

STOCK MARKET	ASIAN MARKETS	WORLD MARKETS	PESO-DOLLAR RATES	ASIAN MONIES-US\$ RATE	WORLD CURRENCIES	DUBAI CRUDE OIL
PSEI OPEN: 6,048.74 HIGH: 6,087.18 LOW: 5,970.08 CLOSE: 6,082.44 30 DAYS TO APRIL 11, 2025 4.62 PTS. 0.07% VOL: 0.533 B PWL(P): 6.844 B	APRIL 11, 2025 JAPAN (NIKKEI 225) 33,585.58 ▼-1,023.42 -2.96 HONG KONG (HANG SENG) 20,914.69 ▲ 232.91 1.13 TAIWAN (WEIGHTED) 19,528.77 ▲ 528.74 2.78 THAILAND (SET INDEX) 1,128.66 ▼ -5.29 -0.47 S.KOREA (KSE COMPOSITE) 2,432.72 ▼ -12.34 -0.50 SINGAPORE (STRAITS TIMES) 3,512.53 ▼ -65.30 -1.83 SYDNEY (ALL ORDINARIES) 7,646.50 ▼ -63.10 -0.82 MALAYSIA (KLSE Composite) 1,454.76 ▼ -8.37 -0.57	APRIL 11, 2025 DOW JONES 40,212.710 ▲ 619.050 NASDAQ 16,724.456 ▲ 337.145 S&P 500 5,363.360 ▲ 95.310 FTSE 100 7,964.180 ▲ 50.930 EURO STOXX 4,097.650 ▼ -9.480	FX OPEN P57.220 HIGH P56.920 LOW P57.220 CLOSE P56.970 38.00 cts VOL. \$1,554.06 M SOURCE: BAP	APRIL 11, 2025 LATEST BID (0900GMT) 143.510 ▲ 146.140 JAPAN (YEN) 143.510 ▲ 146.140 HONG KONG (HK DOLLAR) 7.753 ▲ 7.763 TAIWAN (NT DOLLAR) 32.362 ▲ 32.833 THAILAND (BAHT) 33.330 ▲ 34.190 S.KOREA (WON) 1,419.530 ▲ 1,462.930 SINGAPORE (DOLLAR) 1.319 ▲ 1.339 INDONESIA (RUPIAH) 16,790 ▲ 16,795 MALAYSIA (RINGGIT) 4.420 ▲ 4.467	US\$/UK POUND 1.3080 ▲ 1.2861 US\$/EURO 1.1360 ▲ 1.1042 US\$/AUST DOLLAR 0.6285 ▲ 0.6162 CANADA DOLLAR/US\$ 1.3864 ▼ 1.4066 SWISS FRANC/US\$ 0.8151 ▼ 0.8442	FUTURES PRICE ON NEAREST MONTH OF DELIVERY \$64.90/BBL 74.80 70.60 66.40 62.20 58.00 \$0.50 30 DAYS TO APRIL 11, 2025

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PHILIPPINE STOCK EXCHANGE'S 10 MOST ACTIVE STOCKS BY VALUE TURNOVER • APRIL 11, 2025 (PSEi snapshot on S1/7; article on S2/2)

BDO P160,000 Value P1,599,198,589 P5.700 ▲ 3.694%	SM P800,000 Value P669,773,035 P0.000 — 0.000%	ICT P340,000 Value P467,232,338 P0.000 — 0.000%	BPI P130,000 Value P325,276,114 -P3,000 ▼ -2.256%	ALI P22.750 Value P250,232,765 -P0.250 ▼ -1.087%	SMPH P22.500 Value P231,165,635 P0.000 — 0.000%	JFC P216,000 Value P151,641,900 P1.200 ▲ 0.559%	MBT P73,000 Value P139,723,094 P0.700 ▲ 0.968%	TEL P1,265,000 Value P120,919,650 -P4,000 ▼ -0.315%	PLUS P35,750 Value P117,013,400 -P1,700 ▼ -4.539%
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More rate cuts expected in 2nd half

THE Bangko Sentral ng Pilipinas (BSP) is back on its easing track, analysts said, with rate cuts seen in the second half of the year.

"Given current projections of 'target-consistent' inflation and the outlook of a fragile global economy, the BSP will likely continue easing monetary conditions," the Metrobank Research

and Market Strategy Department said in a report.

It noted that the central bank will also likely maintain "a cautious approach as markets brace for the impacts of the trade war instigated by Donald J. Trump."

The BSP on Thursday resumed its rate-cutting cycle, delivering a widely expected 25-basis-point

(bp) rate cut. This brought the target reverse repurchase rate (RRP) to 5.5% from 5.75% previously.

BSP Governor Eli M. Remolona, Jr. signaled further rate reductions this year as the benchmark is still "slightly restrictive."

However, he noted rate cuts will still likely be delivered in

"baby steps" or in 25-bp increments. He said the central bank is also unlikely to lower rates at every policy meeting this year.

