P25
IN METRO MANILA, PHILIPPINES

BusinessWorld


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

STOCK MARKET		
PSEi		
42.52 PTS. ▲ 0.67%	OPEN:	6,315.54
	HIGH:	6,348.65
	LOW:	6,258.93
	CLOSE:	6,348.65
	VOL.:	0.797 B
30 DAYS TO AUGUST 4, 2025	VAL(P):	5.199 B

ASIAN MARKETS

AUGUST 4, 2025	CLOSE		NET	%
Japan (Nikkei 225)	40,290.70	▼	-508.90	-1.25
Hong Kong (Hang Seng)	24,733.45	▲	225.64	0.92
Taiwan (Weighted)	23,378.94	▼	-55.44	-0.24
Thailand (SET Index)	1,228.96	▲	10.63	0.87
S.Korea (Kse Composite)	3,147.75	▲	28.34	0.91
Singapore (Straits Times)	4,198.74	▲	44.91	1.08
Sydney (All Ordinaries)	8,663.70	▲	1.70	0.02
Malaysia (Klse Composite)	1,526.98	▼	-6.37	-0.42

WORLD MARKETS

AUGUST 1, 2025	CLOSE		NET
Dow Jones	43,588.580	▼	-542.400
NASDAQ	20,650.132	▼	-472.316
S&P 500	6,238.010	▼	-101.380
FTSE 100	9,068.580	▼	-64.230
Euro Stoxx50	4,377.100	▼	-91.240

PESO-DOLLAR RATES

FX		
	OPEN	P57.750
	HIGH	P57.290
	LOW	P57.750
	CLOSE	P57.290
▲	W.AVE.	P57.514
85.50 CTVS	VOL.	$1,694.72 M
30 DAYS TO AUGUST 4, 2025	SOURCE : BAP	

ASIAN MONIES-US$ RATE

AUGUST 4, 2025	LATEST BID (0900GMT)		PREVIOUS
Japan (yen)	147.810	▼	147.360
Hong Kong (HK dollar)	7.850	▼	7.849
Taiwan (NT dollar)	29.900	▼	29.820
Thailand (baht)	32.450	—	32.450
S. Korea (won)	1,383.930	▲	1,388.780
Singapore (dollar)	1.288	—	1.288
Indonesia (rupiah)	16,385	▲	16,485
Malaysia (ringgit)	4.235	▲	4.275

WORLD CURRENCIES

AUGUST 4, 2025	CLOSE		PREVIOUS
US$/UK pound	1.3288	▲	1.3278
US$/Euro	1.1568	▼	1.1584
US$/Aust dollar	0.6482	▲	0.6475
Canada dollar/US$	1.3780	▼	1.3785
Swiss Franc/US$	0.8085	▲	0.8038

DUBAI CRUDE OIL

FUTURES PRICE ON NEAREST MONTH OF DELIVERY
$73.75/BBL
▼ $1.51
30 DAYS TO AUGUST 1, 2025

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S1/1-12 • 2 SECTIONS, 16 PAGES

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

		Value			
PLUS	P23.900	P851,349,530	-P3.400	▼	-12.454%
BDO	P143.000	P482,541,398	P0.000	—	0.000%
ICT	P455.000	P411,919,020	P0.000	—	0.000%
SM	P821.000	P397,392,440	-P13.000	▼	-1.559%
ALI	P26.600	P345,183,415	P1.400	▲	5.556%
BPI	P124.800	P196,099,589	P4.300	▲	3.568%
SMPH	P24.000	P191,923,595	P0.700	▲	3.004%
LTG	P12.940	P187,345,428	-P0.060	▼	-0.462%
AC	P596.000	P151,037,500	P6.000	▲	1.017%
MWC	P37.350	P117,297,540	P0.400	▲	1.083%

DA wants rice imports suspended

By Chloe Mari A. Hufana
Reporter

THE Department of Agriculture (DA) on Monday recommended to President Ferdinand R. Marcos, Jr. a suspension of rice imports and increased tariffs to protect local farmers amid declining farmgate prices.

This is meant to shield Filipino rice producers from the continued influx of lower cost imported rice, which has been putting pressure on domestic prices in recent months, according to the Presidential Palace.

The move seeks to strike a balance between supporting local farmers and maintaining a stable food supply across the country, it added.

Presidential Communications Office Acting Secretary Dave M. Gomez did not give further details regarding the proposal but noted that Cabinet members will discuss this with Mr. Marcos during his trip to India from Aug. 4 to 8.

In June, Agriculture Secretary Francisco P. Tiu Laurel, Jr. told the House of Representatives that he recommended that the Tariff Commission implement a phased increase in rice import duties to the original 35% from the current 15%.

He also proposed that the tariff adjustment be aligned with the harvest periods of the Philippines' key suppliers — around late September for Vietnam and December for Pakistan — to mitigate any adverse impact on the local market.

