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:	6,441.35
HIGH:	6,487.49
LOW:	6,433.94
CLOSE:	6,458.20
VOL.:	0.738 B
VAL(P):	7.948 B

▲ 68.71 PTS. 1.07% — 30 DAYS TO MAY 9, 2025

ASIAN MARKETS — MAY 12, 2025

	CLOSE		NET	%
Japan (Nikkei 225)	37,644.26	▲	140.93	0.38
Hong Kong (Hang Seng)	23,549.46	▲	681.72	2.98
Taiwan (Weighted)	21,129.54	▲	214.50	1.03
Thailand (SET Index) *	1,210.94	▲	4.35	0.36
S.Korea (Kse Composite)	2,607.33	▲	30.06	1.17
Singapore (Straits Times) *	3,876.16	▲	27.94	0.73
Sydney (All Ordinaries)	8,233.50	▲	2.30	0.03
Malaysia (Klse Composite) *	1,546.50	▲	3.76	0.24

* CLOSING PRICE AS OF MAY 9, 2025

WORLD MARKETS — MAY 9, 2025

	CLOSE		NET
Dow Jones	41,249.380	▼	-119.070
NASDAQ	17,928.916	▲	0.777
S&P 500	5,659.910	▼	-4.030
FTSE 100	8,554.800	▲	23.190
Euro Stoxx50	4,463.230	▲	18.570

PESO-DOLLAR RATES

FX	
OPEN	P55.700
HIGH	P55.395
LOW	P55.820
CLOSE	P55.510
W.AVE.	P55.625
VOL.	$1,645.45 M

▲ 11.50 CTVS — 30 DAYS TO MAY 9, 2025 — SOURCE : BAP

ASIAN MONIES-US$ RATE — MAY 12, 2025

	LATEST BID (0900GMT)		PREVIOUS
Japan (yen)	147.750	▼	145.340
Hong Kong (HK dollar)	7.793	▼	7.779
Taiwan (NT dollar)	30.375	▼	30.195
Thailand (baht)	33.380	▼	32.940
S. Korea (won)	1,414.650	▼	1,395.150
Singapore (dollar)	1.304	▼	1.298
Indonesia (rupiah)	16,510	—	16,510
Malaysia (ringgit)	4.294	—	4.294

WORLD CURRENCIES — MAY 12, 2025

	CLOSE		PREVIOUS
US$/UK pound	1.3192	▼	1.3304
US$/Euro	1.1134	▼	1.1247
US$/Aust dollar	0.6405	▼	0.6411
Canada dollar/US$	1.3966	▲	1.3937
Swiss Franc/US$	0.8422	▲	0.8311

DUBAI CRUDE OIL — FUTURES PRICE ON NEAREST MONTH OF DELIVERY $63.89/BBL — ▲ $1.73 — 30 DAYS TO MAY 9, 2025

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PHILIPPINE STOCK EXCHANGE'S 10 MOST ACTIVE STOCKS BY VALUE TURNOVER • MAY 9, 2025 (PSEi snapshot on *S1/4*; article on *S2/2*)

		Value			
ICT	P385.000	P1,356,503,806	-P0.400	▼	-0.104%
ALI	P22.850	P967,955,490	-P0.600	▼	-2.559%
BDO	P166.100	P818,844,349	P2.000	▲	1.219%
URC	P91.500	P752,788,390	P6.100	▲	7.143%
PLUS	P43.950	P443,349,070	P1.950	▲	4.643%
BPI	P136.800	P354,179,971	P2.300	▲	1.710%
BLOOM	P4.120	P324,498,620	P0.030	▲	0.733%
MBT	P78.000	P232,008,318	P1.150	▲	1.496%
SM	P884.000	P211,752,580	P29.000	▲	3.392%
SMPH	P23.850	P203,773,980	P0.300	▲	1.274%

FDI net inflows drop to $529M in Feb.

By Aubrey Rose A. Inosante
Reporter

NET INFLOWS of foreign direct investments (FDI) dropped sharply in February due to a high base, the Bangko Sentral ng Pilipinas (BSP) said on Monday.

Uncertainty due to the Trump administration's shifting policies also affected sentiment, leading to lower inflows, analysts said.

Latest BSP data showed that FDI net inflows declined by 61.9% to $529 million in February from $1.388 billion in the same month a year ago.

"This decrease was primarily attributed to base effects," the central bank said in a statement.

