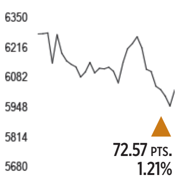
P25 IN METRO MANILA, PHILIPPINES

BusinessWorld

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

STOCK MARKET



PSEi

OPEN:	5,951.85
HIGH:	6,033.59
LOW:	5,932.35
CLOSE:	6,026.03
VOL.:	2.463 B
VAL(P):	6.795 B

ASIAN MARKETS

OCTOBOR 1, 2025

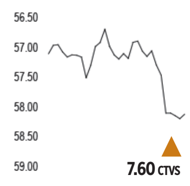
	CLOSE		NET	%
Japan (Nikkei 225)	44,550.85	▼	-381.78	-0.85
Hong Kong (Hang Seng)*	26,855.56	▲	232.68	0.87
Taiwan (Weighted)	25,982.91	▲	162.37	0.63
Thailand (SET Index)	1,275.03	▲	0.86	0.07
S.Korea (Kse Composite)	3,455.83	▲	31.23	0.91
Singapore (Straits Times)	4,323.12	▲	22.96	0.53
Sydney (All Ordinaries)	8,845.70	▼	-3.10	-0.04
Malaysia (Klse Composite)	1,620.87	▲	8.99	0.56

WORLD MARKETS

SEPTEMBER 30, 2025

	CLOSE		NET
Dow Jones	46,397.890	▲	81.820
NASDAQ	22,660.009	▲	68.855
S&P 500	6,688.460	▲	27.250
FTSE 100	9,350.430	▲	50.590
Euro Stoxx50	4,633.230	▲	23.520

PESO-DOLLAR RATES



FX

OPEN	P58.400
HIGH	P58.080
LOW	P58.400
CLOSE	P58.120
W.AVE.	P58.229
VOL.	$1,717.54

SOURCE : BAP

ASIAN MONIES-US$ RATE

OCTOBOR 1, 2025

	LATEST BID (0900GMT)		PREVIOUS
Japan (yen)	147.0800	▲	147.9400
Hong Kong (HK dollar)	7.7814	▼	7.7801
Taiwan (NT dollar)	30.4580	▲	30.4790
Thailand (baht)	32.3300	▲	32.3800
S. Korea (won)	1,404.1700	▼	1,402.7100
Singapore (dollar)	1.2883	▲	1.2896
Indonesia (rupiah)	16,600.000	▲	16,660.000
Malaysia (ringgit)	4.2050	▼	4.2040

WORLD CURRENCIES

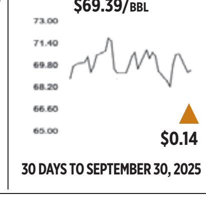
OCTOBOR 1, 2025

	CLOSE		PREVIOUS
US$/UK pound	1.3472	▲	1.3438
US$/Euro	1.1742	▼	1.1746
US$/Aust dollar	0.6612	▲	0.6605
Canada dollar/US$	1.3923	▲	1.3912
Swiss Franc/US$	0.7957	▼	0.7972

DUBAI CRUDE OIL

FUTURES PRICE ON NEAREST MONTH OF DELIVERY

$69.39/BBL



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PHILIPPINE STOCK EXCHANGE'S 10 MOST ACTIVE STOCKS BY VALUE TURNOVER • OCTOBER 1, 2025 (PSEi snapshot on *S1/4*; article on *S2/2*)

		Value			
ICT	P486.000	P808,736,576	P14.400	▲	3.053%
SEVN	P41.000	P583,414,735	-P1.450	▼	-3.416%
BDO	P138.300	P575,921,985	P5.400	▲	4.063%
ALI	P24.400	P530,185,310	P0.050	▲	0.205%
BPI	P112.000	P303,725,501	-P3.000	▼	-2.609%
AC	P481.600	P227,865,106	-P1.200	▼	-0.249%
JFC	P214.600	P204,061,548	P0.600	▲	0.280%
SM	P740.000	P180,159,695	P5.000	▲	0.680%
MER	P548.000	P170,581,570	P18.000	▲	3.396%
GTCAP	P570.000	P167,757,845	-P5.500	▼	-0.956%

Factory activity shrinks in September

By Aubrey Rose A. Inosante
Reporter

FACTORY ACTIVITY in the Philippines contracted for the first time in six months in September, as manufacturers saw a drop in output and new orders, S&P Global said on Wednesday.

The S&P Global Philippines Manufacturing Purchasing Managers' Index (PMI) slipped to 49.9 in September from 50.8 in August.

A PMI reading below 50 shows a deterioration in operating conditions from the preceding month, while a reading above 50 denotes better operating conditions.

This was the second contraction this year, or since the 49.4 reading in March, as manufacturers cut output amid uncertainty surrounding US tariff policies at the time.

"The Philippines PMI survey data showed the manufacturing sector moving into negative territory at the end of the third quarter which, despite indicating only a fractional decline, has been highly unusual in the sector's post-pandemic history," David Owen, a senior economist at S&P Global Market Intelligence, said.