Mr. Marcos signed Executive Order (EO) No. 62 in June 2024, which slashed rice import tariffs to 15% from 35% until 2028 in a bid to curb rice prices. The tariff is subject to review every four months.

Former Agriculture Undersecretary Fermin D. Adriano said suspending rice imports or limiting these to 1 million metric tons (MT) could trigger a severe supply shortage.

Last year, the Philippines imported 4.7 million MT and is expected to import even more this year.


PHILIPPINE STAR/RYAN BALDEMOR
WORKERS unload sacks of rice on Dagupan Street in Manila.

"The United States Department of Agriculture predicts we will import a higher amount this year," Mr. Adriano said in a Viber chat. "How will DA fill up the huge supply gap, given that dramatic productivity levels cannot be achieved in a year's time?"

Mr. Adriano proposed a seasonal tariff system — lower tariffs during off-peak seasons and raise them during local harvests to protect small farmers.

Samahang Industriya ng Agrikultura Executive Director Jayson H. Cainglet said since Congress is currently in session, Mr. Marcos should request the passage of "enabling legislation that will revert rice import tariffs to their original levels."

"If the discussions with the President push through, the President can perhaps request Congress to act swiftly on the proposal to restore the rice tariff," he said.

Rice, S1/3

Philippine economy likely expanded by 5.5% in second quarter — poll

THE PHILIPPINE ECONOMY likely expanded in the second quarter thanks to cooling inflation, election-related spending, and faster exports, analysts said.

However, uncertainty over US tariffs may have tempered economic momentum in the April-to-June period, they added.

Gross domestic product (GDP) likely grew 5.5% in the second quarter, according to a median forecast of 17 economists polled by *BusinessWorld*.

If realized, this would be a tad faster than the 5.4% growth recorded in the first quarter. However, it would be slower than the 6.5% expansion in the second quarter last year.

This would place average growth at 5.5% for the first half, aligning with the lower end of the government's revised 5.5-6.5% target range.

The Philippine Statistics Authority (PSA) is scheduled to report second-quarter GDP data on Aug. 7.

"Household consumption, the country's main growth engine, likely strengthened on the back of low and stable inflation, steady remittances, and robust labor market conditions," Chinabank Research said.

In June, headline inflation ticked up 1.4%, a tad faster than the 1.3% in May but still slower than 3.7% in June 2024, official government data showed. June marked the fourth straight month that inflation was below the central's bank's 2-4% target for the year.

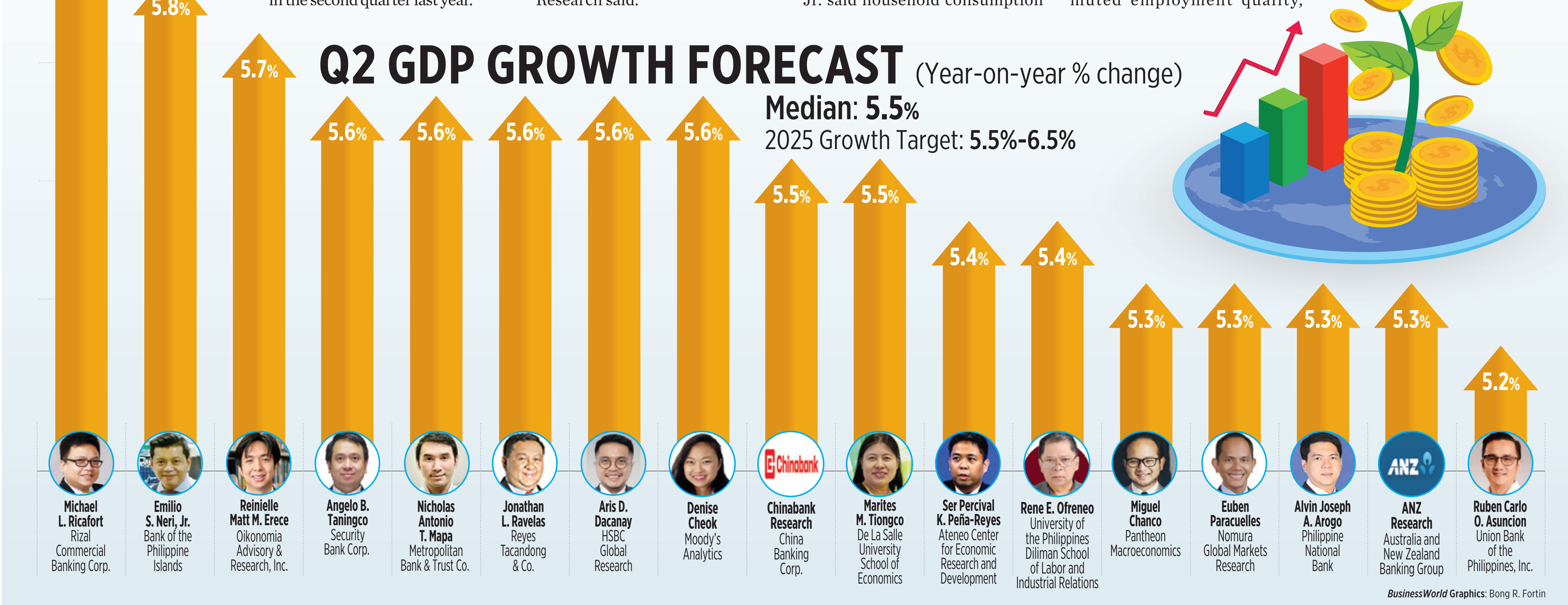
Inflation averaged 1.8% in the first half, decelerating from 3.6% a year ago.

