

STOCK MARKET	ASIAN MARKETS	WORLD MARKETS	PESO-DOLLAR RATES	ASIAN MONIES-US\$ RATE	WORLD CURRENCIES	DUBAI CRUDE OIL																																																																																																			
SEPTEMBER 12, 2022 PSEI OPEN: 6,625.40 HIGH: 6,715.75 LOW: 6,625.40 CLOSE: 6,715.75 VOL.: 0.637 B VAL(P): 4.310 B 109.75 PTS. 1.66% 30 DAYS TO SEPTEMBER 12, 2022	SEPTEMBER 12, 2022 <table border="1"> <thead> <tr> <th></th> <th>CLOSE</th> <th>NET</th> <th>%</th> </tr> </thead> <tbody> <tr><td>JAPAN (NIKKEI 225)</td><td>28,542.11</td><td>▲ 327.36</td><td>1.16</td></tr> <tr><td>HONG KONG (HANG SENG)</td><td>19,362.25</td><td>▲ 507.63</td><td>2.69</td></tr> <tr><td>TAIWAN (WEIGHTED)</td><td>14,807.43</td><td>▲ 224.01</td><td>1.54</td></tr> <tr><td>THAILAND (SET INDEX)</td><td>1,666.63</td><td>▲ 12.01</td><td>0.73</td></tr> <tr><td>S.KOREA (KSE COMPOSITE)</td><td>2,384.28</td><td>▲ 7.82</td><td>0.33</td></tr> <tr><td>SINGAPORE (STRAITS TIMES)</td><td>3,277.23</td><td>▲ 14.28</td><td>0.44</td></tr> <tr><td>SYDNEY (ALL ORDINARIES)</td><td>6,964.50</td><td>▲ 70.30</td><td>1.02</td></tr> <tr><td>MALAYSIA (KLSX COMPOSITE)</td><td>1,497.96</td><td>▲ 1.43</td><td>0.10</td></tr> </tbody> </table>		CLOSE	NET	%	JAPAN (NIKKEI 225)	28,542.11	▲ 327.36	1.16	HONG KONG (HANG SENG)	19,362.25	▲ 507.63	2.69	TAIWAN (WEIGHTED)	14,807.43	▲ 224.01	1.54	THAILAND (SET INDEX)	1,666.63	▲ 12.01	0.73	S.KOREA (KSE COMPOSITE)	2,384.28	▲ 7.82	0.33	SINGAPORE (STRAITS TIMES)	3,277.23	▲ 14.28	0.44	SYDNEY (ALL ORDINARIES)	6,964.50	▲ 70.30	1.02	MALAYSIA (KLSX COMPOSITE)	1,497.96	▲ 1.43	0.10	SEPTEMBER 9, 2022 <table border="1"> <thead> <tr> <th></th> <th>CLOSE</th> <th>NET</th> </tr> </thead> <tbody> <tr><td>Dow Jones</td><td>32,151.710</td><td>▲ 377.190</td></tr> <tr><td>NASDAQ</td><td>12,112.307</td><td>▲ 250.178</td></tr> <tr><td>S&P 500</td><td>4,067.360</td><td>▲ 61.180</td></tr> <tr><td>FTSE 100</td><td>7,351.070</td><td>▲ 89.010</td></tr> <tr><td>Euro Stoxx50</td><td>3,539.610</td><td>▲ 49.890</td></tr> </tbody> </table>		CLOSE	NET	Dow Jones	32,151.710	▲ 377.190	NASDAQ	12,112.307	▲ 250.178	S&P 500	4,067.360	▲ 61.180	FTSE 100	7,351.070	▲ 89.010	Euro Stoxx50	3,539.610	▲ 49.890	FX OPEN P56.850 HIGH P56.840 LOW P57.070 CLOSE P56.860 W.AVE. P56.935 VOL. \$897.20 M 4.00 CTS 30 DAYS TO SEPTEMBER 12, 2022 SOURCE : BAP	SEPTEMBER 12, 2022 <table border="1"> <thead> <tr> <th></th> <th>LATEST BID (0900GMT)</th> <th>PREVIOUS</th> </tr> </thead> <tbody> <tr><td>JAPAN (YEN)</td><td>142.780</td><td>▲ 142.520</td></tr> <tr><td>HONG KONG (HK DOLLAR)</td><td>7.848</td><td>▲ 7.848</td></tr> <tr><td>TAIWAN (NT DOLLAR)</td><td>30.826</td><td>▲ 30.860</td></tr> <tr><td>THAILAND (BAHT)</td><td>36.330</td><td>▲ 36.320</td></tr> <tr><td>S. KOREA (WON)</td><td>1,376.130</td><td>▲ 1,379.770</td></tr> <tr><td>SINGAPORE (DOLLAR)</td><td>1.395</td><td>▲ 1.398</td></tr> <tr><td>INDONESIA (RUPIAH)</td><td>14,840</td><td>▲ 14,828</td></tr> <tr><td>MALAYSIA (RINGGIT)</td><td>4.501</td><td>▲ 4.496</td></tr> </tbody> </table>		LATEST BID (0900GMT)	PREVIOUS	JAPAN (YEN)	142.780	▲ 142.520	HONG KONG (HK DOLLAR)	7.848	▲ 7.848	TAIWAN (NT DOLLAR)	30.826	▲ 30.860	THAILAND (BAHT)	36.330	▲ 36.320	S. KOREA (WON)	1,376.130	▲ 1,379.770	SINGAPORE (DOLLAR)	1.395	▲ 1.398	INDONESIA (RUPIAH)	14,840	▲ 14,828	MALAYSIA (RINGGIT)	4.501	▲ 4.496	SEPTEMBER 12, 2022 <table border="1"> <thead> <tr> <th></th> <th>CLOSE</th> <th>PREVIOUS</th> </tr> </thead> <tbody> <tr><td>US\$/UK POUND</td><td>1.1677</td><td>▲ 1.1587</td></tr> <tr><td>US\$/EURO</td><td>1.0166</td><td>▲ 1.0039</td></tr> <tr><td>\$/AUSTRALIAN DOLLAR</td><td>0.6878</td><td>▲ 0.6841</td></tr> <tr><td>CANADA DOLLAR/US\$</td><td>1.2983</td><td>▲ 1.3026</td></tr> <tr><td>SWISS FRANC/US\$</td><td>0.9555</td><td>▲ 0.9599</td></tr> </tbody> </table>		CLOSE	PREVIOUS	US\$/UK POUND	1.1677	▲ 1.1587	US\$/EURO	1.0166	▲ 1.0039	\$/AUSTRALIAN DOLLAR	0.6878	▲ 0.6841	CANADA DOLLAR/US\$	1.2983	▲ 1.3026	SWISS FRANC/US\$	0.9555	▲ 0.9599	FUTURES PRICE ON NEAREST MONTH OF DELIVERY \$90.40/bbl 112.50 105.00 97.50 90.00 82.50 75.00 30 DAYS TO SEPTEMBER 9, 2022
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VOL. XXXVI • ISSUE 35 TUESDAY • SEPTEMBER 13, 2022 • www.bworldonline.com S1/1-10 • 2 SECTIONS, 14 PAGES

