

STOCK MARKET	ASIAN MARKETS	WORLD MARKETS	PESO-DOLLAR RATES	ASIAN MONIES-US\$ RATE	WORLD CURRENCIES	DUBAI CRUDE OIL																																																																					
STOCK MARKET PSEi OPEN: 6,033.43 HIGH: 6,033.43 LOW: 5,949.81 CLOSE: 5,988.59 VOL.: 0.645 B VAL(P): 4.823 B 0.87 PTS. 0.01% 30 DAYS TO OCTOBER 5, 2022	ASIAN MARKETS OCTOBER 5, 2022 <table border="1"> <tr><th>CLOSE</th><th>NET</th><th>%</th></tr> <tr><td>JAPAN (NIKKEI 225)</td><td>27,120.53</td><td>▲ 128.32 0.48</td></tr> <tr><td>HONG KONG (HANG SENG)</td><td>18,087.97</td><td>▼ 1,008.46 5.90</td></tr> <tr><td>TAIWAN (TAIEX)</td><td>13,801.43</td><td>▲ 224.91 1.66</td></tr> <tr><td>THAILAND (SET INDEX)</td><td>1,580.27</td><td>▲ 2.27 0.14</td></tr> <tr><td>S.KOREA (KSE COMPOSITE)</td><td>2,215.22</td><td>▲ 5.84 0.26</td></tr> <tr><td>SINGAPORE (STRAITS TIMES)</td><td>3,153.23</td><td>▲ 14.33 0.46</td></tr> <tr><td>SYDNEY (ALL ORDINARIES)</td><td>6,815.70</td><td>▲ 116.40 1.74</td></tr> <tr><td>MALAYSIA (KLSE COMPOSITE)</td><td>1,420.55</td><td>▲ 11.19 0.79</td></tr> </table>	CLOSE	NET	%	JAPAN (NIKKEI 225)	27,120.53	▲ 128.32 0.48	HONG KONG (HANG SENG)	18,087.97	▼ 1,008.46 5.90	TAIWAN (TAIEX)	13,801.43	▲ 224.91 1.66	THAILAND (SET INDEX)	1,580.27	▲ 2.27 0.14	S.KOREA (KSE COMPOSITE)	2,215.22	▲ 5.84 0.26	SINGAPORE (STRAITS TIMES)	3,153.23	▲ 14.33 0.46	SYDNEY (ALL ORDINARIES)	6,815.70	▲ 116.40 1.74	MALAYSIA (KLSE COMPOSITE)	1,420.55	▲ 11.19 0.79	WORLD MARKETS OCTOBER 4, 2022 <table border="1"> <tr><th>CLOSE</th><th>NET</th></tr> <tr><td>Dow Jones</td><td>30,316.320 ▲ 825.430</td></tr> <tr><td>NASDAQ</td><td>11,176.406 ▲ 360.971</td></tr> <tr><td>S&P 500</td><td>3,790.930 ▲ 112.500</td></tr> <tr><td>FTSE 100</td><td>7,086.460 ▲ 177.700</td></tr> <tr><td>Euro Stoxx50</td><td>3,447.070 ▲ 99.630</td></tr> </table>	CLOSE	NET	Dow Jones	30,316.320 ▲ 825.430	NASDAQ	11,176.406 ▲ 360.971	S&P 500	3,790.930 ▲ 112.500	FTSE 100	7,086.460 ▲ 177.700	Euro Stoxx50	3,447.070 ▲ 99.630	PESO-DOLLAR RATES FX OPEN P58.600 HIGH P58.390 LOW P58.780 CLOSE P58.650 W.AVE. P58.624 VOL. \$861.15 M SOURCE: BAP UNCHANGED 30 DAYS TO OCTOBER 5, 2022	ASIAN MONIES-US\$ RATE OCTOBER 5, 2022 <table border="1"> <tr><th>LATEST BID (0900GMT)</th><th>PREVIOUS</th></tr> <tr><td>JAPAN (YEN)</td><td>144.350 ▲ 144.710</td></tr> <tr><td>HONG KONG (HK DOLLAR)</td><td>7.850 — 7.850</td></tr> <tr><td>TAIWAN (NT DOLLAR)</td><td>31.581 ▲ 31.719</td></tr> <tr><td>THAILAND (BAHT)</td><td>37.370 ▲ 37.540</td></tr> <tr><td>S. KOREA (WON)</td><td>1,415.480 ▲ 1,427.770</td></tr> <tr><td>SINGAPORE (DOLLAR)</td><td>1.423 ▲ 1.430</td></tr> <tr><td>INDONESIA (RUPIAH)</td><td>15,190 ▲ 15,245</td></tr> <tr><td>MALAYSIA (RINGGIT)</td><td>4.629 ▲ 4.640</td></tr> </table>	LATEST BID (0900GMT)	PREVIOUS	JAPAN (YEN)	144.350 ▲ 144.710	HONG KONG (HK DOLLAR)	7.850 — 7.850	TAIWAN (NT DOLLAR)	31.581 ▲ 31.719	THAILAND (BAHT)	37.370 ▲ 37.540	S. KOREA (WON)	1,415.480 ▲ 1,427.770	SINGAPORE (DOLLAR)	1.423 ▲ 1.430	INDONESIA (RUPIAH)	15,190 ▲ 15,245	MALAYSIA (RINGGIT)	4.629 ▲ 4.640	WORLD CURRENCIES OCTOBER 5, 2022 <table border="1"> <tr><th>CLOSE</th><th>PREVIOUS</th></tr> <tr><td>US\$/UK POUND</td><td>1.1405 ▲ 1.1338</td></tr> <tr><td>US\$/EURO</td><td>0.9934 ▲ 0.9867</td></tr> <tr><td>\$/AUST DOLLAR</td><td>0.6476 ▼ 0.6484</td></tr> <tr><td>CANADA DOLLAR/US\$</td><td>1.3575 ▼ 1.3632</td></tr> <tr><td>SWISS FRANC/US\$</td><td>0.9828 ▼ 0.9886</td></tr> </table>	CLOSE	PREVIOUS	US\$/UK POUND	1.1405 ▲ 1.1338	US\$/EURO	0.9934 ▲ 0.9867	\$/AUST DOLLAR	0.6476 ▼ 0.6484	CANADA DOLLAR/US\$	1.3575 ▼ 1.3632	SWISS FRANC/US\$	0.9828 ▼ 0.9886	DUBAI CRUDE OIL FUTURES PRICE ON NEAREST MONTH OF DELIVERY \$88.80/BBL ▲ \$0.55 30 DAYS TO OCTOBER 4, 2022
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PHILIPPINE STOCK EXCHANGE'S 10 MOST ACTIVE STOCKS BY VALUE TURNOVER • OCTOBER 5, 2022 (PSEi snapshot on S1/3; article on S2/2)

