We think that there is room for the ‘baby-step’ rate cut amid global

trade uncertainties. One major reason is the continued deflation narrative, with inflation steady within the government's inflation target of 2-4%,” Ruben Carlo O. Asuncion, chief economist at Union Bank of the Philippines, Inc., said.

SLOWING INFLATION

The March inflation print is one of the key indicators that will prompt the central bank to cut rates this week, analysts said.

March inflation slowed to 1.8% in March from 2.1% in February, its slowest rate in nearly five years.

Inflation averaged 2.2% in the first quarter, well within the central bank's 2-4% target.

“I’m expecting the (Monetary) Board to resume easing (this week), with a 25-bp rate cut to the target reverse repo rate,” Pantheon Macroeconomics Chief Emerging Asia Economist Miguel Chanco said.

He said the recent inflation prints “indicate strongly that the BSP still has ample room to further cut rates nominally while still keeping to its endgame of pursuing a ‘less-restrictive’ policy.”

Nicholas Antonio T. Mapa, chief economist at Metropolitan Bank & Trust Co., said the data so far “points to the need and scope for easing.”

“Inflation is at the lower end of target, risk-adjusted inflation forecasts point to target consistent inflation this year and next while growth is projected to miss target for a third year in a row,” he added.

Citi Economist for the Philippines Nalin Chutchotitham said the below-2% inflation “cements the case for an April policy rate cut.”

“While creeping higher from April, we see inflation staying firmly in the lower half of BSP's target range for the rest of 2025, and cut our 2025 inflation forecast to 2.2%,” she said.

BSP, SI/9

MANILA, Philippines, April 4, 2025 - McDonald's Corporation, headquartered in Chicago, Illinois, has entered into a multi-unit franchise agreement with Golden Arches Development Corporation (“GADC”), its Chairman and Founder, George T. Yang and President & CEO Kenneth S. Yang for a new 20-year franchise term in the Philippines until 2045. GADC is granted the license in the Philippines to, amongst other things, own, develop and operate restaurants and engage in the sub-franchising of restaurants under the McDonald's brand in accordance with the multi-unit franchise agreement with McDonald's Corporation.

(In Photo: L-R) Stijn Heytens, McDonald's Asia Business Unit Lead, McDonald's Philippines Master Franchise Holders Dr. George T. Yang (Chairman & Founder) and Kenneth S. Yang (President & CEO)