PHILIPPINE STOCK EXCHANGE'S 10 MOST ACTIVE STOCKS BY VALUE TURNOVER • SEPTEMBER 12, 2022 (PSEI snapshot on S1/4; article on S2/2)

SM	P885.000	ALI	P29.150	SMC	P98.650	SMPH	P36.450	MBT	P54.000	URC	P128.300	BDO	P128.000	GLO	P2,130.000	BPI	P98.250	AC	P733.000
Value	P355,969,080	Value	P326,113,580	Value	P299,750,925	Value	P255,202,350	Value	P198,134,853	Value	P139,059,970	Value	P131,751,803	Value	P131,186,900	Value	P130,452,762	Value	P121,022,590
P20.000	▲ 2.312%	P1.350	▲ 4.856%	P0.150	▲ 0.152%	P0.050	▲ 0.137%	P1.000	▲ 1.887%	-P0.700	▼ -0.543%	P2.000	▲ 1.587%	P40.000	▲ 1.914%	P2.150	▲ 2.237%	P16.000	▲ 2.232%

Corruption to delay recovery, CEOs say

FDI net inflows slip to 13-month low in June

NET INFLOWS of foreign direct investment (FDI) fell to their lowest level in 13 months in June, as investor sentiment was dampened by rising inflation and higher interest rates.

Data released by the Bangko Sentral ng Pilipinas (BSP) on Monday showed FDI net inflows declined by 51.5% to \$471 million in June from \$971 million a year earlier.