ICT	P171.100	SMC	P99.000	JFC	P238.000	ALI	P23.800	CNVRG	P12.000	SMPH	P31.750	SM	P785.000	BDO	P115.900	GLO	P2,218.000	EAGLE	P18.560
Value	P535,087,176	Value	P406,767,214	Value	P262,524,348	Value	P246,557,795	Value	P214,115,836	Value	P213,350,250	Value	P198,941,515	Value	P169,465,270	Value	P142,980,900	Value	P138,774,816
P6.100	▲ 3.697%	P2.350	▲ 2.431%	-P2.000	▼ -0.833%	-P0.250	▼ -1.040%	-P1.040	▼ -7.975%	-P0.250	▼ -0.781%	-P9.000	▼ -1.134%	P2.900	▲ 2.566%	P68.000	▲ 3.163%	P3.160	▲ 20.519%

Inflation zooms to 6.9% in Sept.

INFLATION zoomed to its fastest pace in over 13 years in September, as food, utilities and transport costs spiked.

Preliminary data from the Philippine Statistics Authority (PSA) showed headline inflation

accelerated to 6.9% in September, from 6.3% in August and 4.2% in September 2021.

The latest inflation print matched the 6.9% logged in September and October 2018. It was also the fastest in more than 13

years or since the 7.2% in February 2009 at the height of the global financial crisis.

"If you recall in 2008 global financial crisis there were a lot of high inflation rates," National Statistician Claire Dennis S.

Mapa said during the briefing on Wednesday.

September also marked the sixth straight month that inflation breached the Bangko Sentral ng Pilipinas' (BSP) 2-4% target this year.

The latest headline figure was higher than the 6.7% median in a *BusinessWorld* poll conducted last week.

