

| STOCK MARKET | ASIAN MARKETS | WORLD MARKETS | PESO-DOLLAR RATES | ASIAN MONIES-US\$ RATE | WORLD CURRENCIES | DUBAI CRUDE OIL |
|--|---|---|---|---|---|---|
| PSEi OPEN: 6,309.07 HIGH: 6,325.97 LOW: 6,227.33 CLOSE: 6,312.03 VOL.: 0.397 B VAL(P): 5.131 B 3.90% 0.06% 30 DAYS TO AUGUST 1, 2022 | AUGUST 1, 2022 JAPAN (NIKKEI 225) 27,993.35 ▲ 191.71 0.69 HONG KONG (HANG SENG) 20,165.84 ▲ 9.33 0.05 TAIWAN (TAIEX) 14,981.69 ▼ -18.38 -0.12 THAILAND (SET INDEX) 1,593.26 ▲ 16.85 1.07 S.KOREA (KSE COMPOSITE) 2,452.25 ▲ 0.75 0.03 SINGAPORE (STRAITS TIMES) 3,241.22 ▲ 29.66 0.92 SYDNEY (ALL ORDINARIES) 6,993.00 ▲ 47.80 0.69 MALAYSIA (KLSE COMPOSITE) 1,502.07 ▲ 9.84 0.66 | JULY 29, 2022 Dow Jones 32,845.130 ▲ 315.500 NASDAQ 12,390.688 ▲ 228.095 S&P 500 4,130.290 ▲ 57.860 FTSE 100 7,423.430 ▲ 78.180 Euro Stoxx50 3,662.500 ▲ 25.530 | FX OPEN P55.350 HIGH P55.310 LOW P55.450 CLOSE P55.310 W.AVE. P55.396 VOL. 1,053.90 M SOURCE: BAP 18.00 CTS 30 DAYS TO AUGUST 1, 2022 | AUGUST 1, 2022 LATEST BID (0900GMT) JAPAN (YEN) 132.160 ▲ 133.190 HONG KONG (HK DOLLAR) 7.850 ▲ 7.850 TAIWAN (NT DOLLAR) 29.994 ▲ 29.998 THAILAND (BAHT) 36.030 ▲ 36.290 S. KOREA (WON) 1,302.080 ▲ 1,302.970 SINGAPORE (DOLLAR) 1.377 ▲ 1.380 INDONESIA (RUPIAH) 14,870 ▲ 14,830 MALAYSIA (RINGGIT) 4.451 ▼ 4.448 | AUGUST 1, 2022 US\$/UK POUND 1.2239 ▲ 1.2166 US\$/EURO 1.0256 ▲ 1.0218 \$/AUSTRALIAN DOLLAR 0.7028 ▲ 0.6985 CANADA DOLLAR/US\$ 1.2776 ▼ 1.2793 SWISS FRANC/US\$ 0.9494 ▼ 0.9514 | FUTURES PRICE ON NEAREST MONTH OF DELIVERY \$107.24/BBL 114.80 107.60 100.40 93.20 86.00 30 DAYS TO JULY 29, 2022 |

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S1/1-10 • 2 SECTIONS, 16 PAGES

PHILIPPINE STOCK EXCHANGE'S 10 MOST ACTIVE STOCKS BY VALUE TURNOVER • AUGUST 1, 2022 (PSEi snapshot on S1/2; article on S2/4)

| SCC | P40.150 | ICT | P183.900 | SM | P37.000 | BDO | P113.800 | MER | P327.200 | SM | P780.000 | CNVRG | P18.920 | ALI | P25.450 | URC | P117.700 | AC | P639.000 |
|-------|-------------------|-------|--------------------|-------|-----------------|-------|-------------------|-------|--------------------|-------|-----------------|-------|-------------------|-------|-----------------|-------|-----------------|-------|------------------|
| Value | P585,285,025 | Value | P321,008,361 | Value | P311,958,960 | Value | P299,471,502 | Value | P257,295,526 | Value | P247,823,035 | Value | P246,515,736 | Value | P214,066,210 | Value | P202,939,675 | Value | P199,597,545 |
| | -P1.350 ▼ -3.253% | | -P10.300 ▼ -5.304% | | P0.400 ▲ 1.093% | | -P5.700 ▼ -4.770% | | -P12.800 ▼ -3.765% | | P4.500 ▲ 0.580% | | -P0.080 ▼ -0.421% | | P0.200 ▲ 0.792% | | P6.700 ▲ 6.036% | | P19.000 ▲ 3.065% |

PHL factory activity slows in July

THE PHILIPPINES' manufacturing sector slowed in July as production and new orders declined, signaling weaker global demand, S&P Global said on Monday.