This was the lowest monthly FDI inflow recorded since the \$455 million seen in May 2021.

Month on month, FDI net inflows dropped by 36.5% from \$742 million in May.

"In June 2022, FDI net inflows declined following the drop in non-residents' net investments in debt instruments of their local affiliates due to higher repayments during the month. This muted the increase in their net investments in equity capital and reinvestment of earnings," the BSP said in a statement.

By component, non-residents' net investments in debt instruments of local affiliates plunged by 71.9% to \$215 million in June, from \$764 million a year ago.

Investments in equity and investment fund shares rose by 23.4% in June to \$256 million. FDI in equity capital (other than reinvestment of earnings) surged by 41.8% to \$131 million from \$93 million in the same month last year. Equity capital placements increased by 20.8% to \$143 million, while withdrawals plunged by 54.8% to \$12 million.

The equity placements were mainly from Japan, the United States, Singapore, and Switzerland. Investments were placed mostly in manufacturing, real estate, and information and communication industries. Reinvestment of earnings grew by 8.6% to \$124 million year on year in June.

In an e-mail note, Rizal Commercial Banking Corp. Chief Economist Michael L. Ricafort said global and local markets saw increased volatility in June as the US Federal Reserve hiked rates by 75 basis points.

"(FDI was) also partly weighed by higher inflation and interest rates that are drags to new investments/FDIs, and some wait-and-see stance while waiting for the new administration," he said.

At its June 23 meeting, the BSP raised its benchmark interest rate by 25 bps, bringing it to 2.5%. Ferdinand R. Marcos, Jr. won the presidency by a landslide in the May elections, and assumed office on June 30.

ING Bank N.V. Manila Senior Economist Nicholas Antonio T. Mapa, the positive FDI inflow in June is a "welcome development."

"The inflow partially offsets the negative current account balance posted by the country for the month," Mr. Mapa said in an e-mail.

The country's balance of payments (BoP) position remained in a deficit for a third straight month in June. The BoP deficit widened to \$1.57 billion, from the \$312-million gap in the same month last year.

FDI, S1/9

Peso weakness worries retailers, supermarkets

By Revin Mikhael D. Ochave
Reporter

LOCAL RETAILERS and supermarkets are worried over the peso's continued weakness against the US dollar, which is driving up prices of imported products.

Steven T. Cua, Philippine Amalgamated Supermarkets Association president, said prices of some imported products have increased significantly as a result of the peso's depreciation against the US dollar.

"Products which are totally imported, components of which are partially imported or where the majority of contents come from outside the country, have long increased their prices hefty. We are looking at a minimum increase of 10% to an exceptional high of 40% for food products," Mr. Cua said in a separate Viber message.

"The reasons would be the rise in cost of production by foreign manufacturers, lack of raw materials on the production side, increasing transportation/logistical costs, difficulties with customs duties, unstable demand by customers and now, the weakening of the peso versus the US dollar," he added.

The local currency hit a record low on Sept. 8, closing at P57.18 against the greenback.

On Monday, the peso closed at P56.86 per dollar. Year to date, the peso has weakened by 11.49% or P5.86 from its P51-per-dollar close on Dec. 31, 2021.

Philippine Retailers Association (PRA) President Rosemarie B. Ong told *BusinessWorld* in a Viber message that the peso depreciation is "disturbing."

"It will have a big impact on the purchasing power (of Filipino consumers). With the rising prices and depreciation of peso, retailers will experience headwinds. Being an importing country, it will be difficult to just pass on the cost," Ms. Ong said.

Many retailers are reluctant to implement price increases, especially considering consumers are already hurting amid elevated inflation.

"We don't do across-the-board increase. We have to consider the consumers' diminishing wallet size. The decision will really depend on the arrival time of the goods," Ms. Ong said.

