

STOCK MARKET	ASIAN MARKETS	WORLD MARKETS	PESO-DOLLAR RATES	ASIAN MONIES-US\$ RATE	WORLD CURRENCIES	DUBAI CRUDE OIL																																																																					
<b>SEPTEMBER 6, 2022</b> <b>PSEi</b> OPEN: 6,681.13 HIGH: 6,721.41 LOW: 6,668.41 CLOSE: 6,709.60 VOL.: 0.563 B VAL(P): 4.691 B 33.56 pts. 0.50% 30 DAYS TO SEPTEMBER 6, 2022	<b>SEPTEMBER 6, 2022</b> <table border="1"> <tr><th>CLOSE</th><th>NET</th><th>%</th></tr> <tr><td>JAPAN (NIKKEI 225)</td><td>27,626.51</td><td>▲ 6.90 0.02</td></tr> <tr><td>HONG KONG (HANG SENG)</td><td>19,202.73</td><td>▼ -22.97 -0.12</td></tr> <tr><td>TAIWAN (WEIGHTED)</td><td>14,677.20</td><td>▲ 16.10 0.11</td></tr> <tr><td>THAILAND (SET INDEX)</td><td>1,634.99</td><td>▲ 12.99 0.80</td></tr> <tr><td>S.KOREA (KSE COMPOSITE)</td><td>2,410.02</td><td>▲ 6.34 0.26</td></tr> <tr><td>SINGAPORE (STRAITS TIMES)</td><td>3,234.11</td><td>▲ 18.63 0.58</td></tr> <tr><td>SYDNEY (ALL ORDINARIES)</td><td>6,826.50</td><td>▼ -25.70 -0.38</td></tr> <tr><td>MALAYSIA (KLSE COMPOSITE)</td><td>1,488.27</td><td>▼ -1.53 -0.10</td></tr> </table>	CLOSE	NET	%	JAPAN (NIKKEI 225)	27,626.51	▲ 6.90 0.02	HONG KONG (HANG SENG)	19,202.73	▼ -22.97 -0.12	TAIWAN (WEIGHTED)	14,677.20	▲ 16.10 0.11	THAILAND (SET INDEX)	1,634.99	▲ 12.99 0.80	S.KOREA (KSE COMPOSITE)	2,410.02	▲ 6.34 0.26	SINGAPORE (STRAITS TIMES)	3,234.11	▲ 18.63 0.58	SYDNEY (ALL ORDINARIES)	6,826.50	▼ -25.70 -0.38	MALAYSIA (KLSE COMPOSITE)	1,488.27	▼ -1.53 -0.10	<b>SEPTEMBER 5, 2022</b> <table border="1"> <tr><th>CLOSE</th><th>NET</th></tr> <tr><td>Dow Jones *</td><td>31,318.440 ▼ -337.980</td></tr> <tr><td>NASDAQ *</td><td>11,630.864 ▼ -154.262</td></tr> <tr><td>S&amp;P 500</td><td>3,924.260 ▼ -42.590</td></tr> <tr><td>FTSE 100</td><td>7,287.430 ▲ 6.240</td></tr> <tr><td>Euro Stoxx50</td><td>3,501.140 ▼ -7.940</td></tr> </table> * CLOSING PRICE AS OF SEPTEMBER 2, 2022	CLOSE	NET	Dow Jones *	31,318.440 ▼ -337.980	NASDAQ *	11,630.864 ▼ -154.262	S&P 500	3,924.260 ▼ -42.590	FTSE 100	7,287.430 ▲ 6.240	Euro Stoxx50	3,501.140 ▼ -7.940	<b>FX</b> OPEN P56.888 HIGH P56.860 LOW P57.000 CLOSE P57.000 W.AVE. P56.950 VOL. \$812.19 M SOURCE : BAP 0.10 ctv 30 DAYS TO SEPTEMBER 6, 2022	<b>SEPTEMBER 6, 2022</b> <table border="1"> <tr><th>LATEST BID (0900GMT)</th><th>PREVIOUS</th></tr> <tr><td>JAPAN (YEN)</td><td>141.780 ▼ 140.530</td></tr> <tr><td>HONG KONG (HK DOLLAR)</td><td>7.849 ▼ 7.849</td></tr> <tr><td>TAIWAN (NT DOLLAR)</td><td>30.814 ▼ 30.707</td></tr> <tr><td>THAILAND (BAHT)</td><td>36.570 ▼ 36.560</td></tr> <tr><td>S. KOREA (WON)</td><td>1,376.820 ▼ 1,370.810</td></tr> <tr><td>SINGAPORE (DOLLAR)</td><td>1.405 ▼ 1.405</td></tr> <tr><td>INDONESIA (RUPIAH)</td><td>14,885 ▼ 14,900</td></tr> <tr><td>MALAYSIA (RINGGIT)</td><td>4.498 ▼ 4.491</td></tr> </table>	LATEST BID (0900GMT)	PREVIOUS	JAPAN (YEN)	141.780 ▼ 140.530	HONG KONG (HK DOLLAR)	7.849 ▼ 7.849	TAIWAN (NT DOLLAR)	30.814 ▼ 30.707	THAILAND (BAHT)	36.570 ▼ 36.560	S. KOREA (WON)	1,376.820 ▼ 1,370.810	SINGAPORE (DOLLAR)	1.405 ▼ 1.405	INDONESIA (RUPIAH)	14,885 ▼ 14,900	MALAYSIA (RINGGIT)	4.498 ▼ 4.491	<b>SEPTEMBER 6, 2022</b> <table border="1"> <tr><th>CLOSE</th><th>PREVIOUS</th></tr> <tr><td>US\$/UK POUND</td><td>1.1564 ▲ 1.1495</td></tr> <tr><td>US\$/EURO</td><td>0.9934 ▲ 0.9915</td></tr> <tr><td>\$/AUST DOLLAR</td><td>0.6763 ▼ 0.6782</td></tr> <tr><td>CANADA DOLLAR/US\$</td><td>1.3137 ▼ 1.3158</td></tr> <tr><td>SWISS FRANC/US\$</td><td>0.9810 ▼ 0.9833</td></tr> </table>	CLOSE	PREVIOUS	US\$/UK POUND	1.1564 ▲ 1.1495	US\$/EURO	0.9934 ▲ 0.9915	\$/AUST DOLLAR	0.6763 ▼ 0.6782	CANADA DOLLAR/US\$	1.3137 ▼ 1.3158	SWISS FRANC/US\$	0.9810 ▼ 0.9833	<b>FUTURES PRICE ON NEAREST MONTH OF DELIVERY</b> <b>\$95.34/BBL</b> 113.00 106.00 100.10 93.40 86.70 80.00 30 DAYS TO SEPTEMBER 5, 2022
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PHILIPPINE STOCK EXCHANGE'S 10 MOST ACTIVE STOCKS BY VALUE TURNOVER • SEPTEMBER 6, 2022 (PSEi snapshot on S1/2; article on S2/2)