The S&P Global Philippines Manufacturing Purchasing Managers' Index (PMI) reading stood at 50.8 in July, lower than the 53.8 reading in June.

While the PMI remained in expansion territory in July, the reading was the lowest in six months. Excluding the flat reading in January, S&P Global said the July PMI was the weakest in 11 months.

A PMI reading above 50 denotes improvement in operating conditions compared with the preceding month, while a reading below 50 signals deterioration.

"Data from the latest PMI survey indicated a loss in growth momentum at goods producers in the Philippines. Renewed contractions in output and new orders, albeit only mild, were recorded in July. The headline figure slipped to 50.8 in July to signal the slowest expansion since January," Maryam Baluch, economist at S&P Global Market Intelligence, said in a statement.

The headline PMI measures manufacturing conditions through the weighted average of five indices: new orders (30%), output (25%), employment (20%), suppliers' delivery times (15%) and stocks of purchases (10%).

S&P Global said last month's contraction in output and new orders was the first since January. "The rates of reduction were modest but signified a visible change from the strong expansions seen in June, amid challenging demand conditions," it said.

Firms also reported weaker demand from foreign clients in July.

"While the pace of decrease was the softest in the current five-month sequence of contraction, global uncertainties and the ongoing impact of the pandemic continued to weigh on export demand," S&P Global said.

Manufacturers' buying activity was muted in July, as they had less business requirements and prices of materials rose.

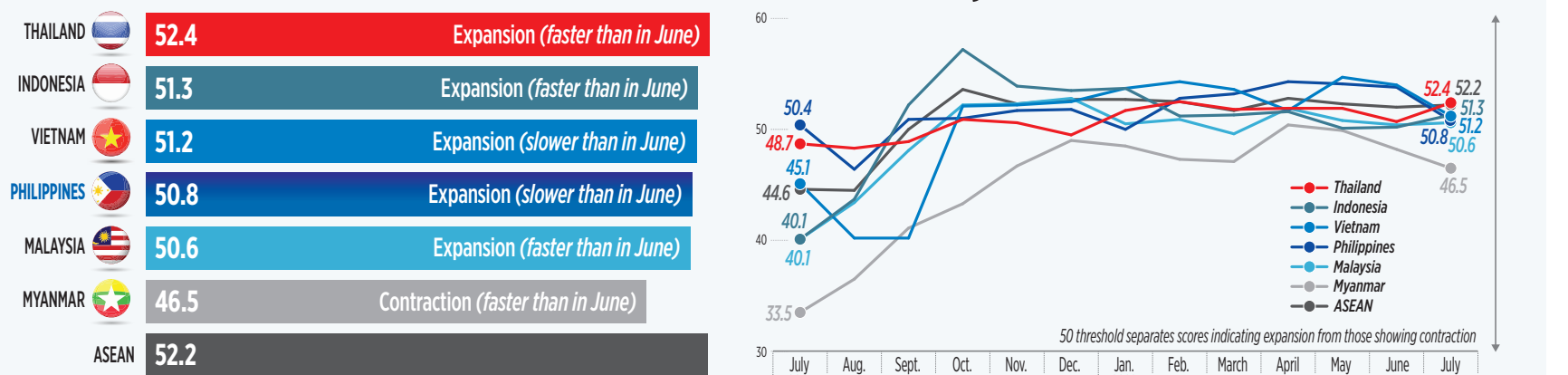
Despite the slowdown, S&P Global said Philippine firms added more workers for a third month in a row in July. The additional workers helped companies to clear their existing backlogs at a faster pace.

S&P Global said data showed a further deterioration in vendor performance, as "lead times lengthened to the greatest extent in four months" due to logistical problems, shipment delays and port congestion.