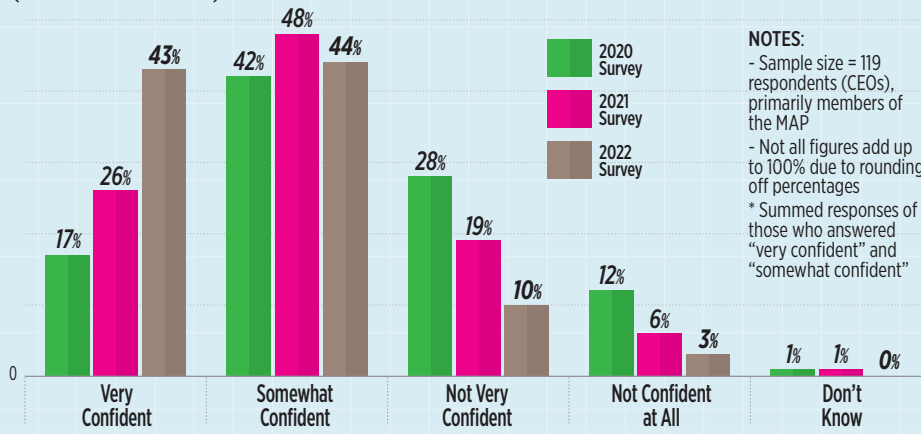
According to Mr. Cua, some of the imported products sold in supermarkets that have increased prices include luncheon meat and condiments.

Retailers, S1/9

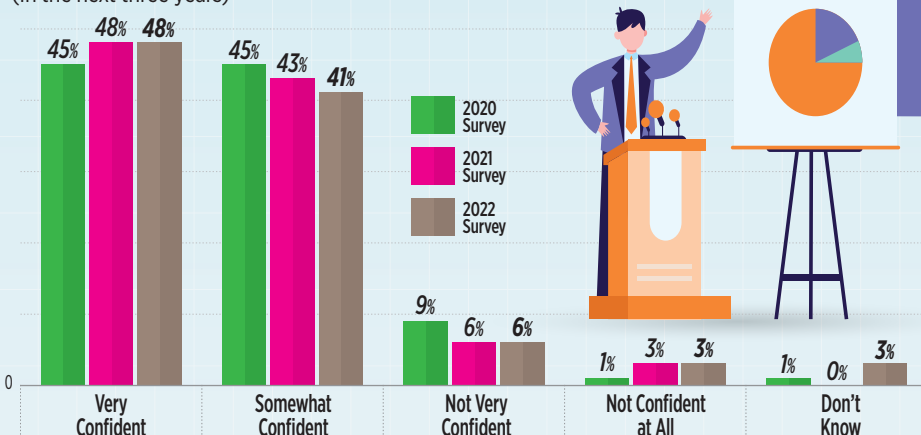
CEOs EXPECT REVENUE GROWTH IN THE NEXT 12 MONTHS

Majority of 119 chief executive officers (CEOs) surveyed by the PwC Philippines, in collaboration with the Management Association of the Philippines (MAP), expressed optimism that their top line will grow in the next 12 months. At 87%,* this was higher than 74% in the 2021 PwC MAP Survey and the 59% in the 2020 edition. Meanwhile, for the next three years, around 89% of them expects their revenues to grow, slightly lower than the 91% in the previous year's survey. Other results of the survey showed outlook on economic recovery, factors that will delay economic recovery, and new technology investments.

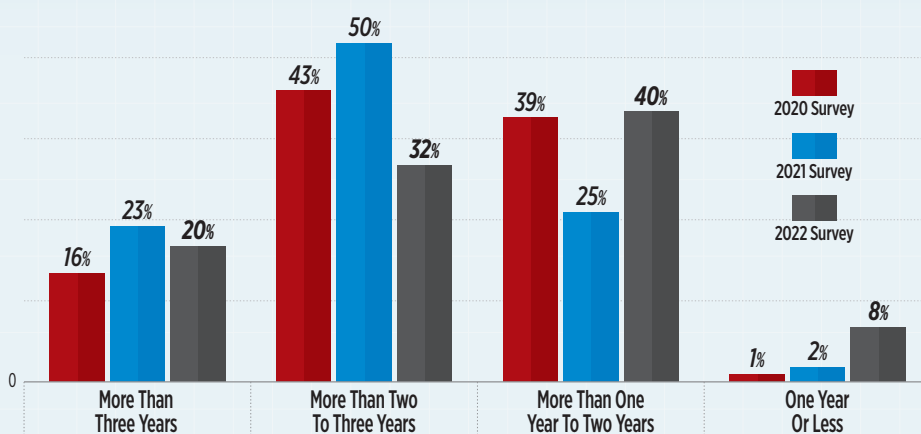
Confidence Among CEOs in Companies' Revenue Growth (In the next 12 months)



