P25 IN METRO MANILA, PHILIPPINES

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STOCK MARKET

PSEi — 30 DAYS TO OCTOBER 28, 2022 — ▼ 77.15 PTS. 1.23%

OPEN:	6,210.84
HIGH:	6,210.84
LOW:	6,153.43
CLOSE:	6,153.43
VOL.:	0.422 B
VAL(P):	4.210 B

ASIAN MARKETS

NOVEMBER 1, 2022

	CLOSE		NET	%
Japan (Nikkei 225)	27,678.92	▲	91.46	0.33
Hong Kong (Hang Seng)	15,455.27	▲	768.25	5.23
Taiwan (Weighted)	13,037.21	▲	87.46	0.68
Thailand (SET Index)	1,626.62	▲	17.86	1.11
S.Korea (Kse Composite)	2,335.22	▲	41.61	1.81
Singapore (Straits Times)	3,130.86	▲	37.75	1.22
Sydney (All Ordinaries)	6,976.90	▲	113.40	1.65
Malaysia (Klse Composite)	1,445.92	▼	-14.46	-0.99

WORLD MARKETS

OCTOBER 31, 2022

	CLOSE		NET
Dow Jones	32,732.950	▼	-128.850
NASDAQ	10,988.146	▼	-114.306
S&P 500	3,871.980	▼	-29.080
FTSE 100	7,094.530	▲	46.860
Euro Stoxx50	3,543.440	▲	17.990

PESO-DOLLAR RATES

FX — 30 DAYS TO OCTOBER 28, 2022 — ▲ 25.00 CTVS

OPEN	P58.300
HIGH	P57.820
LOW	P58.350
CLOSE	P57.970
W.AVE.	P58.047
VOL.	$912.35 M

SOURCE : BAP

ASIAN MONIES-US$ RATE

NOVEMBER 1, 2022

	LATEST BID (0900GMT)		PREVIOUS
Japan (yen)	147.690	▲	148.290
Hong Kong (HK dollar)	7.849	▲	7.850
Taiwan (NT dollar)	32.178	▲	32.280
Thailand (baht)	37.820	▲	38.030
S. Korea (won)	1,417.620	▲	1,427.140
Singapore (dollar)	1.411	▲	1.415
Indonesia (rupiah)	15,625	▼	15,595
Malaysia (ringgit)	4.733	▼	4.726

WORLD CURRENCIES

NOVEMBER 1, 2022

	CLOSE		PREVIOUS
US$/UK pound	1.1515	▼	1.1548
US$/Euro	0.9917	▼	0.9926
$/Aust dollar	0.6428	▲	0.6398
Canada dollar/US$	1.3566	▼	1.3637
Swiss Franc/US$	0.9945	▼	1.0000

DUBAI CRUDE OIL

FUTURES PRICE ON NEAREST MONTH OF DELIVERY

$90.60/BBL — ▼ $2.00 — 30 DAYS TO OCTOBER 31, 2022

VOL. XXXVI • ISSUE 71 — WEDNESDAY • NOVEMBER 2, 2022 • www.bworldonline.com — S1/1-10 • 2 SECTIONS, 14 PAGES

PHILIPPINE STOCK EXCHANGE'S 10 MOST ACTIVE STOCKS BY VALUE TURNOVER • OCTOBER 28, 2022 (PSEi snapshot on *S1/2*; article on *S2/2*)

Stock	Price	Value	Change		%
BDO	P127.300	P450,142,180	P0.300	▲	0.236%
SMPH	P31.500	P439,449,930	-P0.950	▼	-2.928%
SCC	P34.950	P309,490,685	-P2.200	▼	-5.922%
ALI	P25.500	P259,662,925	-P0.900	▼	-3.409%
AC	P667.000	P191,531,160	-P3.000	▼	-0.448%
GLO	P2,322.000	P179,963,240	P2.000	▲	0.086%
TEL	P1,634.000	P176,632,170	P16.000	▲	0.989%
ICT	P173.000	P160,190,065	-P4.500	▼	-2.535%
BPI	P96.000	P152,376,678	P1.700	▲	1.803%
SMC	P96.200	P110,908,347	-P2.250	▼	-2.285%

Aggressive rate hikes may be needed

MORE AGGRESSIVE monetary tightening by the central bank may be needed if inflation continues to accelerate, economists said.