Month on month, net inflows likewise went down by 27.63% from the $731 million recorded in January.

The drop in FDI net inflows in February was largely driven by the 85.9% decrease in nonresidents' net investments in equity capital, other than the reinvestment of earnings, to $108 million from $764 million.

Broken down, equity capital placements dropped by 82.96% to $146 million that month from $857 million a year prior, while withdrawals slid by 58.06% to $39 million from $93 million.

The BSP said the bulk of equity placements in February mostly came from Japan (56%), followed by the United States (11%), Ireland (10%) and Malaysia (5%).

"These investments were largely directed towards the manufacturing, financial and insurance, real estate, and information and communication industries," the central bank said.

Reinvestment of earnings dropped by 13.1% year on year to $73 million from $84 million.

Overall, foreigners' investments in equity and investment fund shares plunged by 78.77% to $180 million in February from $848 million a year prior.

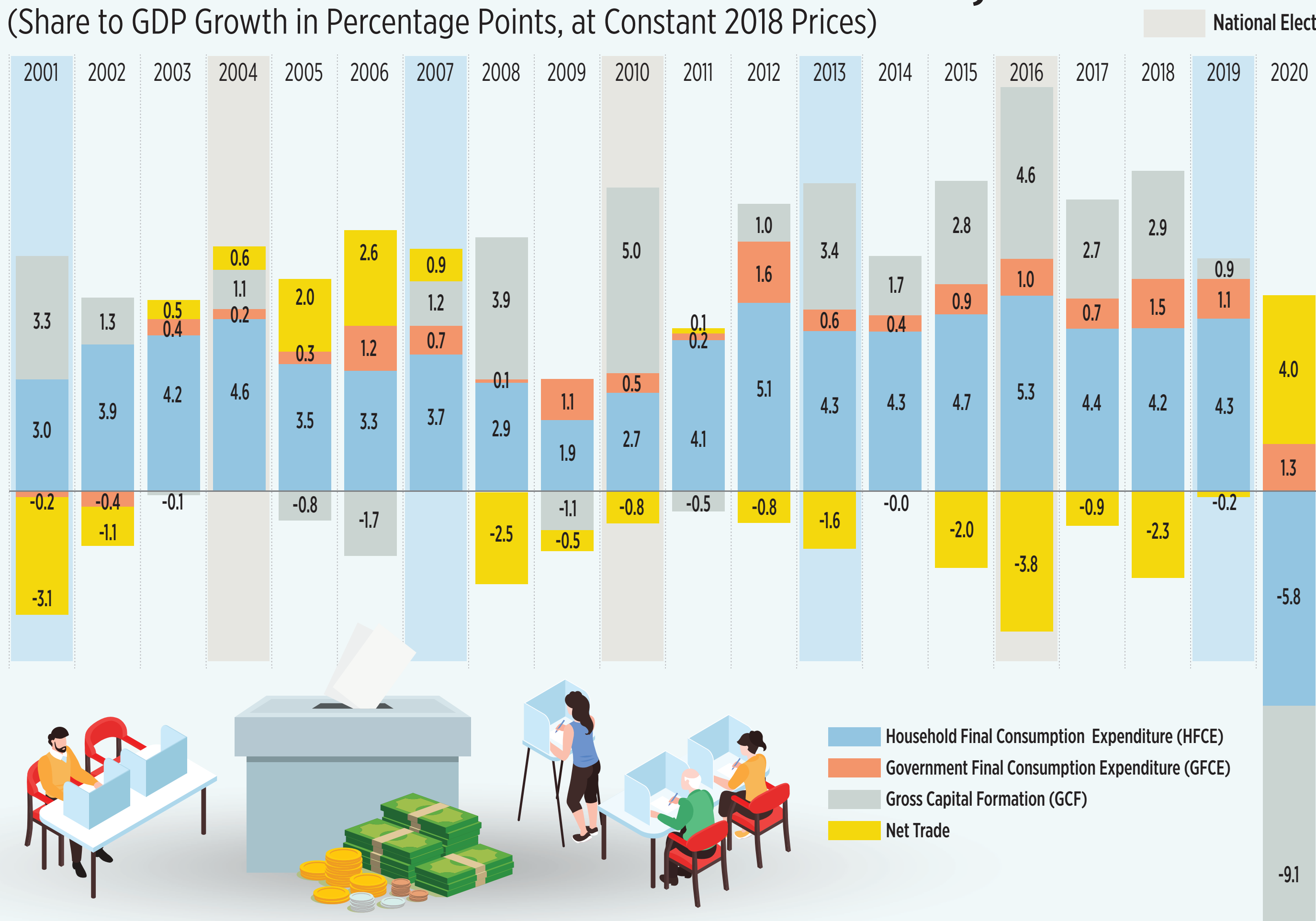
Meanwhile, nonresidents' net investments in debt instruments of local affiliates also fell by 35.4% to $348 million in February from $540 million in the same month in 2024.