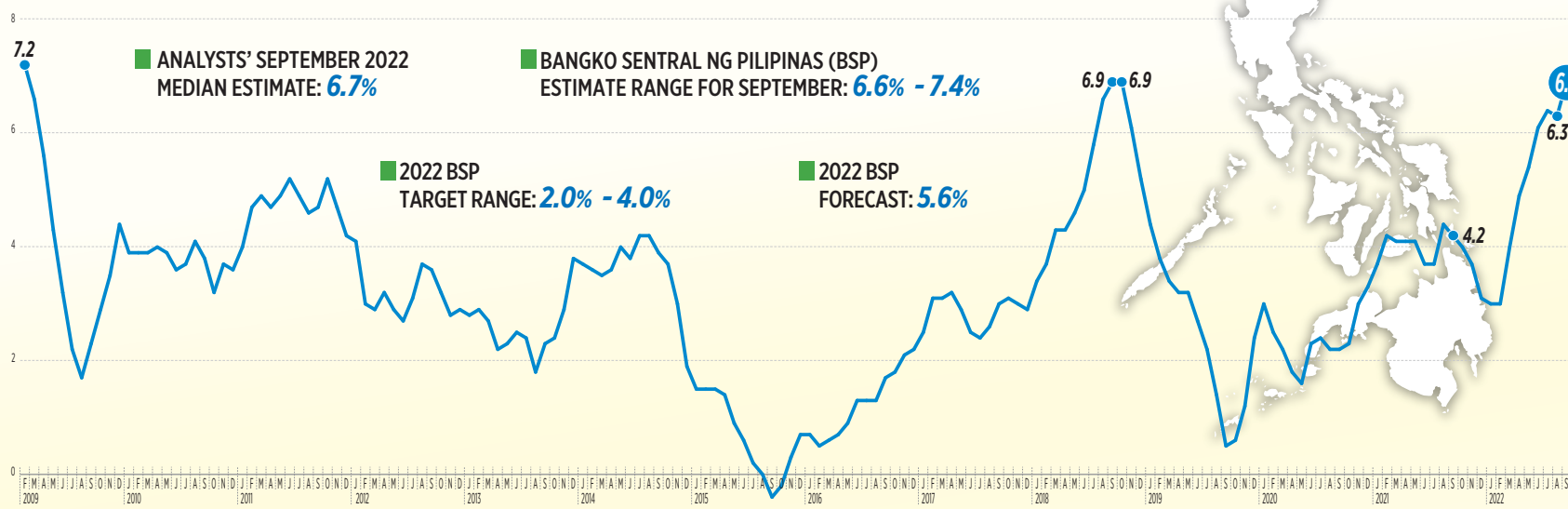
"The September 2022 inflation outturn of 6.9% is within the BSP's forecast range of 6.6 to 7.4%, con-

sistent with the BSP's assessment of inflation remaining above target over the near term as price pressures broaden and signs of further adverse second-round effects emerge," the central bank said in a statement.

