

STOCK MARKET	ASIAN MARKETS	WORLD MARKETS	PESO-DOLLAR RATES	ASIAN MONIES-US\$ RATE	WORLD CURRENCIES	DUBAI CRUDE OIL
PSEi OCTOBER 3, 2025 OPEN: 6,063.22 HIGH: 6,108.86 LOW: 6,034.48 CLOSE: 6,108.86 VOL.: 0.799 B VAL(P): 4.575 B 69.10 PTS. 1.14% 30 DAYS TO OCTOBER 3, 2025	OCTOBER 3, 2025 JAPAN (NIKKEI 225) 45,769.50 ▲ 832.77 1.85 HONG KONG (HANG SENG) 27,140.92 ▼ -146.20 -0.54 TAIWAN (WEIGHTED) 26,761.06 ▲ 382.67 1.45 THAILAND (SET INDEX) 1,293.61 ▲ 5.32 0.41 S.KOREA (KSE COMPOSITE)* 3,549.21 ▲ 93.38 2.70 SINGAPORE (STRAITS TIMES) 4,411.95 ▲ 16.74 0.38 SYDNEY (ALL ORDINARYS) 8,987.40 ▲ 41.50 0.46 MALAYSIA (KLCSE COMPOSITE) 1,635.06 ▼ -2.74 -0.17	OCTOBER 3, 2025 DOW JONES 46,758.280 ▲ 238.560 NASDAQ 22,780.506 ▼ -63.545 S&P 500 6,715.790 ▲ 0.440 FTSE 100 9,491.250 ▲ 63.520 EURO STOXX50 4,758.130 ▲ 22.420	FX OPEN P58.120 HIGH P57.865 LOW P58.150 CLOSE P57.875 W.AVE. P57.988 VOL. \$1,616.78 20.50 CTS SOURCE : BAP	OCTOBER 3, 2025 LATEST BID (0900GMT) JAPAN (YEN) 147.4400 ▼ 146.6500 HONG KONG (HK DOLLAR) 7.7808 ▼ 7.7799 TAIWAN (NT DOLLAR) 30.3800 ▲ 30.3930 THAILAND (BAHT) 32.2900 ▲ 32.3600 S. KOREA (WON) 1,407.4000 ▼ 1,401.4800 SINGAPORE (DOLLAR) 1.2886 ▼ 1.2867 INDONESIA (RUPIAH) 16,530.000 ▼ 16,580.000 MALAYSIA (RINGGIT) 4.2060 ▼ 4.2040	OCTOBER 3, 2025 US\$/UK POUND 1.3478 ▼ 1.3502 US\$/EURO 1.1741 ▼ 1.1756 US\$/AUST DOLLAR 0.6601 ▼ 0.6617 CANADA DOLLAR/US\$ 1.3948 ▲ 1.3935 SWISS FRANC/US\$ 0.7953 ▲ 0.7952	FUTURES PRICE ON NEAREST MONTH OF DELIVERY \$64.69/BBL 30 DAYS TO OCTOBER 3, 2025

VOL. XXXIX • ISSUE 51 MONDAY • OCTOBER 6, 2025 • www.bworldonline.com S1/1-12 • 3 SECTIONS, 20 PAGES

PHILIPPINE STOCK EXCHANGE'S 10 MOST ACTIVE STOCKS BY VALUE TURNOVER • OCTOBER 3, 2025 (PSEi snapshot on S1/2; article on S2/2)

ICT	P512.000	BDO	P138.000	ALI	P24.200	JGS	P24.000	JFC	P222.400	BPI	P113.000	SM	P745.000	RCR	P7.500	AC	P490.000	PX	P8.400
Value	P1,121,908,859	Value	P312,115,256	Value	P253,258,380	Value	P145,091,125	Value	P139,866,724	Value	P133,312,470	Value	P124,739,870	Value	P101,168,763	Value	P98,187,870	Value	P91,206,833
P26.000 ▲	5.350%	P0.000 —	0.000%	P0.200 ▲	0.833%	P0.800 ▲	3.448%	P7.400 ▲	3.442%	P0.700 ▲	0.623%	-P10.000 ▼	-1.325%	P0.120 ▲	1.626%	P4.000 ▲	0.823%	-P0.400 ▼	-4.545%

Poll: BSP to keep policy rate on hold

By Katherine K. Chan

THE BANGKO SENTRAL ng Pilipinas (BSP) will likely keep interest rates on hold this week as inflation risks linger, according to most analysts polled by *BusinessWorld*.

A *BusinessWorld* poll conducted last week showed 10 of 16 analysts expect the Monetary Board to pause monetary

easing at its Oct. 9 meeting, keeping the benchmark rate at 5%.

On the other hand, six analysts anticipate a 25-basis-point (bp) rate cut, citing below-target inflation and the need to support economic growth. If realized, this would bring the benchmark rate to 4.75%.

