

STOCK MARKET	ASIAN MARKETS	WORLD MARKETS	PESO-DOLLAR RATES	ASIAN MONIES-US\$ RATE	WORLD CURRENCIES	DUBAI CRUDE OIL																																																																					
<b>SEPTEMBER 27, 2022</b> <b>PSEi</b> OPEN: 6,193.04 HIGH: 6,193.04 LOW: 5,962.07 CLOSE: 6,020.07 VOL.: 2.199 B VAL(P): 20,880 B 239.47 pts, 3.82% 30 DAYS TO SEPTEMBER 27, 2022	<b>SEPTEMBER 27, 2022</b> <table border="1"> <tr><th>CLOSE</th><th>NET</th><th>%</th></tr> <tr><td>JAPAN (Nikkei 225)</td><td>26,571.87</td><td>▲140.32 0.53</td></tr> <tr><td>HONG KONG (HANG SENG)</td><td>17,860.31</td><td>▲5.17 0.03</td></tr> <tr><td>TAIWAN (WEIGHTED)</td><td>13,826.59</td><td>▲48.40 0.35</td></tr> <tr><td>THAILAND (SET INDEX)</td><td>1,613.56</td><td>▲-7.69 -0.47</td></tr> <tr><td>S.KOREA (KSE COMPOSITE)</td><td>2,223.86</td><td>▲2.92 0.13</td></tr> <tr><td>SINGAPORE (STRAITS TIMES)</td><td>3,171.04</td><td>▲-10.93 -0.34</td></tr> <tr><td>SYDNEY (ALL ORDINARIES)</td><td>6,496.20</td><td>▲26.80 0.41</td></tr> <tr><td>MALAYSIA (KLSX COMPOSITE)</td><td>1,410.87</td><td>▲-2.17 -0.15</td></tr> </table>	CLOSE	NET	%	JAPAN (Nikkei 225)	26,571.87	▲140.32 0.53	HONG KONG (HANG SENG)	17,860.31	▲5.17 0.03	TAIWAN (WEIGHTED)	13,826.59	▲48.40 0.35	THAILAND (SET INDEX)	1,613.56	▲-7.69 -0.47	S.KOREA (KSE COMPOSITE)	2,223.86	▲2.92 0.13	SINGAPORE (STRAITS TIMES)	3,171.04	▲-10.93 -0.34	SYDNEY (ALL ORDINARIES)	6,496.20	▲26.80 0.41	MALAYSIA (KLSX COMPOSITE)	1,410.87	▲-2.17 -0.15	<b>SEPTEMBER 26, 2022</b> <table border="1"> <tr><th>CLOSE</th><th>NET</th></tr> <tr><td>Dow Jones</td><td>29,260.810 ▼-329.600</td></tr> <tr><td>NASDAQ</td><td>10,802.922 ▼-65.004</td></tr> <tr><td>S&amp;P 500</td><td>3,655.040 ▼-38.190</td></tr> <tr><td>FTSE 100</td><td>7,020.950 ▼ 2.350</td></tr> <tr><td>Euro Stoxx50</td><td>3,322.240 ▼-14.390</td></tr> </table>	CLOSE	NET	Dow Jones	29,260.810 ▼-329.600	NASDAQ	10,802.922 ▼-65.004	S&P 500	3,655.040 ▼-38.190	FTSE 100	7,020.950 ▼ 2.350	