

Macro Movements: Growth targets revised, interest rates trimmed as economic headwinds persist

Government lowers 2025 growth target to 5.5–6.5% amid external risks

- ▶ The Development Budget Coordination Committee (DBCC) cut its 2025 GDP target to 5.5–6.5% (from 6–8%) amid persistent global headwinds, including Middle East tensions and renewed U.S. tariffs. Medium-term projections for 2026–2028 were also narrowed to 6–7%, reflecting a more cautious stance as trade and investment remain subdued.
- ▶ While the Philippine economy posted 5.4% growth in Q1, economic managers believe that recent improvements such as stronger consumer spending, a narrowing trade deficit, and easing interest rates may help the country meet its revised growth targets despite persistent external risks.

BSP cuts rates by 25 bps to 5.25% as inflation cools

- ▶ The Bangko Sentral ng Pilipinas reduced policy rates by 25 basis points in June, bringing the benchmark rate to 5.25%. The move comes amid easing inflation pressures and slower global trade, with May headline inflation dropping to 1.3%, the lowest in over two years, driven by lower electricity and rice prices.
- ▶ The BSP lowered its 2025 inflation forecast to 1.6–2.4%, below the government's 2–4% target, citing lower food inflation and oil futures. BSP governor Eli Remolona signaled another possible rate cut later this year but emphasized data dependence. Despite recent FX volatility, the central bank sees no immediate need for peso intervention.

Industry Insights: ACEN signs 200 MW Meralco deal; Malampaya kicks off Phase 4 drilling

ACEN signs long-term PPA for 200 MW wind project with Meralco

- ▶ ACEN Corp. signed a power supply agreement with Meralco covering 200 MW of capacity from its upcoming 300 MW Cagayan North Wind Project. The deal supports ACEN's broader strategy to reach 20 GW of renewable capacity by 2030, up from its current 7 GW portfolio.
- ▶ The Cagayan project is part of the group's planned 1,000 MW onshore wind pipeline across the Philippines and is expected to contribute to the country's renewable energy targets under the Green Energy Auction Program.

Malampaya Phase 4 drilling begins to secure long-term gas supply

- ▶ The Noble Viking drillship officially commenced operations for Phase 4 of the Malampaya gas project, one of the country's most critical sources of baseload power. The campaign will drill three new wells: Camago 3, Malampaya East 1, and Bagong Pag-Asa 1. The goal is to extend the life of the field and reduce dependence on imported fuel.
- ▶ The Department of Energy targets first gas by Q4 2026, marking the country's largest upstream investment in over a decade and a major step toward long-term energy security.

Deals Spotlight: Pertamina invests \$120M in CREC; Hotel101 completes \$2.3B Nasdaq listing

Indonesia's Pertamina NRE acquires 20% stake in Citicore Renewable Energy Corp. (CREC) for \$120M

- ▶ Citicore Renewable Energy Corp. (CREC) sold a 20% equity stake to Indonesia's Pertamina New & Renewable Energy for \$120 million. This marks Pertamina's first investment in the Philippines and the first overseas deal approved by Indonesia's sovereign wealth fund, Danantara.
- ▶ REC operates 287 MW of installed solar capacity and is developing over 800 MW of wind projects, with plans to scale up to a 5 GW renewables portfolio. The partnership enables CREC to expand regionally while supporting Pertamina's clean energy push across Southeast Asia. The two firms will also explore joint projects in Indonesia, including carbon credit initiatives.

Hotel101 Global lists on Nasdaq following \$2.3B SPAC merger

- ▶ Hotel101 Global, the hospitality platform of DoubleDragon Corp., began trading on the Nasdaq on July 1 under the ticker "HBNB," following a \$2.3 billion merger with JVSPAC Acquisition Corp. The listing marks the first Nasdaq debut by a Filipino-owned company and supports Hotel101's plan to scale to one million rooms across 100 countries.
- ▶ The company operates an asset-light "condotel" model combining real estate pre-sales with centralized hotel operations. Current projects include sites in the Philippines, Japan, the US, and Spain, with a 680-room Madrid property set to open by end-2025. Hotel101 also signed a deal to develop 10,000 rooms in Saudi Arabia and secured a 10-year agreement as the official hotel partner of the Spanish F1 Grand Prix beginning 2026.