The central bank has so far lowered borrowing costs by a total of 150 bps since the start of its easing cycle in August last year.

Security Bank Chief Economist Angelo B. Taningco said upside inflation

risks would likely prompt the Monetary Board to hold rates steady on Thursday.

"I expect the Monetary Board to pause from rate cuts largely due to the inflation acceleration and upside inflation risks from potential extension of rice import ban and rice tariff hike," he said in an e-mail.

September inflation data will be released on Oct. 7. A *BusinessWorld* poll of 12 analysts yielded a median estimate of 1.9% for September inflation, faster than

the 1.5% in August, reflecting the impact of recent typhoons on food prices, as well as higher pump prices and electricity rates. This was within the BSP's 1.5-2.3% forecast for the month.

The 60-day suspension on imports of regular milled and well-milled rice took effect on Sept. 1. However, the import ban is expected to be extended by another 30 days.

Moody's Analytics economist Sarah Tan said a pause would allow the BSP to

evaluate how its past rate cuts impacted the economy, particularly on domestic demand and lending activity.

"The central bank will also weigh the balance between supporting growth and ensuring inflation expectations remain anchored. Global oil price volatility, the impact of recent typhoons on food supply, and the Fed's policy stance are also important considerations," Ms. Tan said in an e-mail.

Poll, S1/10



PHILIPPINE STAR/MIGUEL DE GUZMAN

OFFICE and condominium buildings are seen in this file photo, Dec. 17, 2024.

Corruption scandal threatens to cool demand for luxury real estate in PHL

By Beatriz Marie D. Cruz Reporter

A WIDENING corruption scandal involving Philippine government officials and public works contractors threatens to cool demand for luxury real estate projects, according to property analysts.

"Heightened scrutiny of public officials and politically exposed persons (PEPs) — particularly if investigations lead to asset seizures or wealth tracing, can initially cool demand in the luxury segment, especially in areas known for trophy assets like Makati, Bonifacio Global City, or upscale resort destinations," Joe Curran, chief executive officer (CEO) at KMC Savills, said in an e-mail to *BusinessWorld*.

In the short term, this may result in price stagnation and a slower turnover of ultra-luxury properties, which typically range over P100 million, he said.

Some government officials and public works contractors have been embroiled in an investigation

A corruption probe into anomalous flood control projects has embroiled government officials, including senators, congressmen and the Public Works department, as well as government contractors. They face allegations of pocketing billions of pesos meant for flood mitigation projects.

The scandal has intensified following the circulation of social media posts featuring relatives of public officials and contractors who displayed their luxury homes, private jets and shopping trips, prompting widespread public criticism online.

Luxury real estate, S1/10

ANALYSTS' EXPECTATIONS ON POLICY RATES (October 2025)

Cut (-25 bps)

BANK

HOLD

CURRENT POLICY SETTINGS	
Overnight Deposit Rate	4.50%
Target Reverse Repurchase Rate	5.00%
Overnight Lending Rate	5.50%

FORECAST

 Jonathan L. Ravelas Reyes Tacandong & Co.	 Ruben Carlo O. Asuncion Union Bank of the Philippines	 Patrick M. Ella Sun Life Investment Management and Trust Corp.
 Emilio S. Neri, Jr. Bank of the Philippine Islands	 Michael L. Ricafort Rizal Commercial Banking Corp.	 Azril Rosli Maybank Investment Bank

FORECAST

 Reinielle Matt M. Erece Oikonomia Advisory & Research, Inc.	 Sarah Tan Moody's Analytics	 Angelo B. Taningco Security Bank Corp.	 Metrobank Metropolitan Bank & Trust Co.
 Aris D. Dacanay HSBC Global Research	 Chinabank Research China Banking Corp.	 Miguel Chanco Pantheon Macroeconomics	
 Emmanuel J. Lopez University of Santo Tomas Graduate School	 MUGB Global Markets Research MUGB Bank, Ltd.	 Alvin Joseph A. Arogo Philippine National Bank	

BusinessWorld Graphics: Bong R. Fortin

Government's debt service bill surges to P665B in August

THE NATIONAL GOVERNMENT'S (NG) debt service bill soared in August as amortization and interest payments surged, the Bureau of the Treasury (BTr) reported.

The latest data from the Treasury showed that the debt service bill more than tripled (256.96%) to P664.72 billion in August from P186.22 billion in the same month last year.

Month on month, the debt service bill also went up by 515.17% from P108.06 billion in July.

Debt service refers to the payments made by the government on domestic and foreign borrowings.

In August, amortization payments more than quadrupled (350.86%) to

P601.62 billion from P133.44 billion in the same month in 2024.

The bulk or 90.51% of the debt payments in August were made up of amortization payments, BTr data showed.