Euro Stoxx50	3,322.240 ▼-14.390	<b>FX</b> OPEN P58.800 HIGH P58.700 LOW P58.999 CLOSE P58.990 W.AVE. P58.904 VOL. \$1,062.20 M 49.00 pts 30 DAYS TO SEPTEMBER 27, 2022 SOURCE : BAP	<b>SEPTEMBER 27, 2022</b> <table border="1"> <tr><th>LATEST BID (0900GMT)</th><th>PREVIOUS</th></tr> <tr><td>JAPAN (YEN)</td><td>144.390 ▼ 143.780</td></tr> <tr><td>HONG KONG (HK DOLLAR)</td><td>7.850 ▼ 7.850</td></tr> <tr><td>TAIWAN (NT DOLLAR)</td><td>31.719 ▼ 31.803</td></tr> <tr><td>THAILAND (BAHT)</td><td>37.950 ▼ 37.770</td></tr> <tr><td>S. KOREA (WON)</td><td>1,422.190 ▼ 1,429.020</td></tr> <tr><td>SINGAPORE (DOLLAR)</td><td>1.436 ▼ 1.434</td></tr> <tr><td>INDONESIA (RUPIAH)</td><td>15,120 ▼ 15,125</td></tr> <tr><td>MALAYSIA (RINGGIT)</td><td>4.609 ▼ 4.600</td></tr> </table>	LATEST BID (0900GMT)	PREVIOUS	JAPAN (YEN)	144.390 ▼ 143.780	HONG KONG (HK DOLLAR)	7.850 ▼ 7.850	TAIWAN (NT DOLLAR)	31.719 ▼ 31.803	THAILAND (BAHT)	37.950 ▼ 37.770	S. KOREA (WON)	1,422.190 ▼ 1,429.020	SINGAPORE (DOLLAR)	1.436 ▼ 1.434	INDONESIA (RUPIAH)	15,120 ▼ 15,125	MALAYSIA (RINGGIT)	4.609 ▼ 4.600	<b>SEPTEMBER 27, 2022</b> <table border="1"> <tr><th>CLOSE</th><th>PREVIOUS</th></tr> <tr><td>US\$/UK POUND</td><td>1.0793 ▼ 1.0764</td></tr> <tr><td>US\$/EURO</td><td>0.9626 ▼ 0.9684</td></tr> <tr><td>\$/AUST DOLLAR</td><td>0.6484 ▼ 0.6516</td></tr> <tr><td>CANADA DOLLAR/US\$</td><td>1.3693 ▼ 1.3604</td></tr> <tr><td>SWISS FRANC/US\$</td><td>0.9890 ▼ 0.9850</td></tr> </table>	CLOSE	PREVIOUS	US\$/UK POUND	1.0793 ▼ 1.0764	US\$/EURO	0.9626 ▼ 0.9684	\$/AUST DOLLAR	0.6484 ▼ 0.6516	CANADA DOLLAR/US\$	1.3693 ▼ 1.3604	SWISS FRANC/US\$	0.9890 ▼ 0.9850	<b>FUTURES PRICE ON NEAREST MONTH OF DELIVERY</b> <b>\$84.85/bbl</b> 108.00 94.00 87.40 73.00 30 DAYS TO SEPTEMBER 26, 2022 <b>\$3.95</b>
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PHILIPPINE STOCK EXCHANGE'S 10 MOST ACTIVE STOCKS BY VALUE TURNOVER • SEPTEMBER 27, 2022 (PSEi snapshot on S1/2; article on S2/2)