ALI P29.900 Value P442,014,465 P0.900 ▲ 3.103%	SMC P98.000 Value P302,718,661 -P1.250 ▼ -1.259%	ICT P182.000 Value P221,535,318 -P1.000 ▼ -0.546%	SM P877.000 Value P213,524,755 P7.000 ▲ 0.805%	GLO P2,168.000 Value P188,702,120 -P16.000 ▼ -0.733%	SMPH P36.150 Value P186,159,445 P0.100 ▲ 0.277%	EMI P20.700 Value P186,074,655 -P0.100 ▼ -0.481%	MBT P53.500 Value P185,497,130 P0.600 ▲ 1.134%	BPI P97.400 Value P174,695,021 P0.450 ▲ 0.464%	ABA P2.580 Value P159,253,900 P0.090 ▲ 3.614%
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## Inflation slows to 6.3% in August

By Abigail Marie P. Yraloa  
Researcher

INFLATION eased to a two-month low of 6.3% in August, as the rise in food and transport costs slowed, the Philippine Statistics Authority (PSA) said on Tuesday.

But the surge in core inflation, which the PSA released for the first time in eight months after it shifted the base price to 2018, gives a hint that the worst is not over yet.

Preliminary data from the PSA showed the consumer price index (CPI) eased to 6.3% year on year in August, from the nearly four-year high of 6.4% in July. It remained significantly higher than the 4.4% seen in August 2021.

This was slightly lower than the 6.4% median estimate in a *BusinessWorld* poll conducted last week, but within the 5.9-6.7% forecast range of the Bangko Sentral ng Pilipinas (BSP) for that month.

August marked the fifth consecutive month that inflation

went above the BSP's 2-4% target range.

Last month's inflation print was the slowest in two months, or since the 6.1% in June.

Month on month, inflation rose 0.4%. Stripping out seasonality factors, month-on-month inflation also inched up 0.4% in August.