According to S&P Global, this was only the third time in over four years that the Philippines' manufacturing PMI fell below 50.

"New orders and output decreased slightly, as firms mentioned a fall in client numbers and a modest drop in production from the suspension of rice imports," Mr. Owen said.

Based on S&P Global's Association of Southeast Asian Nations (ASEAN) data, the Philippines and Malaysia (49.8) both saw a contraction in factory activity in September.

Thailand recorded the highest PMI reading (54.6), followed by Myanmar (53.1), Indonesia (50.4), and Vietnam (50.4).

The Philippines' PMI reading was also below the 51.6 average for ASEAN in September.

S&P said Philippine manufacturing firms saw a decline in sales for the first time since March.

"Weaker operating conditions were mainly attributed to a renewed (albeit marginal) drop in new order intakes in September," it said. "However, order books with foreign clients continued to improve, signaling that the downturn was mainly centered on the domestic market."

Manufacturers had to scale back production in September, ending three straight months of expansion.

Factory, S1/5

IMF trims Philippine growth outlook

By Katherine K. Chan

PHILIPPINE ECONOMIC GROWTH is expected to moderate this year and in 2026 amid ongoing trade uncertainties and geopolitical tensions across the globe, the International Monetary Fund (IMF) said.

The IMF trimmed its Philippine growth forecast to 5.4% for this year, slightly lower than its 5.5% projection in July.

If realized, gross domestic product (GDP) growth will be at the low end of the National Government's 5.5-6.5% target band this year.

For 2026, the IMF also cut its growth forecast to 5.7% from 5.9% previously. However, this is below the government's 6-7% target for next year.

The IMF said the economy is expected to remain resilient, but downside risks warrant "close attention."

"Risks to the growth outlook are tilted to the downside. The main external risks stem from prolonged global trade policy uncertainty, geopolitical tensions, and disruptive financial market corrections," IMF Mission Head Elif Arbatli Saxegaard said at a briefing after the conclusion of the 2025 Article IV Consultation with the Philippines on Wednesday.

"On the domestic front, more frequent and intense climate shocks would cause notable macroeconomic losses. On the upside, accelerated implementation of structural and governance reforms would support investor confidence and the fiscal multiplier and raise potential growth. Risks around inflation are broadly balanced."

Ms. Saxegaard said the growth outlook was revised to reflect the weaker-than-expected growth in the first half.

For the first half, GDP growth averaged 5.4%, slower than the 6.2% a year ago.

Ms. Saxegaard said growth will be affected by the higher tariffs imposed by the US on Philippine goods. The US began imposing a 19% tariff on goods from the Philippines on Aug. 7.

IMF, S1/11

BSP sees wider BoP, current account deficits until 2026

THE BANGKO SENTRAL ng Pilipinas (BSP) revised its balance of payments (BoP) and current account projections for this year and 2026, as global uncertainties persist.

"The balance of payments is projected to remain in deficit over the next two years, driven by sustained pressures on the current account," the BSP said in a statement on Wednesday.

The central bank said the overall BoP position is expected to end the year at a $6.9-billion deficit or -1.4% of gross domestic product (GDP), wider than its earlier forecast of a $6.3-billion deficit or -1.3% of GDP.

For 2026, the central bank expects the BoP deficit to widen to $3.4 billion or -0.6% of GDP from the previous projection of $2.8 billion or -0.5% of GDP.

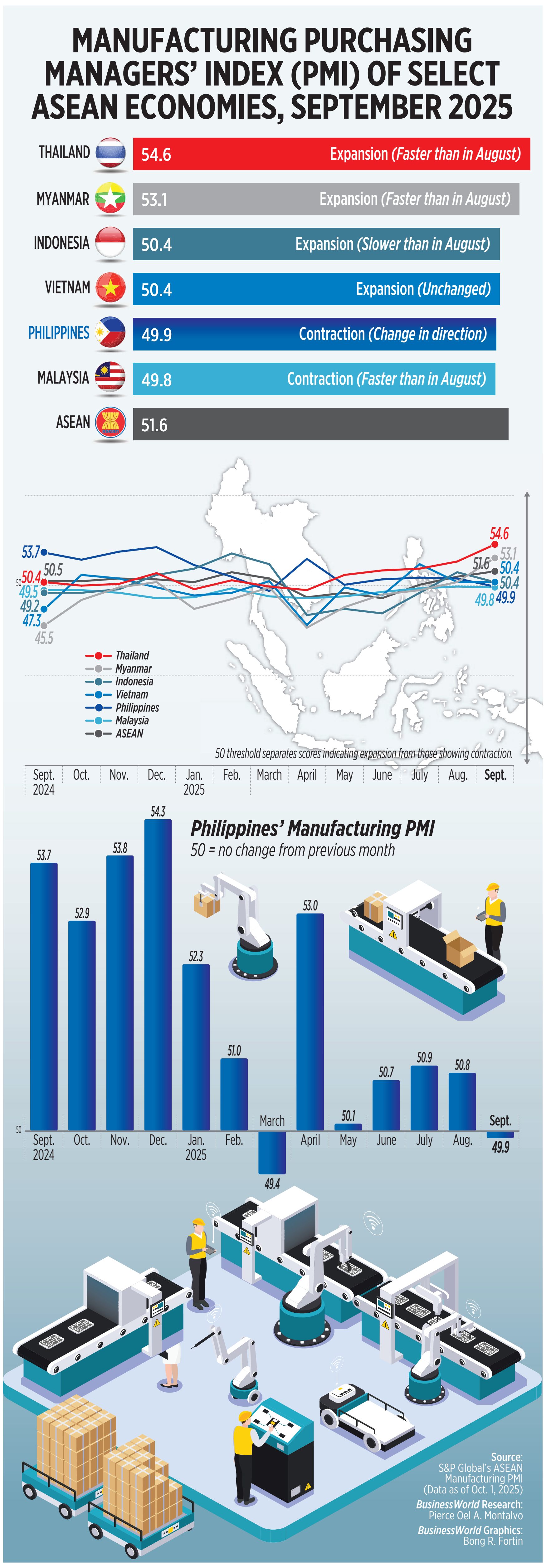
In the first eight months, the Philippines' BoP position swung to a $5.397-billion deficit, a reversal from the $1.592-billion surplus seen in the same period in 2024.