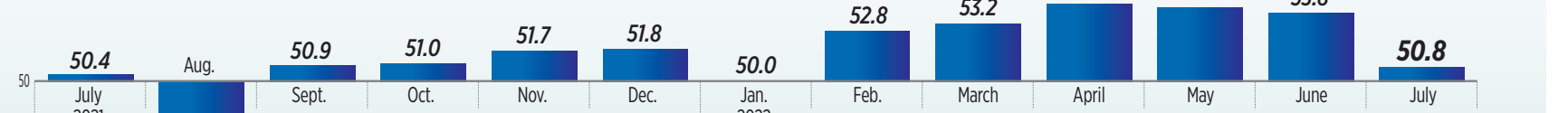
The manufacturing sector also faced pressure as inflation continued to rise in July, pushing average cost burdens sharply higher.

Factory, S1/3

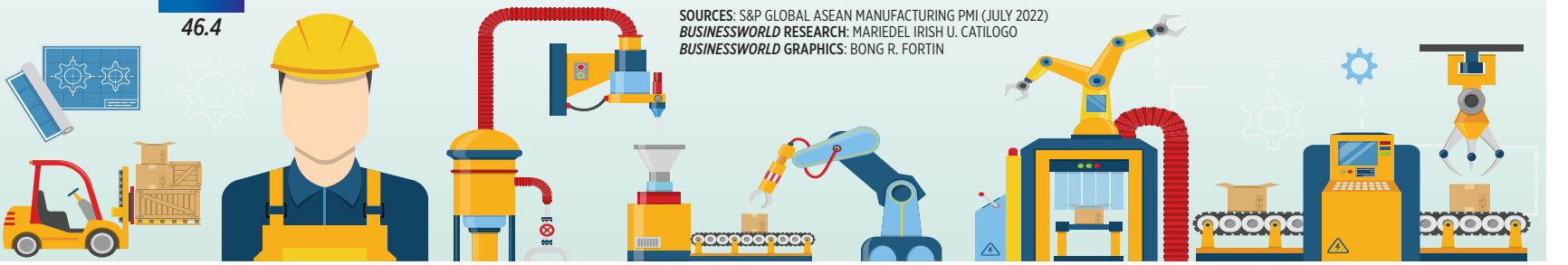
MANUFACTURING PURCHASING MANAGERS' INDEX (PMI) OF SELECT ASEAN ECONOMIES, JULY 2022



Philippine Manufacturing PMI 50 = no change from previous month



SOURCES: S&P GLOBAL ASEAN MANUFACTURING PMI (JULY 2022) BUSINESSWORLD RESEARCH; MARIEDEL IRISH U. CATILOGO BUSINESSWORLD GRAPHICS: BONG R. FORTIN



FUEL PRICE TRACKER (week-on-week change)

| Fuel Type | July 19 | July 26 | Aug. 2 |
|-----------------|---------|---------|---------|
| GASOLINE | ▼ P5.00 | ▼ P0.40 | ▲ P0.75 |
| DIESEL | ▼ P2.00 | ▼ P1.85 | ▼ P0.60 |
| KEROSENE | ▼ P0.70 | ▼ P1.30 | ▼ P0.75 |

- Aug. 2, 12:01 a.m. — Caltex Philippines
- Aug. 2, 6 a.m. — Petron Corp.; Phoenix Petroleum; Philipinas Shell Petroleum Corp.; PTT Philippines Corp.; Seaoil Philippines, Inc.
- Aug. 2, 8:01 a.m. — Cleanfuel (Shaw Autogas, Inc.)

BoC exceeds July collection target by 39%

THE BUREAU of Customs (BoC) on Monday said it exceeded its July collection target by 39%, mainly due to increased imports and improved valuations.

In a statement, BoC said the July collection reached P84.43 billion, surpassing its monthly target of P60.78 billion. This was also a record monthly collection for the bureau.

"The collection includes additional revenues from the Tax Expenditure Fund (TEF) collection of P1.128 billion and Post Clearance Audit Group (PCAG) collection of P527.65 million in the same month," Customs said.

In the first seven months of the year, the BoC collected P481.14 bil-



BW FILE PHOTO

lion, surpassing its P388.6 billion target by 24%. This includes the TEF collection of P2.57 billion, and PCAG's P1.37 billion.

The seven-month collection was also 34% higher than the P358.92 billion logged in January to July 2021.