SMC	P97.500	SM	P763.000	ALI	P24.400	SMPH	P32.250	ICT	P181.000	BDO	P115.000	AC	P670.000	BPI	P88.850	URC	P112.200	TEL	P1,558.000
Value	P1,529,921,894	Value	P725,910,980	Value	P661,020,125	Value	P507,775,255	Value	P501,654,475	Value	P476,883,127	Value	P442,638,925	Value	P370,987,082	Value	P342,853,725	Value	P288,170,040
	-P0.150 ▼ -0.154%		-P45.000 ▼ -5.569%		-P0.600 ▼ -2.400%		-P1.800 ▼ -5.286%		-P0.900 ▼ -0.495%		-P4.800 ▼ -4.007%		-P26.000 ▼ -3.736%		-P4.350 ▼ -4.667%		-P3.900 ▼ -3.359%		-P62.000 ▼ -3.827%

# WB upgrades PHL growth outlook

By Diego Gabriel C. Robles

THE WORLD BANK (WB) upgraded its growth forecast for the Philippines for this year and 2023, citing an "accommodative" fiscal policy conducive to recovering domestic demand despite a hawkish central bank and a pessimistic global economic outlook.

In its East Asia and the Pacific Economic Update report for October released on Tuesday, the Washington-based lender raised the Philippines' gross domestic product (GDP) outlook to 6.5%, from the 5.7% given in April. This is at the lower end of the government's 6.5-7.5% goal this year.

The World Bank projects the economy to grow by 5.8% in 2023, from 5.6% previously, but still

below the government's 6.5-8% assumption for next year.

Still, the Philippines' growth projections for 2022 and 2023 were higher than the average for the ASEAN-5 (Association of Southeast Asian Nations-5) at 5.4% and 5.1% respectively. It was also above the East Asia and Pacific average of 3.2% and 4.6% for this year and next year.

The growth projections for the Philippines are second highest in

the region, only lagging behind Vietnam's 7.2% for 2022 and 6.7% in 2023.

Aaditya Mattoo, chief economist for the East Asia Pacific Region of the World Bank, attributed the Philippines' growth outlook upgrade to the rebound of private consumption as the economy reopened after the coronavirus disease 2019 (COVID-19) pandemic-related lockdowns.

"It is also evident to us that the Philippines is one of the countries which saw reasonably good export performance. But even more than that, [it's] the revival of both public and private investment, and some of that boost might have come related to the electoral activities in the region," Mr. Mattoo said during a webinar on Tuesday, also citing the revival of its tourism sector.

"While some aspects of Philippine monetary policy may

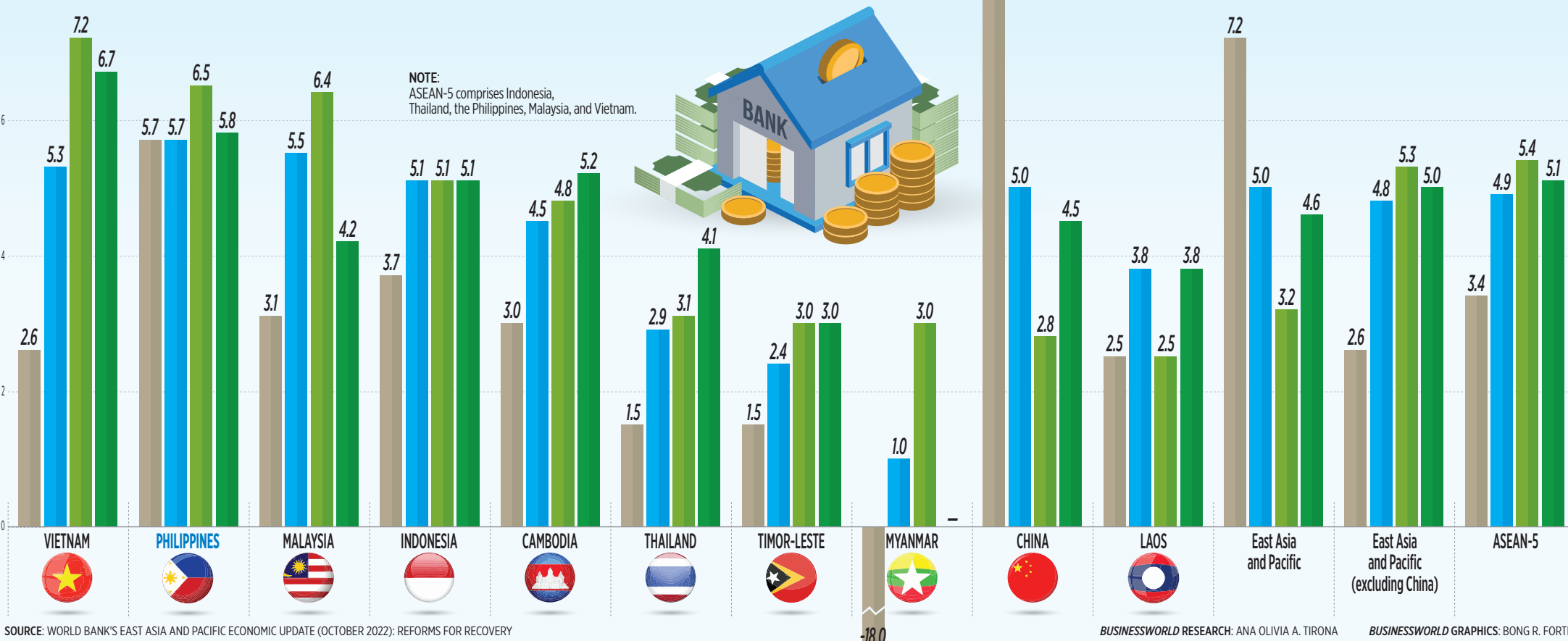
have been tight, its fiscal policy seems to us at least to be a little bit more accommodative," he added.