In the first eight months of 2022, inflation averaged 4.9%, faster than the 4% a year ago. This is still below the BSP's 5.4% full-year inflation forecast.

At a press briefing, National Statistician Claire Dennis S. Mapa attributed the slowdown in headline inflation to transport costs as fuel retailers cut pump prices in the early part of August.

The transport index, which accounts for 9% of the CPI, eased to 14.6% year on year in August from 18.1% in July. This was attributed to the deceleration of prices of diesel (70.95% in August from 91.3% in July) and gasoline (31.2% from 45.4%).

The heavily weighted index for food and non-alcoholic beverages, which account for nearly 38% of the theoretical consumer basket, slowed to 6.3% year on year in August from 6.4% in July.

The food-alone index likewise eased to 6.5% in August from 7.1% in the previous month.

Mr. Mapa said this was due to the slower increase in prices of fish (7.2% in August from 9.2% in July), meat (9.6% from 9.9%) and vegetables (-2.7% from 5.6%).

However, inflation in sugar, confectionary and desserts rose to 26% in August from July's 17.6%,

as prices of refined sugar remained elevated due to a supply shortage.

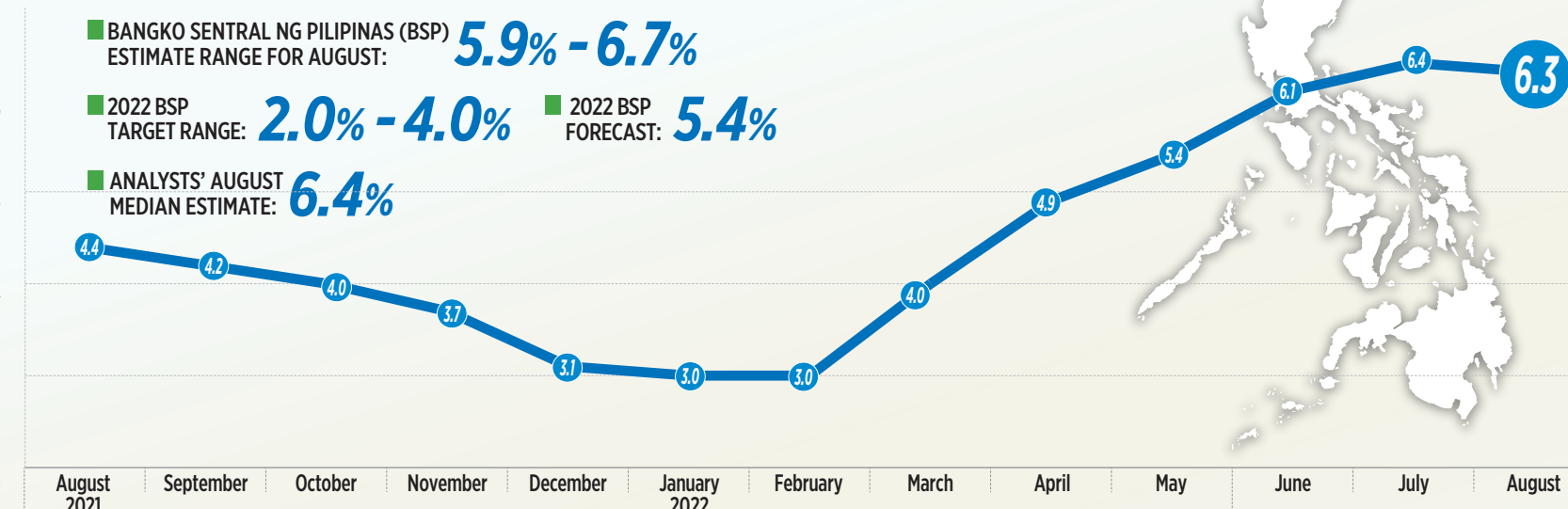
Major commodity groups that saw higher inflation included alcoholic beverages and tobacco (9.3% in August from 8.5% in July), education services (3.8% from 6.4%), restaurants and accommodation services (4.2% from 3.4%), and clothing and footwear (2.8% from 2.5%).