Mr. Remolona also told Bloomberg TV on Friday they would only consider cutting at every meeting in a "hard-landing scenario," which was unlikely.

For its part, Metrobank expects the BSP to deliver one more 25-bp cut this year.

"After today's 25-bp cut, we expect one more similar-sized cut this year, which will bring the target RRP to 5.25% by year-end."

"Weak economic growth, however, could give space for the BSP to squeeze in an additional 25-bp

rate reduction toward the end of the year. This is increasingly becoming our baseline scenario," it added.

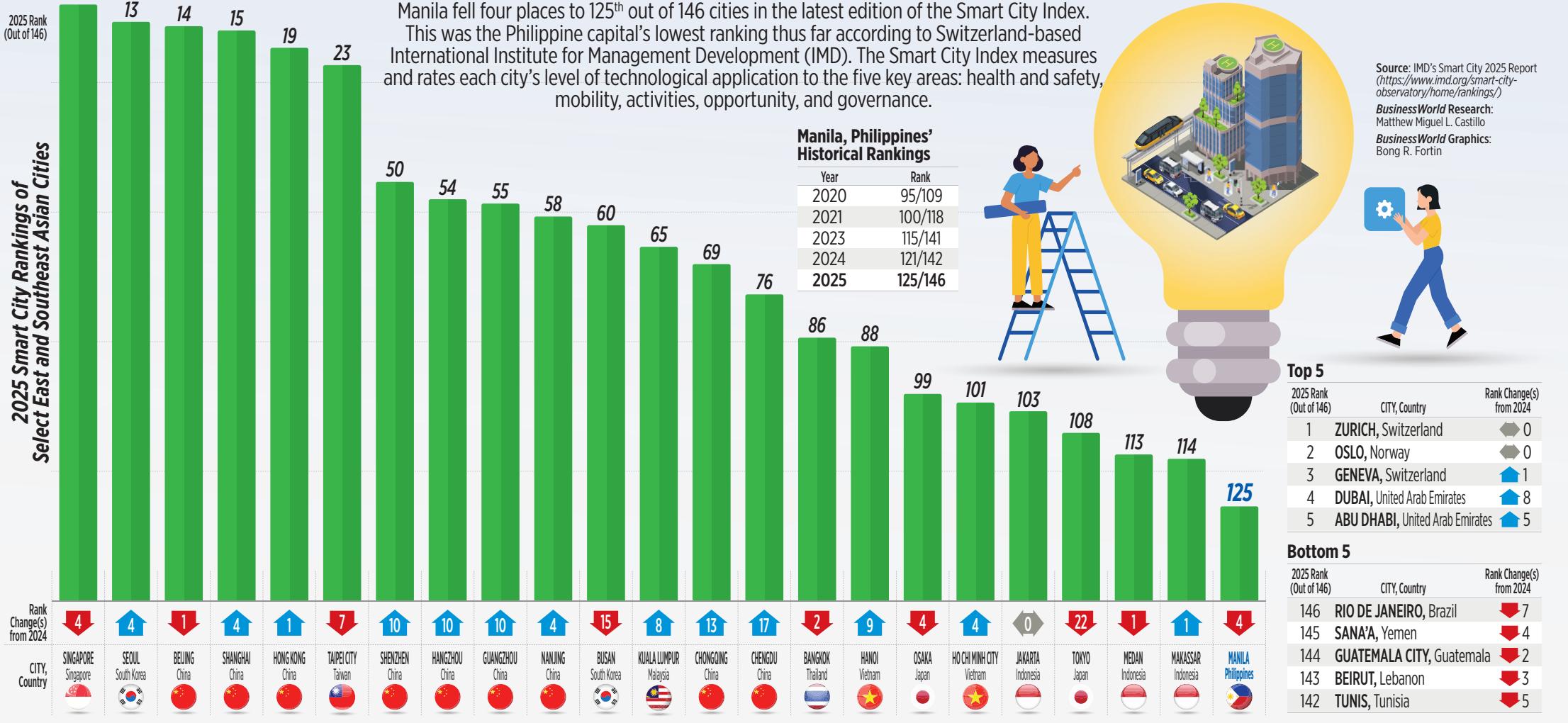
HSBC Global Research economist for ASEAN (Association of Southeast Asian Nations) Aris D. Dacanay said the central bank has "swung into dovishness."

Rate cuts, S1/6

MANILA CONTINUES TO SLUMP IN IMD'S SMART CITY INDEX

Manila fell four places to 125th out of 146 cities in the latest edition of the Smart City Index.

This was the Philippine capital's lowest ranking thus far according to Switzerland-based International Institute for Management Development (IMD). The Smart City Index measures and rates each city's level of technological application to the five key areas: health and safety, mobility, activities, opportunity, and governance.



Debt service declines in February

THE NATIONAL GOVERNMENT'S (NG) debt service slumped year on year in February as amortization payments declined, the Bureau of the Treasury (BTr) said.