"To avoid de-anchoring inflationary expectations, more aggressive monetary tightening may be necessary to further slow exchange rate pass through to domestic prices," Bank of the Philippine Islands (BPI) Lead Economist Emilio S. Neri, Jr. said in a Viber message.

The Bangko Sentral ng Pilipinas (BSP) on Monday projected inflation to settle within the 7.1-7.9% range in October, well above the 2-4% target band.

A *BusinessWorld* poll of 14 analysts conducted last week yielded a median estimate of 7.2% for annual inflation in October. The statistics agency will release last month's inflation data on Nov. 4.

"There must be flexibility not just to match but to hike more than the US Federal Reserve to avoid inflation from staying elevated for a longer period. Persistent inflation can erode future growth prospects, after all," Mr. Neri said.

Calixto V. Chikiamco, member of the board of Institute for Development and Econometric Analysis, told *BusinessWorld Live* on One News that the BSP will raise rates later this month to tame inflation and match the Fed's tightening.

"The government said it will match the Fed point by point so that's probably what we can expect...We will only see deceleration when the Fed stops increasing interest rates," he said.

The US Federal Reserve is widely expected to raise rates by three quarters of a percentage point at its policy meeting this week, bringing the target overnight lending rate to a 3.75%-4% range.

BSP Governor Felipe M. Medalla last week said the Monetary Board may raise benchmark interest rates by 75 basis points (bps) at its Nov. 17 meeting if the Fed delivers a hike of the same magnitude. The BSP has raised rates by 225 bps this year to tame inflation.

"What will happen is we'll see a slowdown in the economy... We're still very positive, with the 5-6% (gross domestic product) but probably in the lower range with interest rate hikes, as this will hit the interest rate sensitive sectors like car, houses, etc.," Mr. Chikiamco said.

The economy expanded by 7.8% in the first half, still within the government's 6.5-7.5% full-year target. Third-quarter GDP data is set to be released on Nov. 10.

NOT YET THE PEAK?

If the upper end of the BSP's October inflation forecast is realized, this would be the fastest pace in over 14 years or since the 9.1% print in November 2008.

However, the BSP said inflation is projected to "gradually decelerate" in the next months, as "cost-push shocks to inflation due to weather disturbances and transport fare adjustments dissipate."

"My concern is we haven't seen the peak yet cause we're heading into the Christmas season," Mr. Chikiamco said, adding that there is stronger demand for goods during the holidays.

"Winter is coming; therefore, oil prices globally may see a spike again and of course this is the lean season for the fish catch, therefore this may also contribute to further inflation," he added.

Mr. Neri said inflation may slow in the succeeding months, but remain above the BSP's 2-4% target band.