Housing, water, electricity and gas saw a 6.8% inflation in August from 5.7% in July, mainly due to

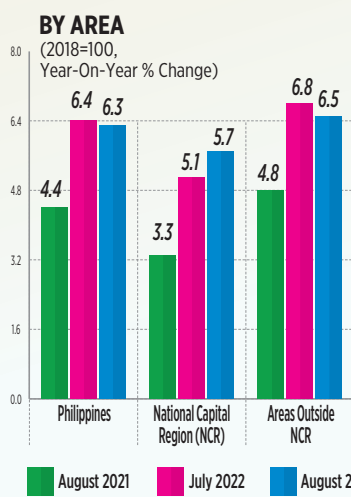
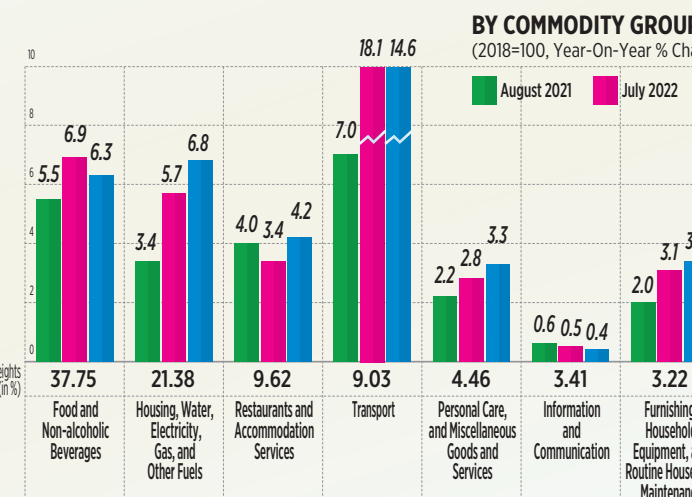
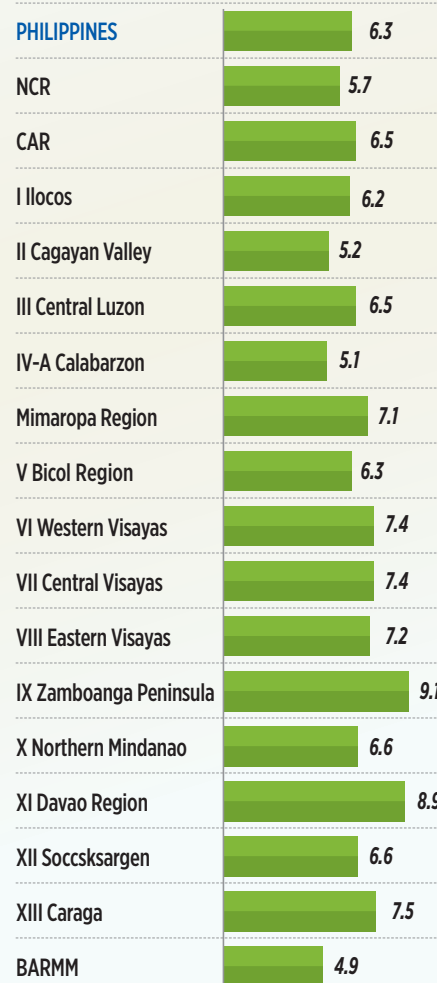
*Inflation, SI/3*

### HEADLINE INFLATION RATES IN THE PHILIPPINES

(2018=100, Year-On-Year % Change)



BY REGION (August 2022)  
(2018=100, Year-On-Year % Change)



SOURCE: PHILIPPINE STATISTICS AUTHORITY  
BUSINESSWORLD RESEARCH: ANA OLIVIA A. TIRONA  
BUSINESSWORLD GRAPHICS: BONG R. FORTIN

### Impasse over WFH scheme may hurt PHL's position as IT-BPM destination

THE STALEMATE over the work-from-home (WFH) arrangement of registered information technology and business process management (IT-BPM) firms may damage the Philippines' position as an investment destination, according to the head of an industry group.

IT and Business Process Association of the Philippines (IBPAP) President and Chief Executive Officer Jack Madrid on Tuesday said he found it "perplexing" that the Fiscal Incentives Review Board (FIRB) continues to insist that the extension of the 30% WFH arrangement for IT-BPM firms has no legal basis.

In a statement, he said the FIRB's stand is "short-sighted and inconsistent with the objective of attracting and retaining investors in the country's biggest job-generating industry and contributor of foreign exchange revenue."

"The long-standing impasse with the FIRB and its very public exchanges with PEZA (Philippine Economic Zone Authority) on the matter of WFH/hybrid work is not only detrimental to our narrative of industry agility, innovation and resilience, but also to our positioning of the Philippines as the IT-BPM investment destination of choice," Mr. Madrid said.

PEZA earlier approved in principle the extension of the arrangement that allows

IT-BPM companies to have 30% of its employees work from home and continue to enjoy fiscal incentives under Republic Act No. 11534 or the Corporate Recovery and Tax Incentives for Enterprises (CREATE) law.