The Bangko Sentral ng Pilipinas (BSP) has hiked its rates by 225 basis points since May.

Also, the World Bank report noted that output in Cambodia, the Philippines, and Thailand is already expected to surpass pre-pandemic levels this year.

WB, S1/8

## WORLD BANK GDP GROWTH FORECASTS FOR SELECT EAST ASIA AND PACIFIC ECONOMIES (in %)



## Another BSP off-cycle rate hike likely, economist says

THE BANGKO SENTRAL ng Pilipinas (BSP) may deliver a second off-cycle rate hike in early November when the US Federal Reserve is expected to raise rates by 75 basis points (bps), an economist from the Bank of the Philippine Islands (BPI) said.

At the same time, ANZ Research sees the BSP raising its benchmark rate to 5.25% by mid-June next year as it seeks to cool inflation.

In a statement, BPI Lead Economist Emilio S. Neri, Jr. said he hopes the BSP

will not repeat the low-rate hike last June when "we were caught between two meetings of the FOMC (Federal Open Market Committee) with a much lower policy rate (adjustment)."

The Philippine central bank last week raised its benchmark policy rate by 50 bps to 4.25%. Rates on the overnight deposit and lending facilities also rose by 50 bps to 3.75% and 4.75%.

The Monetary Board has raised rates by 225 bps so far since May, including a 75-bp off-cycle hike in July.

Mr. Neri said the Fed is expected to continue its aggressive monetary tightening into 2023.

"[We are] not catching up with the higher, faster, longer signal of the FOMC. Several foreign banks have already mentioned in reports that we are seen as dovish," he added.

Mr. Neri said a P60-per-dollar exchange rate is "just around the corner."

The peso closed at P58.99 a dollar on Tuesday, dropping 49 centavos from its P58.50 finish on Friday, based on Bank-

ers Association of the Philippines data. It has weakened by 15.66% or P7.99 from its P51-a-dollar close last year.

Mr. Neri added that a "mild policy rate hike" by the BSP at its Nov. 17 policy meeting might use up the country's gross international reserves (GIR).

"The only thing that is preventing a 40%, 42% depreciation of the peso now, like in 1997, is probably that we have a GIR at seven months, which we have to be careful not to use up," he said.

Rate hike, S1/8

## Vehicle sales recovery at risk if taxes reimposed on pickup trucks — report

THE PHILIPPINE auto industry's sales recovery will likely be derailed if a measure reimposing excise taxes on pickup trucks is signed into law, according to Fitch Solutions Country Risk and Industry Research.

In a commentary dated Sept. 26, Fitch Solutions said it expects total vehicle sales to post double-digit growth this year, after a strong performance in the first nine months but the outlook for 2023 has dimmed.

"Prospects for the continued strong recovery in vehicle sales in 2023 have diminished following the possible reintroduction of excise taxes on pickup trucks, mainly due to the subsegment's popularity in the country," Fitch Solutions said.

Pickups are classified under the commercial vehicle (CV) segment.