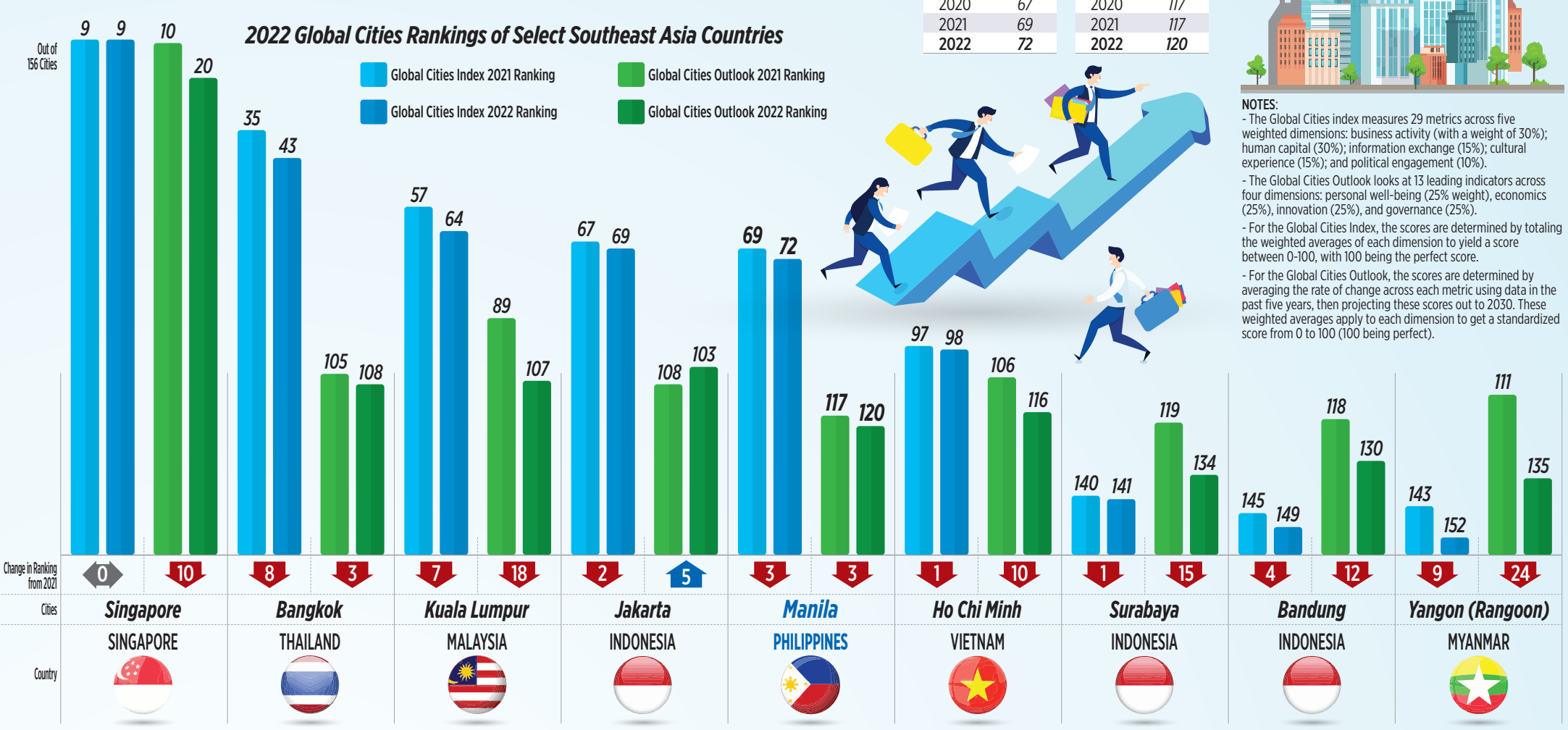
Aggressive, S1/3

MANILA DROPS IN GLOBAL CITIES INDEX

Manila fell three places to land at 72nd out of 156 cities in the 2022 Global Cities Index report by management consulting firm AT Kearney. The report looks at which cities are most competitive now as well as which ones are "creating conditions for their future status as global hubs." In the Global Cities Outlook, Manila also dropped three places to 120th.

Manila, Philippines' Historical Rankings

Global Cities Index		Global Cities Outlook	
2017	66	2017	75
2018	64	2018	85
2019	65	2019	90
2020	67	2020	117
2021	69	2021	117
2022	**72**	**2022**	**120**



NOTES:
- The Global Cities index measures 29 metrics across five weighted dimensions: business activity (with a weight of 30%); human capital (30%); information exchange (15%); cultural experience (15%); and political engagement (10%).
- The Global Cities Outlook looks at 13 leading indicators across four dimensions: personal well-being (25% weight), economics (25%), innovation (25%), and governance (25%).
- For the Global Cities Index, the scores are determined by totaling the weighted averages of each dimension to yield a score between 0-100, with 100 being the perfect score.
- For the Global Cities Outlook, the scores are determined by averaging the rate of change across each metric using data in the past five years, then projecting these scores out to 2030. These weighted averages apply to each dimension to get a standardized score from 0 to 100 (100 being perfect).

SOURCE: AT KEARNEY'S 2022 GLOBAL CITIES REPORT: *READINESS FOR THE STORM* — *BUSINESSWORLD* RESEARCH: BERNADETTE THERESE M. GADON — *BUSINESSWORLD* GRAPHICS: BONG R. FORTIN

The Entrepreneur Of The Year Philippines 2022 has concluded its search for the country's most undaunted and unstoppable entrepreneurs. Entrepreneur Of The Year Philippines is a program of the SGV Foundation, Inc., with the participation of co-presenters the Asian Institute of Management, the Department of Trade and Industry, the Philippine Business for Social Progress, and the Philippine Stock Exchange. BusinessWorld will feature each finalist in the next few weeks.