Confidence Among CEOs in Companies' Revenue Growth (In the next three years)



Expected Recovery of the Philippine Economy



Factors That Will Delay The Philippine Economy's Recovery

Corruption	67%
Lower investments (domestic and foreign)	38%
Political uncertainty	30%
Uncontrolled inflation	29%
Rising oil prices	28%
Lower quality of education that may have resulted from the challenges caused by the pandemic	27%
Rising government debt	17%
Higher interest rates	14%
Russian-Ukraine conflict	13%
Threats of new variants	8%
Delayed government fund releases	8%
Lack of fiscal support for the hardest-hit industries	6%
Others	3%

New Technology Investments To Cope With Current Reality

Data platforms	58%
Artificial intelligence	43%
Contactless payment systems	42%
Smart transport system	16%
Robotics	13%
Virtual reality (VR)	11%
Augmented reality (AR)	8%
3-D printing	4%
Drones	3%
Others	4%
None - no plans of investing in emerging technologies at the moment	16%

SOURCE: PWC PHILIPPINES-MANAGEMENT ASSOCIATION OF THE PHILIPPINES' 2022 CEO SURVEY (THE WINS OF CHANGE: THRIVING IN A WORLD OF IN-BETWEENS)
BUSINESSWORLD RESEARCH: ABIGAIL MARIE P. YRAOLA BUSINESSWORLD GRAPHICS: BONG R. FORTIN

CORRUPTION is the biggest risk to the Philippine economy's recovery from the coronavirus disease 2019 (COVID-19) pandemic, according to a survey of the country's top chief executive officers (CEOs).

A survey by PwC Philippines in partnership with the Management Association of the Philippines (MAP) also showed over half of CEOs expect the recovery to take more than two years.

The country's top executives also urged the Marcos administration to prioritize accountability and transparency and anti-corruption efforts.

Asked which factors will delay the economy's recovery, 67% of CEOs answered corruption.

Other factors cited included lower domestic and foreign investments (38%), political uncertainty (30%), uncontrolled inflation (29%), rising oil prices (28%) and lower quality of education (27%).

Inflation averaged 4.9% as of August, as food and oil prices continue to spike.

PwC Philippines Chairman and Senior Partner Roderick M. Danao said corruption is hurting the country's ability to attract investments.

"Whenever we deal with multinational companies trying to expand, corruption is always one of their significant factors for them to decide whether to go or not. It is very painful for the country because perception alone erodes trust," Mr. Danao said at a virtual briefing on Monday.

"Unless we address the root cause of corruption, we cannot really accelerate foreign direct investments to the country compared to our neighbors like Vietnam and Thailand," he added.

PwC Philippines Chairman Emeritus Alexander B. Cabrera said that the private sector should also play a role in addressing corruption.

"Corruption is like a dance. It takes two to tango. If the private sector would not give in, there would also be no corruption. We cannot miss that element that corruption is not one-sided, it is two-sided," Mr. Cabrera said.

According to the survey, CEOs want President Ferdinand R. Marcos, Jr., who assumed office on June 30, to prioritize accountability and transparency; the fight against corruption; attracting more foreign investments; job generation; and public-private partnerships for infrastructure projects.

MAP President Rogelio L. Singson said that one way to attract more investors is to honor existing government contracts.

"If we really want to develop a good investment climate both for local and foreign investors, start with honoring existing contracts. There are many contracts in the government that has been either brought to arbitration, already won, but have yet to execute," Mr. Singson said.

Corruption, S1/9

FUEL PRICE TRACKER (week-on-week change)

GASOLINE	
Aug. 30	▲ P1.40
Sept. 6	▲ P2.60
Sept. 13	▼ P0.45
DIESEL	
Aug. 30	▲ P6.10
Sept. 6	▼ P1.55
Sept. 13	▼ P1.45
KEROSENE	
Aug. 30	▲ P6.10
Sept. 6	▼ P1.60
Sept. 13	▼ P1.70

• Sept. 13, 12:01 a.m. — Caltex Philippines
• Sept. 13, 6 a.m. — Petron Corp.; Phoenix Petroleum; Pilipinas Shell Petroleum Corp.; PTT Philippines Corp.; Seaoil Philippines, Inc.
• Sept. 13, 8:01 a.m. — Cleanfuel (Shaw Autogas, Inc.)