BoC Commissioner Yogi Filemon L. Ruiz attributed the strong performance to improved valuation and digitalization of Customs systems.

He also noted import volumes have gone up as the economy gradually reopens. Import values have also improved due to the higher global prices of oil and other commodities.

Mr. Ruiz also noted the "intensified collection efforts of all districts which prevent revenue leakages" helped the BoC exceed its targets.

The BoC is tasked to collect P733 billion this year, 8% higher than the initial goal of P679.23 billion.

Philippine esports can be a game changer, experts say

By John Victor D. Ordoñez Reporter

TWENTY-THREE-YEAR-OLD Kendrick L. Cheah, one of the top Super Smash Bros. Ultimate players in the Philippines, has shown that video games aren't just a child's pastime anymore.

Having won the fighting game tournament REV Major in 2018 as PSI Force, the road to becoming a top-ranked electronic sports (esports) player was not a walk in the park.

"I wasn't sponsored by a team," Mr. Cheah said in a Facebook Messenger chat. "I had to solely rely on leftover allowances from my mom, as well as the cash prizes I won in previous tournaments to attend upcoming gatherings, tournaments and events."

Transportation costs to venues were expensive especially when one gets stuck in Manila's notorious traffic jams.

Money wasn't easy until a professional esports team sponsored him, but he continues to worry about his team's finances.

That playing video games competitively could be a salaried profession was nonsense a few years ago. Now, professional gamers make a decent living and turn into millionaires on some occasions. Salaried pro gamers in the United States earn as much as \$60,000 yearly, while tournament prize money can go as high as \$50,000, according to Esports Grizzly. Video game streamers earn as much as \$2,000 a month.

TNC Predator, a Philippine-based esports team known for their high placings at international Dota 2 tournaments, has won \$4.6 million since it started in 2013, according to esports portal GosuGamers.

Several local groups have sought more government support for the Philippine esports industry, including seeing it as a legitimate creative sector and sport.

At a House of Representatives hearing in March, the Philippine Esports Organization proposed an economic zone that will house a studio where esports events can be broadcasted and

boot camp facilities where local esports athletes can train.

The group also cited the need to improve internet infrastructure, build more airports for easier foreign participation, as well as incentives for esports organizations.

"The Philippines is a third-world country making a first-world innovation like esports work," Kenneth Ian G. Alog, associate project coordinator at AcadArena Technologies, Inc., an esports tournament operator that also offers scholarships to players, said in an e-mailed reply to questions. "However, there are many infrastructure improvements that need to happen."

"One example is minimum wage," he said. "Unless it improves to a level that Filipinos do not find microtransactions in games or even reliable data an absolute luxury, then video games cannot be fully part of their lifestyle and the market cannot grow to a certain size for it to be viable for certain companies to open shop."

The Department of Education (DepEd) also plans to integrate esports

in the curriculum through game-based learning and physical education, according to a Powerpoint presentation shown at the House hearing.

Skills that could be learned include adaptive, creative and critical thinking, problem solving, new media literacy and self-management, among other things.

AcadArena's support programs include scholarships and aid for esports athletes with a tuition coverage of as much as P25,000, a creator grant for streamers including tuition coverage of as much as P30,000 and an Axie Infinity scholarship grant, giving awardees a play-ready team, training and an eventual payout.

The Philippine video gaming industry is the 25th largest market in the world by revenue, with earnings of more than \$572 million, according to Pangasinan Rep. Christopher V.P. de Venecia, who had sought an inquiry into the state of the sector.

Almost half of the country's more than 110 million people play video games. Local game developers are also recognized globally.

Esports, S1/3

Rising rates put more pressure on consumers, SMEs — Fitch

RISING INTEREST RATES will put more pressure on consumers and small businesses in the Philippines, as many are still recovering from the economic shock brought by the coronavirus pandemic, Fitch Ratings said.

In a report "Impact of Rising Interest Rates on APAC Banks," Fitch Ratings said conglomerate-owned corporate borrowers will have stronger financial buffers to handle the expected rise in interest payments.

"We believe there are lingering impairment risks among consumer and SME (small and medium enterprise) borrowers whose finances have yet to recover from 2020's severe shock," it said, referring

Fitch, S1/3



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