At the same time, the BSP now sees the current account deficit widening to $16.4 billion or -3.3% of GDP this year, from its previous projection of $16.3 billion or -3.3% of GDP.

For 2026, it expects a wider current account deficit of $15.5 billion or -2.9% of GDP from its previous projection of $13.6 billion or -2.5% of GDP.

"The current account shortfall is expected to stay at around 3% of GDP in 2025 and 2026. These reflect a widening trade-in-goods gap, subdued services receipts, and restrained capital inflows amid global uncertainty and shifting trade policies," the BSP said.

BoP, S1/11



BSP sees September inflation at 1.5%-2.3%

PHILIPPINE INFLATION may have settled between 1.5% and 2.3% in September, amid higher prices of rice, fish and fuel, the Bangko Sentral ng Pilipinas (BSP) said.

At the lower end of the BSP's forecast range, the headline inflation rate may have steadied month on month at 1.5%, the same as in August.

Inflation could have also picked up from the 1.9% print in September 2024.

The September print might also mark the first time in six months that the consumer price index (CPI) would have settled within the BSP's 2-4% target range or since the 2.1% in February.

"Upward price pressures for the month are likely to arise from higher prices of rice and fish," the central bank said in a statement on Wednesday. "Elevated domestic fuel costs likewise contribute to upside price pressures for the month."

In August, rice inflation declined at a faster pace of -17% from -15.9% in July. Earlier, National Statistician Claire Dennis S. Mapa said that this might be the lowest for rice inflation this year.

Rice prices may have picked up in September, reflecting supply disruptions caused by bad weather and the 60-day ban on rice imports. The 60-day suspension on regular milled and well-milled rice imports took effect on Sept. 1.

At the same time, the BSP said lower costs of vegetables, meat and electricity may have partially tempered inflation in September.

Last month, the Manila Electric Co. lowered the overall electricity rate by P0.1852 per kilowatt-hour (kWh) to P13.0851 per kWh this month from P13.2703 per kWh in August.

"Going forward, the BSP will continue to monitor evolving domestic and international developments affecting the outlook for inflation and growth in line with its data-dependent approach to monetary policy formulation," it said.

In a separate commentary on Wednesday, Aris D. Dacanay, HSBC economist for ASEAN (Association of Southeast Asian Nations) said inflation concerns, particularly on food, must be "on the table" in the Monetary Board's next policy meeting.

"Accelerating to 2.7% y-o-y (from 2.3%), core inflation surprised to the upside in August, while inflationary pressures will likely persist from now until October as typhoons Ragasa (Nando) and Bualoi (Opong) likely took a toll on food supply," he said.

Mr. Dacanay added that the extension of the rice import ban will add to the potential supply shock caused by typhoons.

However, he noted that the Monetary Board may be more cautious amid the peso's weak performance against the United States' dollar.

On Tuesday, the peso closed at P58.196 against the dollar, its weakest in two months or since the P58.32 per dollar seen on July 31.

HSBC expects the BSP to keep the benchmark rate at 5% at its next policy-setting meeting on Oct. 9.

Inflation, S1/5

BusinessWorld wins award for best statistical infographic

***BUSINESSWORLD* Research won the Best Media Statistical Infographic award presented by the Philippine Statistics Authority (PSA) at the 36th National Statistics Month (NSM) Media Awards on Oct. 1. *BusinessWorld* Research was recognized for the infographic titled "Levels of Literacy in the Philippines." In photo: (from left to right) PSA Assistant Secretary and Deputy National Statistician Rosalinda P. Bautista, *BusinessWorld* Deputy Research Head Abigail Marie P. Yraola, Undersecretary and National Statistician Claire Dennis S. Mapa, and Assistant National Statistician Kristine Joy S. Briones.**