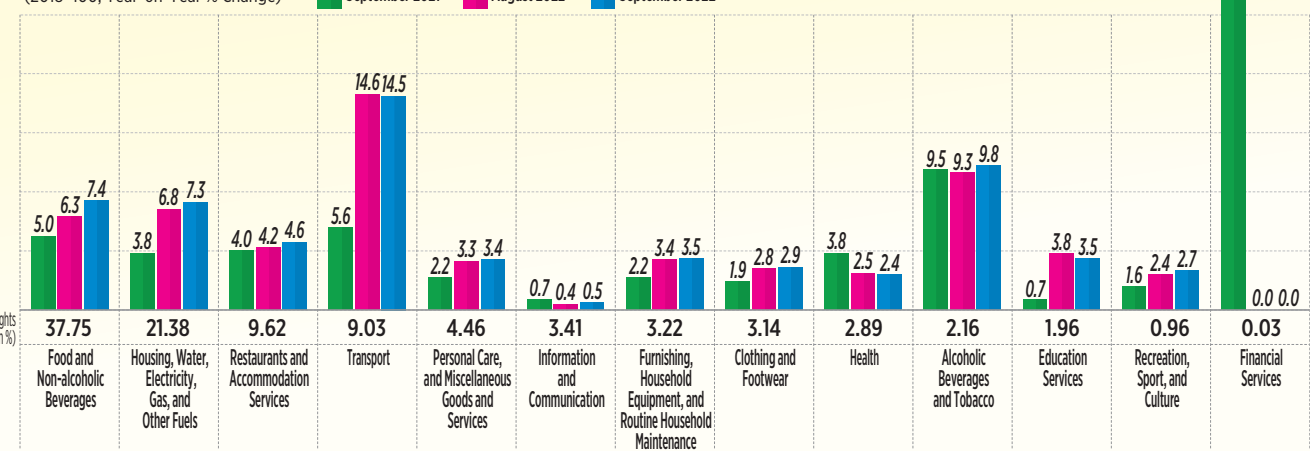
Inflation, S1/9

HEADLINE INFLATION RATES IN THE PHILIPPINES

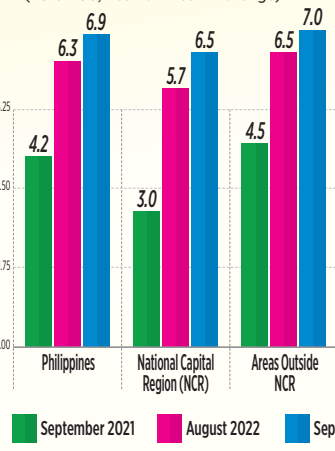
(2018=100, Year-on-Year % Change)



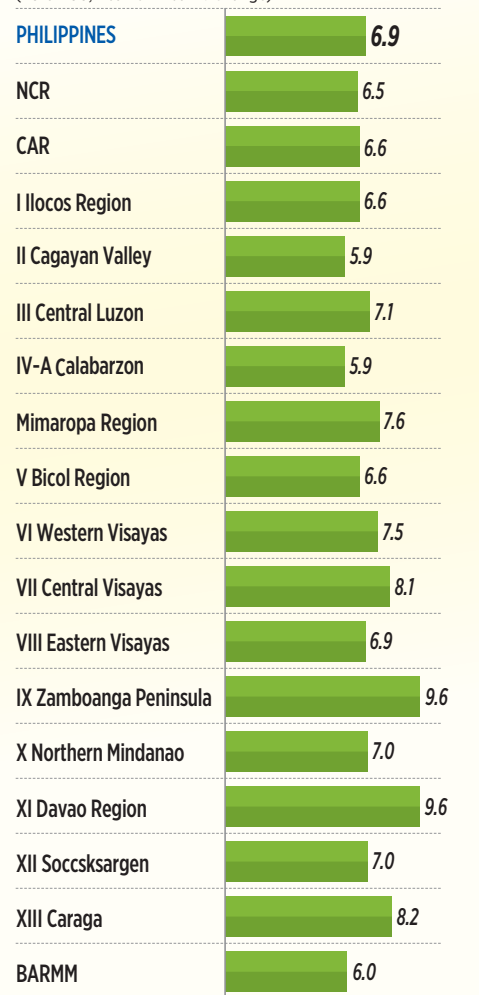
BY COMMODITY GROUP (2018=100, Year-on-Year % Change)



BY AREA (2018=100, Year-on-Year % Change)



BY REGION (September 2022) (2018=100, Year-on-Year % Change)



SOURCE: PHILIPPINE STATISTICS AUTHORITY (PRELIMINARY DATA AS OF OCT. 5, 2022) BUSINESSWORLD RESEARCH; MARIEDEL IRISH U. CATILOGO BUSINESSWORLD GRAPHICS; BONG R. FORTIN

PHL banks' NPL ratio falls to 23-month low

By Keisha B. Ta-asan

SOURCED LOANS held by banks fell for a sixth straight month in August, bringing the nonperforming loan (NPL) ratio to a 23-month low amid the economy's continued reopening.

However, the decline in NPLs may slow in the coming months due to the recent rate hikes by the Bangko Sentral ng Pilipinas (BSP), economists said.

Latest data from the BSP showed the Philippine banking sector's gross NPL ratio inched down to 3.53% as of end-August from 3.57% as of end-July and 4.51% in the same month last year.

The NPL ratio in August was the lowest in 23 months or since 3.51% in September 2020.

Bad loans declined by 15% year on year to P418 billion as of end-August. It was also 0.5% lower than the P420.254 billion seen at end-July.

Loans are considered nonperforming once they remain unpaid for at least 90 days after the due date. They are deemed as risk assets given borrowers are unlikely to settle such loans.

"Continued improvement of cash flows for households and

firms due to economic reopening helped borrowers service payments and thus NPLs continued to slide," ING Bank N.V. Manila Senior Economist Nicholas Antonio T. Mapa said in an e-mail on Wednesday.

Metro Manila and some provinces have been under the most lenient alert level since March, which meant businesses are now allowed to operate at full capacity.

"We think that the continuous decline of the NPL ratio is indicative of improving business conditions and robust economic recovery post-pandemic," China Banking Corp. Chief Economist Domini S. Velasquez said in a Viber message.