JANUARY TO FEBRUARY

During the first two months of 2025, total FDI net inflows likewise declined by 45.2% to $1.26 billion from $2.301 billion in the same period last year.

FDI, S1/10

ELECTION SPENDING IN THE PHILIPPINES, 2001-2024
(Share to GDP Growth in Percentage Points, at Constant 2018 Prices)



This infographic shows official government data from 2001 to 2024 of gross domestic product (GDP) growth averaging higher during the election years (6.4%) compared to nonelection years (4.3%). By average contribution to GDP during election years, household consumption was the largest contributor with 4.2%. Meanwhile, in terms of average GDP growth, gross capital formation averaged 15.2%, significantly higher than state spending (5.1%) and consumer spending (5.7%).

Note:
— Numbers presented in the infographic may not add up due to exclusion of the statistical discrepancy figures.

Source:
Philippine Statistics Authority
BusinessWorld Research: Abigail Marie P. Yraola and Lourdes O. Pilar
BusinessWorld Graphics

Growth Rates, at Constant 2018 Prices

Year	GDP	HFCE	GFCE	GCF
2001	3.0	3.9	-1.3	20.5
2002	3.7	5.1	-3.7	6.7
2003	5.1	5.4	4.2	-0.4
2004	6.6	5.9	2.1	6.1
2005	4.9	4.4	3.0	-4.3
2006	5.3	4.2	12.2	-10.3
2007	6.5	4.8	7.1	8.3
2008	4.3	3.9	0.5	26.8
2009	1.4	2.5	11.0	-6.0
2010	7.3	3.6	4.2	30.5
2011	3.9	5.6	1.9	-2.5
2012	6.9	6.8	15.5	5.4
2013	6.8	5.8	4.9	18.4
2014	6.3	5.8	3.6	8.3
2015	6.3	6.4	7.9	13.4
2016	7.1	7.1	9.4	20.8
2017	6.9	6.0	6.5	10.9
2018	6.3	5.8	13.4	11.3
2019	6.1	5.9	9.1	3.5
2020	-9.5	-8.0	10.5	-34.2
2021	5.7	4.2	7.2	20.0
2022	7.6	8.3	5.1	13.7
2023	5.5	5.5	0.3	6.3
2024	5.7	4.9	7.3	7.7

Average Contribution to GDP Growth
(in percentage points)

	Election Years	Nonelection Years	National Elections	Midterm Elections
HFCE	4.2	3.2	4.7	3.8
GFCE	0.6	0.7	0.6	0.6
GCF	2.8	0.6	3.4	2.2
Net Trade	-1.3	-0.3	-1.6	-1.0

Average GDP Growth Rates
(in % year on year)

	Election Years	Nonelection Years	National Elections	Midterm Elections
HFCE	5.7	4.3	6.2	5.1
GFCE	5.1	6.3	5.2	5.0
GCF	15.2	3.7	17.8	12.7
GDP	6.4	4.3	7.2	5.6

Demand for domestic debt issuances likely to rise

THE National Government's (NG) domestic debt offerings could see higher demand in the coming months after the Bureau of the Treasury (BTr) said it is unlikely to make foreign or large bond issuances this year.

"The BTr's signal to skip foreign or retail bond issuances for the rest of 2025 reflects comfortable cash buffers and likely confidence in meeting financing needs through regular domestic auctions. This could also be a strategy to reduce foreign exchange risk and avoid locking in foreign debt at potentially high global rates," Philippine Institute for Development Studies Senior Research Fellow John Paolo R. Rivera said in a Viber message.

"For the secondary market, this supply restraint could lead to stronger demand and firmer pricing for existing government securities, especially in the medium to long end of the curve," he said.

Last week, National Treasurer Sharon P. Almanza said that the government is unlikely to issue another global bond this year as it has almost completed its program for foreign borrowings.

The government is also not looking at any more large offerings like a Sukuk or a retail Treasury bond issuance, she said, adding that the BTr will add benchmark fixed-rate Treasury notes (FXTN) to its issue lineup.