Innovator, entrepreneur

Roberto J. Chan
Chairman and Chief Executive Officer
Atlanta Industries, Inc.

EY Entrepreneur Of The Year™ 2022 Philippines

ATLANTA INDUSTRIES

IT TAKES TIME to build something worthwhile. Undoubtedly, there will be bumps and challenges along the way but anything is possible if you work hard, persevere and believe in yourself. Such is the case for Roberto J. Chan, chairman and chief executive officer of Atlanta Industries, Inc.

No stranger to hard work, Mr. Chan was a working student who had to balance going to school in the mornings and then working at their family business in the afternoons. He wore many different hats at his job — manager, salesman, the person in-charge of production, delivery, dispatch, and others. Eventually, he had to quit his studies at the University of the Philippines after two years due to the challenges that came with being a working student.

Innovator, S1/3

Shell completes exit from Malampaya

SHELL PETROLEUM N.V. (Shell Petroleum) on Tuesday completed the sale of its stake in the operator of the Malampaya gas field to a unit of Razon-led Prime Infrastructure Capital, Inc. (Prime Infra).

In a statement, the company said its 100% shareholding in Shell Philippines Exploration B.V. (SPEX) has been transferred to Malampaya Energy XE Pte. Ltd. (MEXP), subsidiary of Prime Infra, effective on Nov. 1.

SPEX will continue to operate the Malampaya gas field, where it still has a 45% operating interest.

Shell said SPEX staff will continue to be employed under the new ownership.

The other members of the Service Contract (SC) 38 consortium are a subsidiary of Dennis Uy's Udenna Corp., and PNOC Exploration Corp., which own a 45% and 10% interest, respectively. The Malampaya concession is set to expire by 2024.

"Since operations began in 2002, the Malampaya gas field has supplied an important part of the Philippines' energy demand through the dedicated work of

Shell, S1/3

PHL companies expect growth in cashless payments to continue

By Arjay L. Balinbin *Senior Reporter*

PAYMENT SOLUTION PROVIDERS said enterprises in the Philippines are increasingly accepting cashless payments, and this trend is expected to continue.

"More enterprises are now accepting cashless payments. For example, the number of our registered merchant touchpoints in end-September 2022 tripled year on year, and many of these are micro, small and medium enterprises (MSMEs)," Maya Group President and Maya Bank Co-Founder Shailesh Baidwan told *BusinessWorld* in an e-mail interview last week.

During the pandemic, Maya rolled out a digital transformation solution for enterprises, allowing them to accept digital payments as they earn additional income from other digital services such as remittance, cash-in and out, bills payment, and load transactions.

"At the height of the pandemic, going cashless was out of necessity. Today, more Filipinos are opting to use digital payments," Mr. Baidwan said.

According to the Visa Consumer Payments Attitude Study 2022, nearly four of every five Filipino consumers (78%) plan to use digital payments more often, with three in four (79%) believing it is safer.

"This growing demand for digital payments continues — there's no turning back from this rising tide," Mr. Baidwan said, adding that everyday transactions such as airtime load, bill payment, money transfers and shopping are driving growth.

He noted that more digital banking services, such as savings and credit, are driving digital payment transactions.

"We're seeing this in our Maya app — customers who have saving accounts, for example, are very active in using their wallets for everyday payments because the experience is conveniently seamless and intuitive," Mr. Baidwan added.

GrabPay, also a payment solution provider in the Philippines, said it continued to see growth in cashless transactions despite the full reopening of the economy.

This is "driven by both online and offline merchants," GrabPay said in a statement to *BusinessWorld* last week.

"We are seeing more retailers accepting payments via e-wallets. This is most particularly evident on offline merchants with the implementation of PH QR," it added, referring to the national quick response (QR) code standard, which the Bangko Sentral ng Pilipinas and the Philippine Payments Management, Inc. launched in 2019.

Cashless, S1/3