Latest data from the BTr showed payments made by the NG for its debt plunged by 82.24% to P52.15 billion in February from P293.62 billion in the same month last year.

Month on month, debt service slid by 51.03% from P106.51 billion in January.

Debt service refers to payments made by the NG on its domestic and foreign debt.

In February, interest payments accounted for the bulk or 92.89% of total debt service, while the rest went to amortization.

The government's repayment of its loan principal or amortization declined by 98.49% to P3.71 billion in February from P245.79 billion a year ago.

This was mainly due to the 99.95% drop in amortization on domestic debt to P121 million in February from P243.63 billion in the same month in 2024.

External principal payments, on the other hand, increased by 65.88% to P3.59 billion in February from P2.16 billion in the same month last year.

On the other hand, interest payments inched up by 1.29% to P48.45 billion in February from P47.83 billion in the same month a year earlier.

Domestic interest payments fell by 22% to P42.07 billion in February.

ary from P34.35 billion a year ago. Broken down, P20.74 billion went to interest payments for fixed-rate Treasury bonds, P16.87 billion for retail Treasury bonds, and P4.42 billion for Treasury bills.

Interest payments on external debt went down by 52.67% to P6.38 billion in February from P13.48 billion a year ago.

For the first two months of 2025, the government's debt service declined by 64.94% to P158.66 billion from P452.51 billion in the same period last year.

Amortization payments for the January-to-February period plunged by 98.25% to P5.78 billion from P30.47 billion a year ago.

Principal payments on domestic debt slumped by 99.82% to P438 million, while those for external debt declined by 93.83% to P5.35 billion.

On the other hand, interest payments rose by 25.26% to P152.88 billion as of end-February from P122.05 billion in the same period a year ago.

Interest payments accounted for 96.35% of the total debt repayments in the first two months of 2025.

Interest payments on domestic debt jumped by 37.49% to P114.35 billion, while external debt payments dipped 0.9% to P38.53 billion.

"The debt service bill for February declined mainly due to lower obligations on Treasury bonds for the month," Oikonomia Advisory and Research Inc. economist Reinielle Matt M. Erece said.

"One of the other factors that also contributed to the lower bill would be the peso appreciation experienced since February, which meant lower foreign payments."

The peso closed at P57.995 against the greenback at end-February, appreciating by 37 centavos from its P58.365-per-dollar finish at end-January.

Rizal Commercial Banking Corp. Chief Economist Michael L. Ricafort said there was a lower amount of maturing debt in February compared with a year ago.

Mr. Ricafort noted that lower interest rates also mitigated the rise in interest payments.

"Further cuts in Fed rates that could be matched locally could also help temper the increase in interest payments if there would be additional/new borrowings," he added.

Mr. Ricafort noted the maturing government securities in April 2025 and from August-September 2025 "could lead to more borrowings to somewhat pay off or borrow again to replace the maturing debt."

In the near term, Mr. Erece expects the debt service bill to stabilize.

"However, I expect higher debt servicing obligations in the long term as a result of higher borrowings this year," he added.

The NG's debt stock rose to a fresh high of P16.63 trillion as of end-February but the BTr said this level "remains manageable." — Aubrey Rose A. Inosante

BUILDINGS in the central business district are seen from Manila Bay.

ANALYSTS have lowered their gross domestic product (GDP) growth forecast for the Philippines this year, amid the US government's flip-flopping trade policies.

In a recent report, Nomura Global Markets Research trimmed its GDP forecast to 5.9% for this year from 6% previously.

"Taking into account the impact of the US reciprocal tariffs, we now forecast a more moderate pickup in GDP growth to 5.9% year on year in 2025 from 5.6% in 2024," Nomura analysts Euben Paracuelles and Nabila Amani said.

This would be a tad below the Development Budget Coordination Committee's 6-8% target band for 2025.

First-quarter GDP data will be released on May 8.

Nomura said it revised its growth forecasts after US President Donald J. Trump announced the order to impose reciprocal tariffs on April 2.

Data from Nomura showed the scenarios by which countries in Asia could be affected by varying tariffs.

Under a "bad scenario" or if reciprocal tariffs proceed as planned, including the 125% tariff on China, the export value at risk for the Philippines is 0.5% of GDP.

In a "good scenario" or if only the baseline 10% tariffs are implemented, as well as China's 125% duty, the Philippines' export value at risk from tariffs is at 0.4% of GDP.

On April 9, Mr. Trump suspended the implementation of the higher reciprocal tariffs for 90 days. The 125% tariff on China as well as the baseline 10% rate is still in effect.

In a separate report, ANZ Research also slashed its growth forecast for the Philippines due to the potential impact from tariffs.

If reciprocal tariffs go ahead, ANZ said GDP could grow as slow as 5.2% this year, much lower than its current 5.7% forecast.

Tariff policy, S1/6