Bank of the Philippine Islands Lead Economist Emilio S. Neri, Jr. said household consumption likely remained the main growth driver in the second quarter, supported by election-related spending, easing inflation, and continued strength in consumer lending.

"While disinflation has helped ease cost pressures and support consumption, overall domestic demand remains cautious due to weak consumer and business sentiment, limited fiscal impulse during the election period, and muted employment quality," Ruben Carlo O. Asuncion, chief economist at Union Bank of the Philippines, Inc., said.

However, the Commission on Elections' 45-day ban on public works spending, which started on March 28 and ended with the May 12 elections, may have dampened government spending.

Economy, S1/5



BusinessWorld Graphics: Bong R. Fortin

Easing inflation to lift consumer spending but household debt a risk

HEADLINE INFLATION is seen to settle within the 2-4% target this year, which could provide a much-needed boost to consumer spending, Fitch Solutions' unit BMI said.

In a report, BMI said its country risk team expects inflation to average 2.2% this year. "In 2026, inflation will rise further and average 2.7% year on year," it added.

However, it noted these forecasts are still lower than rates seen before the coronavirus pandemic. Inflation averaged 2.8% from 2015 to 2019.

"If nominal income growth keeps pace with inflation, the purchasing power of consumers will improve, which would be a boost to their spending," it said.

The Bangko Sentral ng Pilipinas (BSP) projects inflation to average 1.6% for this year and 3.4% for 2026.

This year so far, monthly inflation has settled within the 2-4% target, with the March-to-June print even falling below the target band.

A *BusinessWorld* poll of 17 analysts yielded a median estimate of 1.2% for the July consumer price index, slower than the 1.4% in June and 4.4% clip a year ago. If realized, this would be the slowest inflation in nearly six years or since the 0.6% print posted in October 2019.

"Easing inflationary pressures will provide relief to real household incomes and enable growth in spending," it added.

BMI said it is keeping a "cautious but positive" outlook for consumer spending. Real household spending growth is seen to slow to 4.5% this year from 5% in 2024.

"Spending will remain influenced by the elevated inflationary pressures seen over 2025 as well as currently high debt levels, along with related debt servicing costs," BMI said.

"A tight labor market will support spending, as real wage growth returns to positive territory, which will support purchasing power over the year."

BMI noted consumer confidence was "sluggish" despite the market recovering from the pandemic.

"The recent weakness in consumer sentiment is driven by pessimism over the Philippines' economic condition and consumers' personal family financial situation," it added.

The BSP's latest Consumer Expectations Survey showed that Filipino consumers were more pessimistic in the second quarter as the overall confidence index in the second quarter fell to -14% from -13% in the previous quarter.

Consumers cited "higher inflation, lower family income, and fewer job opportunities" as the reasons for the downbeat sentiment, according to the survey.

BMI said its outlook for consumer spending is in line with its gross domestic product (GDP) forecast of 5.4% this year.

"A deteriorating external demand will likely be a drag on the Philippines' GDP," it added.

The government trimmed its growth target to 5.5-6.5% this year. A *BusinessWorld* poll of 17 economists yielded a median estimate of 5.5% for second-quarter growth.

If realized, this would be faster than the 5.4% growth recorded in the first quarter but slower than the 6.5% expansion in the same period a year ago.

HOUSEHOLD DEBT

Meanwhile, BMI flagged rising levels of household debt as a risk to its consumer outlook.

"It not only constrains future borrowing capacity but impacts current disposable income levels. This is particularly true as debt servicing costs rise in response to increases in interest rates," it said.

Inflation, S1/3

FUEL PRICE TRACKER
(week-on-week change)

GASOLINE			
	July 22	▲	P0.40
	July 29	▼	P0.10
	Aug. 5	▲	P1.90
DIESEL			
	July 22	▲	P1.10
	July 29	▲	P0.60
	Aug. 5	▲	P1.20
KEROSENE			
	July 22	▲	P0.70
	July 29	▲	P0.40
	Aug. 5	▲	P1.00

- ***Aug. 5, 12:01 a.m.*** — Caltex Philippines
- ***Aug. 5, 6 a.m.*** — Petron Corp.; Phoenix Petroleum; Shell Pilipinas Corp.; PTT Philippines Corp.; Seaoil Philippines, Inc.
- ***Aug. 5, 8:01 a.m.*** — Cleanfuel (Shaw Autogas, Inc.)