Registered business enterprises (RBEs) are mandated to conduct their business within ecozones in order to avail themselves of tax incentives.

The FIRB, which is in charge of granting tax incentives to RBEs, has maintained there is no legal basis to extend the scheme until March 2023. It reiterated the WFH arrangement for IT-BPM firms is allowed only until Sept. 12, 2022.

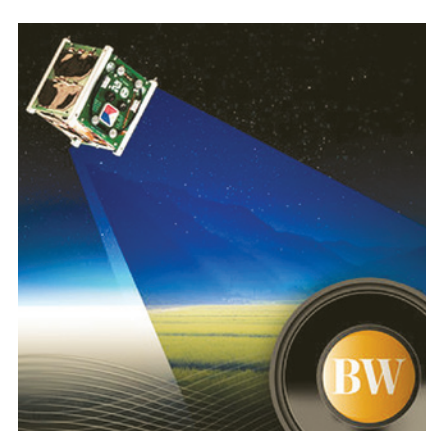
"The IBPAP stands by the PEZA and its power to enable hybrid work for RBEs. This long-standing policy is irrefutable legal basis for the continuance of the 30% WFH arrangement for IT-BPM companies and the provisions of the PEZA law," Mr. Madrid said.

He noted the public spat between the FIRB and PEZA has detracted industry players from creating more jobs and generating much-needed foreign exchange revenues.

"This has been a recurring problem that has negatively impacted the ease of doing business in the country, as well as the confidence level of our principals and potential clients," Mr. Madrid said.

*WFH, SI/3*

### BUSINESSWORLD B-SIDE



#### Satellite imagery and food security

IN THIS B-SIDE EPISODE, Alice G. Laborte, a senior scientist at the International Rice Research Institute (IRRI), explains to *BusinessWorld* reporter Patricia B. Mirasol how satellite imagery can make the farming industry more resilient, especially in the face of climate change. >>> <https://spoti.fi/3RDdi3Q>



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### Indonesia may export more coal, fertilizer to Philippines — Marcos

PRESIDENT Ferdinand R. Marcos, Jr. on Tuesday said he discussed the possibility of securing coal and fertilizer supply from Indonesia during his meeting with President Joko Widodo.

Mr. Marcos, who ended his state visit to Indonesia on Tuesday, said he "brought up" agriculture with Mr. Widodo because that's "a very important subject that needs to be discussed."

"We talked about the possibility of them supplying us with fertilizer, with urea from Indonesia," he told reporters in Jakarta, based on a transcript provided by Malacañang.

As a net importer of fertilizer, the Philippines is vulnerable to global supply disruptions and price fluctuations.

Fertilizer prices have sharply increased in recent months as supply was affected by the Russia-Ukraine war. Russia is the world's biggest supplier of fertilizer.

The Philippines' primary sources of fertilizer imports from 2018 to 2021 are China (40.66%), Indonesia (16.70%), and Malaysia (12.20%), according to data from the Fertilizer and Pesticide Authority (FPA).

In July, Mr. Marcos said he would reach out to Indonesia, China, Russia, Malaysia, and the United Arab Emirates to secure cheaper fertilizer through government-to-government deals.

During his state visit, Mr. Marcos said he also asked Indonesia for assistance in strengthening the local fisheries sector.

"I also asked for help on fisheries because I am obsessed with the fact that the Philippines

imports *galunggong*. I can't accept it," he said. "So I asked for help because their fisheries sector is stable."

Mr. Marcos, 64, has promised to boost local food production and limit imports as much as possible. But experts said this would be challenged by elevated inflation and rising costs of farm inputs.

#### COAL IMPORTS

Mr. Marcos, who has vowed to pursue a shift to renewable energy, said the country is poised to secure more coal exports from Indonesia.

"There was a time a few weeks back where they stopped exporting coal. We asked them and they included us in the list. They would export coal to us," he said.

Indonesia, the world's largest exporter of coal, has implemented coal export bans to ensure there is enough domestic supply.

Mr. Marcos said he and Mr. Widodo also talked about the green energy shift, noting that coal is not seen as environmentally friendly.

He noted the state visit to Indonesia was "more productive than we had expected."

"I think the most extensive subject matter was in fact, PPP (public-private partnership). Because we are here to encourage PPPs with the Philippine government," Mr. Marcos said, adding that they also sought to encourage joint ventures between Philippine and Indonesian companies.

*Marcos, SI/3*