The BTr last month raised P300 billion from its offering of new 10-year FXTN, 10 times the initial P30-billion program. It borrowed an initial P135 billion via the papers at the rate-setting auction and held a public offer.

The notes fetched a coupon rate of 6.375%. Accepted bid yields ranged from 6% to 6.4%, resulting in an average rate of 6.286%.

The FXTN offer was held under a new issuance format meant to establish a new benchmark bond and targeting institutional investors like corporates, cooperatives, trust funds, retirement funds, and provident funds.

Rizal Commercial Banking Corp. Chief Economist Michael L. Ricafort said the FXTN issue format would give the BTr "more wholesale funding sources with bigger amounts and rates."

Domestic debt, S1/10

FUEL PRICE TRACKER
(week-on-week change)

GASOLINE		
April 29	▲	P1.35
May 6	▼	P0.55
May 13	▼	P0.30
DIESEL		
April 29	▲	P0.80
May 6	▼	P0.65
May 13	▼	P0.90
KEROSENE		
April 29	▲	P0.70
May 6	▼	P0.90
May 13	▼	P1.25

- *May 13, 12:01 a.m.* — Caltex Philippines
- *May 13, 6 a.m.* — Petron Corp.; Phoenix Petroleum; Pilipinas Shell Petroleum Corp.; PTT Philippines Corp.; Seaoil Philippines, Inc.
- *May 13, 8:01 a.m.* — Cleanfuel (Shaw Autogas, Inc.)

Over 14,000 MW of new power projects set to go online by 2030

OVER 14,000 megawatts (MW) of new power projects nationwide are committed to go online in the next five years, according to the Department of Energy (DoE).

Renewable energy projects made up nearly 82% of the total commitments with 11,625.31 MW in capacity, data from the DoE as of March 31 showed.

Broken down, solar power projects are expected to deliver 8,431.19 MW of capacity to comprise the bulk of the committed renewable projects. This was followed by wind power projects with 2,233.24 MW, and hydropower projects with 836.38 MW.

Meanwhile, geothermal and biomass accounted for 74.22 MW and 50.28 MW, respectively.

On the other hand, for nonrenewable energy projects, those that run on coal would generate 1,570 MW of capacity, followed by natural gas with 880 MW, and oil-based with 170.74 MW.

There are also battery energy storage systems (BESS) lined up to be operational by 2030 that are capable of storing 594 MW of electricity.

A BESS uses batteries to store electrical energy from the grid and releases it when needed to augment supply or improve power quality.

By location, Luzon has the majority of committed power projects with a total capacity of 11,736.22 MW.

Committed energy projects in the Visayas and Mindanao totaled 2,053.68 MW and 591.17 MW, respectively.

Committed projects refer to those that are already in the construction phase or have a financial close in place.

For this year alone, power projects with a total capacity of 5,632.45 MW are expected to go online, the DoE data showed.

This would serve as additional power supply as the Energy department earlier said that forecasted demand for 2025 would reach 14,769 MW for Luzon, 3,111 MW for the Visayas, and 2,789 MW for Mindanao.

In February, the DoE announced that the third round of green energy auction (GEA-3) was able to attract 7,500 MW worth of bids to construct renewable energy plants, exceeding the auction goal of 4,650 MW.

Power, S1/10

PHL construction industry's modernization to boost resilience amid trade uncertainties

THE PHILIPPINE construction industry can improve its resilience amid ongoing global trade uncertainties by modernizing its operations and strengthening domestic supply chains.

"The tariff shifts introduced by US President Donald J. Trump have triggered ripple effects across global supply chains, affecting everything from raw materials to technology imports," Vitaly Berezka, regional spokesperson for APAC (Asia-Pacific) at Austrian construction technology firm PlanRadar, said in an e-mail. "For the Philippine construction and property sectors, the most immediate risk lies in rising costs and potential delays tied to sourcing construction inputs."

"The imposition of reciprocal tariffs by President Trump has certainly brought headwinds to the local construction industry. These tariffs will disrupt the construction supply chain, and hence might impact availability, lead times and pricing of imported construction materials," Jason C. Valderrama, president and chief executive officer at construction firm JCV & Associates, said in an e-mail.

According to Mr. Berezka, the Philippines has an opportunity to position itself as a regional innovation hub as global firms rethink supply chains.

Construction, S1/10