Vehicle sales rose by 25% to 212,872 units in the January to August period, data from the Chamber of Automotive Manufacturers of the Philippines, Inc. (CAMPI) and the Truck Manufacturers Association (TMA) showed.

This was mainly driven by a 39% increase in CV sales to 160,790, which helped offset a 4.3% decline in passenger car sales to 52,082 units.

"Indeed, CV sales rose by 39% over the same period as consumers brought forward their pur-

chases in anticipation of a possible reintroduction of an excise tax exemption granted by the Filipino government to assist small and medium businesses under the Tax Reform for Acceleration and Inclusion (TRAIN) law first introduced by the Duterte administration in 2017," Fitch Solutions said.

In August, the House Ways and Means Committee approved the fourth package of the Comprehensive Tax Reform Program which included the elimination of the excise tax exemption for pickup trucks.

According to the Finance department, the removal of the excise tax exemption is expected to generate P52.6 billion worth of additional revenues from 2022 to 2026.

"While the decision to reimpose the excise tax is yet to be made final, we believe that demand for pickup trucks will rise as the deadline to the excise tax exemption nears resulting in sales dropping thereafter," Fitch Solutions said.

Sought for comment, Albay Rep. and House Ways and Means Committee Chair Jose Ma. Clemente S. Salceda said in a Viber message that pickup truck sales will be affected, but noted that the tax exemption gave it an "undue advantage" over sedans that are manufactured locally.

Vehicle, S1/8

## ADB allots \$14B for program to ease food crisis in Asia

THE ASIAN Development Bank (ADB) is planning to allocate at least \$14 billion for a program aimed at easing a food crisis in the Asia-Pacific region.

"The future of food and nutrition security in Asia and the Pacific depends on the region's ability to address [the] current food price crisis, as well as the long-term challenges of climate change," said ADB President Masatsugu Asakawa at a press briefing on Tuesday.

"Floods, droughts, heat, disease, and other factors affected by climate change will have an impact on food production. Disruptions to livelihoods will drive even more food scarcity, compounded by climate-induced migration," he added.

Assistance under the program will start this year and run until 2025.

The amount of \$14 billion will be drawn from the multilateral lender's sovereign and private sector operations.

Broken down, \$3.3 billion in commitments is expected to be mobilized this year, of which \$1 billion is from repurposed funds for counter-cyclical support and \$1.5 billion from projects on agriculture, natural resources, and rural development.

The rest, or \$800 million, is expected to reach the private sector, particularly as support to trade and supply chain finance; financing to agribusiness and to farmers; and lending to financial institutions that will support food and agriculture small and medium enterprises.

The ADB said that it also seeks to leverage from the private sector an additional \$5 billion as co-financing for food security initiatives.

"This is a timely and urgently needed response to a crisis that is leaving too many poor families in Asia hungry and in deeper poverty... Our support will be targeted, integrated, and impactful to help vulnerable people, particularly vulnerable women, in the near term, while bolstering food systems to reduce the impact of emerging and future food security risks," Mr. Asakawa said in a separate statement.

Russia's invasion of Ukraine disrupted supply of food, fertilizer and fuel, causing a food crisis in many countries still recovering from the pandemic.

ADB Country Director Kelly Bird told *BusinessWorld* that it is currently in talks with the Philippine government, not just for the assistance program from 2023 to 2025, but also in relation to

a Country Partnership Strategy from 2024 to 2029.

"This will be aligned with the administration's eight-point agenda which prioritizes food security," Mr. Bird said, mentioning how it will focus on improving agricultural competitiveness and raising rural incomes.

"We are preparing with the Philippines a policy-based loan to improve agriculture productivity. The second subprogram is planned for approval at the end of this year," he added, while also citing future planned partnerships on flood management, irrigation, and agribusiness. — **Diego Gabriel C. Robles**

**FULL STORY**

Read the full story by scanning the QR code with your smartphone or by typing the link <vbit.ly/Food092822>