"The increase in economic activities as the economy further reopened likely boosted borrowers' incomes and cash flows, allowing them to settle their loans on time," she added.

BSP data showed banks' gross loan portfolio grew by 8.72% to P11.84 trillion in August from P10.89 trillion a year ago. It also went up by 0.5% from the P11.77 trillion in July.

Meanwhile, past due loans fell by 14.4% year on year to P496.135 billion in August, bringing the ratio to 4.19% from 5.32% a year ago.

NPL, S1/9

Customs exceeds collection target for 9th straight month

THE BUREAU of Customs (BoC) said on Wednesday that it exceeded its target for a ninth straight month in September, amid improved collection and higher duties on oil.

In a statement, the BoC said September collections hit P79.5 billion, exceeding the target of P61.9 billion by 28.4%. This is the ninth consecutive month it has exceeded its monthly target.

"This shows an increase of P21.9 billion in garnered revenues and a 38.1% collection improvement as compared to September of last year," the BoC said.

In the January to September period, the BoC collected P638.7 billion, surpassing its collection target for the period by 17.8%.

Year on year, Customs collections increased by 35.9%, as oil prices soared.

As of end-September, the BoC has already collected 88.5% of its P721.5-billion target for this year.

The BoC urged all of its offices and collection districts to sustain its performance throughout the year by taking advantage of its modernization programs and reform initiatives of the Marcos administration.

The BoC is set to implement an online processing payment system via selected banks this month called the Philippine Clearing House Corp. Payment Application Secure System Version 6.0.

Last month, Budget Secretary Amenah F. Pangandaman said that P3.56 billion of the 2023 proposed national budget will be allocated to digital transformation programs of the BoC and the Bureau of Internal Revenue.

The BoC was given a P765.59-billion collection target for 2023, up by 6.11%. — D.G.C.Robles

PHL launches dollar bond offering

THE PHILIPPINES returned to the global bond market again this year via a three-tranche, US dollar-denominated bond offering.

This is the first global bond offering under the Marcos administration, which took office on June 30.

Documents from the Bureau of the Treasury (BT) showed the offering consists of dollar bonds with tenors of five years and 10.5 years, as well as 25-year green or sustainability bond, at benchmark size or at least \$500 million.

The initial price guidance for the five-year and 10.5-year tenors are set around the level of Treasuries plus 155 basis points (bps) and 220 bps, respectively, the document showed.

The 25-year sustainability bonds are set around 6.550%.

Proceeds of the bonds would be used for general budget financing, as well as the financing or refinancing of assets in line with the Philippines' sustainable finance framework.

BoFA Securities, Goldman Sachs, HSBC (B&D), JPMorgan, Morgan Stanley, SMBC Nikko, Standard Chartered Bank, and UBS have been tapped as joint bookrunners. The latter two are designated as sustainability structuring banks.

S&P Global Ratings assigned a "BBB+" long-term foreign currency rating to the US dollar senior unsecured notes to be issued by the Philippines, while Fitch Ratings gave it a "BBB" rating.

Moody's Investors Service also assigned the notes a senior unsecured rating of "Baa2" which mirrors the Philippine government's issuer rating.

The five-year notes will mature in October 2027, the 10.5-year bonds in April 2033, and the 25-year sustainability bonds in October 2047.

Finance Secretary Benjamin E. Diokno previously said that 69% of the current debt stock was sourced domestically. The government targets to increase that to 75% this year, and to 80% in the longer term, to minimize foreign exchange risks.

In a Viber message to reporters, Mr. Diokno said that while 75-25 is the preferred mix, "sometimes one has to be opportunistic."

The government raised \$559 million from a yen-denominated Samurai bond issue in April, and sold \$2.25 billion worth of dollar-denominated notes in March.

Last year's offshore debt issues by the Philippines included \$3-billion dual-tranche global bonds, the 2.1-billion-euro triple-tranche global bonds, and the 55-billion-yen Samurai bonds.

The government will borrow from local and external sources to help fund a budget deficit capped at P1.65 trillion this year, equivalent to 7.6% of GDP.

The National Government's outstanding debt rose to a record-high P13.02 trillion at the end of August due to additional domestic borrowings and a weak peso.

As of the second quarter, the Philippines' debt-to-gross domestic product (GDP) ratio was at 62.1%, above the 60% threshold deemed sustainable for developing countries. The government intends to bring it down to 52.5% by 2028. — Diego Gabriel C. Robles



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