Principal payments on domestic debt surged by 389.93% to P597.89 billion in August from P122.03 billion a year ago.

Amortization paid on foreign debt, on the other hand, slumped by 67.29% to P3.73 billion in August from P11.4 billion in the same month a year ago.

On the other hand, interest payments increased by 19.56% to P63.11 billion from P52.78 billion a year earlier.

Domestic interest payments went up by 17.82% to P46.38 billion in Au-

gust from P39.36 billion in the same month last year.

This was composed of P24.85 billion for fixed-rate Treasury bonds, P16.87 billion for retail Treasury bonds, and P4.62 billion for Treasury bills, and others (P34 million).

Interest payments for foreign borrowings climbed by 24.65% to P16.73 billion in August from P13.42 billion a year prior.

Rizal Commercial Banking Corp. Chief Economist Michael L. Ricafort attributed the larger debt service bill to the P516-billion government securities (GS) that matured in August.

"This is an unusual increase in NG principal payments," he

said in a Viber message over the weekend.

END-AUGUST

For the first eight months of the year, the NG debt service bill inched down by 0.6% to P1.54 trillion from P1.55 trillion in the same period last year.

The eight-month tally was 75.01% of the P2.05-trillion debt service program this year.

Amortization payments, which made up the bulk of the total, declined by 8.07% to P956.74 billion as of end-August from P1.04 trillion a year ago. This was 79.32% of the P1.21-trillion full-year amortization program.

Debt service, S1/10

Economists keep GDP growth forecasts as corruption allegations unfold

LOCAL ECONOMISTS kept their growth forecasts for the Philippines unchanged for now, even as a widening corruption scandal weighs on investor sentiment.

"We're keeping an eye on governance issues like corruption because they can affect investor confidence and, ultimately, growth," Ruben Carlo O. Asuncion, chief economist at Union Bank of the Philippines said in a Viber message on Oct. 2.

"But for now, our baseline view remains unchanged and we will continue to monitor macro data as they become available," he said.

Mr. Asuncion said the bank kept its 5.5% gross domestic product (GDP) growth outlook

for this year and 5.7% for 2026, supported by stronger domestic demand and recovery in infrastructure spending.

The government is targeting 5.5-6.5% GDP growth this year, and 6-7% in 2026.

The Independent Commission for Infrastructure, Congress and Ombudsman are conducting investigations into allegations of corruption in government infrastructure projects, particularly flood control projects under the Department of Public Works and Highways.

Emilio S. Neri Jr., lead economist at Bank of the Philippine Islands, said the 2025 growth projection remains at 5.6%, citing

minimal declines in government spending through August.

"We will wait for clearer evidence of any sizeable declines among our leading growth indicators before we revise," Mr. Neri told *BusinessWorld* in a Viber message.

Pantheon Macroeconomics Chief Emerging Asia Economist Miguel Chanco said he is not expecting any growth forecast revisions anytime soon, as their 5.3% forecast for 2025 and 5.4% for 2026, are already on the "downbeat side."

"The risks, even to our already-soft projections, are arguably now more skewed to the downside, particularly for the second half of this year and early next," he said.

Rizal Commercial Banking Corp. Chief Economist Michael L. Ricafort said it is still possible to achieve the government's growth targets.

Mr. Ricafort said the government probe is expected to "realistically" dampen growth in state infrastructure spending and weigh on GDP, though the impact may be offset by the reallocation of certain flood control projects to other departments.

Meanwhile, Reyes Tacandong & Co. Senior Adviser Jonathan L. Ravelas has trimmed his growth forecast for this year from 6% to 5.7%, but not due solely to the flood control mess.

The downward revision takes into consideration the impact of

US tariffs, upside risks to inflation and political noise, he said.

Institutions like the Asian Development Bank (ADB) and the International Monetary Fund (IMF) have downgraded their Philippine growth forecasts, citing elevated global uncertainties.

In its latest Asian Development Outlook, the ADB trimmed its Philippine growth forecast to 5.7% in 2026 from 5.8% in its July projection. It also kept its growth forecast unchanged at 5.6% this year.

ADB Country Director for the Philippines Andrew Jeffries earlier said corruption remains a "heightened risk" but will further monitor.

For this year, the IMF cut its 2025 forecast to 5.4%, slightly lower than its 5.5% projection in July. It also slashed its 2026 outlook to 5.7% from 5.9% previously, amid global uncertainties and geopolitical tensions.

MORE SUPPORT FOR MONITORING AGENCIES

Meanwhile, Economy Secretary Arsenio M. Balisacan earlier called for increased support for research and development monitoring and evaluation, as well as for regional development councils (RDCs) tasked with overseeing infrastructure initiatives, including flood mitigation projects.

Growth forecasts, S1/10