

STOCK MARKET	ASIAN MARKETS	WORLD MARKETS	PESO-DOLLAR RATES	ASIAN MONIES-US\$ RATE	WORLD CURRENCIES	DUBAI CRUDE OIL
PSEi OPEN: 6,650.62 HIGH: 6,698.41 LOW: 6,650.62 CLOSE: 6,661.11 VOL.: 0.616 B VAL(P): 4.337 B 29.86 pts. 0.45% 30 DAYS TO JULY 25, 2023	JULY 25, 2023 JAPAN (NIKKEI 225) 32,682.51 ▼ -18.43 -0.06 HONG KONG (HANG SENG) 19,434.40 ▲ 766.25 4.10 TAIWAN (WEIGHTED) 17,198.89 ▲ 165.28 0.97 THAILAND (SET INDEX) 1,524.67 ▲ 0.86 0.06 S.KOREA (KSE COMPOSITE) 2,636.46 ▲ 7.93 0.30 SINGAPORE (STRAITS TIMES) 3,286.16 ▲ 21.02 0.64 SYDNEY (ALL ORDINARIES) 7,339.70 ▲ 33.30 0.46 MALAYSIA (KLSE COMPOSITE) 1,436.79 ▲ 12.10 0.85	JULY 24, 2023 Dow Jones 35,411.240 ▲ 183.550 NASDAQ 14,058.866 ▲ 26.061 S&P 500 4,554.640 ▲ 18.300 FTSE 100 7,678.590 ▲ 14.860 Euro Stoxx50 3,994.190 ▼ -3.800	FX OPEN P54.600 HIGH P54.490 LOW P54.630 CLOSE P54.550 W.AVE. P54.560 VOL. \$1,103.02 M SOURCE: BAP	JULY 25, 2023 LATEST BID (0900GMT) PREVIOUS JAPAN (YEN) 141.410 ▼ 141.300 HONG KONG (HK DOLLAR) 7.811 ▲ 7.812 TAIWAN (NT DOLLAR) 31.327 ▲ 31.337 THAILAND (BAHT) 34.520 ▼ 34.450 S. KOREA (WON) 1,276.050 ▲ 1,280.390 SINGAPORE (DOLLAR) 1.328 ▲ 1.330 INDONESIA (RUPIAH) 14,990 ▲ 15,020 MALAYSIA (RINGGIT) 4.560 ▲ 4.569	JULY 25, 2023 US\$/UK POUND 1.2836 ▲ 1.2834 US\$/EURO 1.1051 ▼ 1.1086 US\$/AUSTRALIAN DOLLAR 0.6771 ▲ 0.6747 CANADA DOLLAR/US\$ 1.3174 ▼ 1.3184 SWISS FRANC/US\$ 0.8686 ▲ 0.8664	FUTURES PRICE ON NEAREST MONTH OF DELIVERY \$82.54/BBL ▲ \$0.80 30 DAYS TO JULY 24, 2023

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PHILIPPINE STOCK EXCHANGE'S 10 MOST ACTIVE STOCKS BY VALUE TURNOVER • JULY 25, 2023 (PSEi snapshot on S1/2; article on S2/2)

BPI	P118.300	BDO	P147.500	JFC	P259.800	TEL	P1,319.000	MPI	P4.900	ALI	P27.450	SM	P924.000	SMPH	P33.500	URC	P128.500	MBT	P59.450
Value	P290,289,911	Value	P259,335,760	Value	P248,478,452	Value	P245,973,990	Value	P245,895,290	Value	P242,527,960	Value	P196,835,495	Value	P180,724,890	Value	P161,642,304	Value	P159,733,226
P3.300	▲ 2.870%	-P2.500	▼ -1.667%	P1.800	▲ 0.698%	P19.000	▲ 1.462%	-P0.010	▼ -0.204%	-P0.050	▼ -0.182%	P1.000	▲ 0.108%	P0.200	▲ 0.601%	-P2.600	▼ -1.983%	P1.850	▲ 3.212%

IMF raises Philippine growth forecast

BSP ready to resume tightening if necessary

THE BANGKO SENTRAL ng Pilipinas (BSP) is ready to resume its policy tightening if necessary, an official said, as inflation continues to be a challenge.

"The BSP remains watchful and remains ready to resume monetary tightening as warranted by the data on the inflation outlook and domestic demand prospects," BSP Deputy Governor Francisco G. Dakila, Jr. said during the Philippine economic briefing in Pasay City on Tuesday.

The Monetary Board hiked borrowing costs by a total of 425 basis points (bps) from May 2022 to March 2023, bringing the key rate to 6.25%.

Mr. Dakila said the focus remains on reining in elevated inflation, adding that "future monetary policy actions by the BSP will continue to be data-dependent

and guided by evolving domestic developments, particularly the latest outlook on inflation and sustained economic growth."

In a recorded message at the same briefing, BSP Governor Eli M. Remolona said inflation will be within the target range of 2-4% by the fourth quarter of 2023.

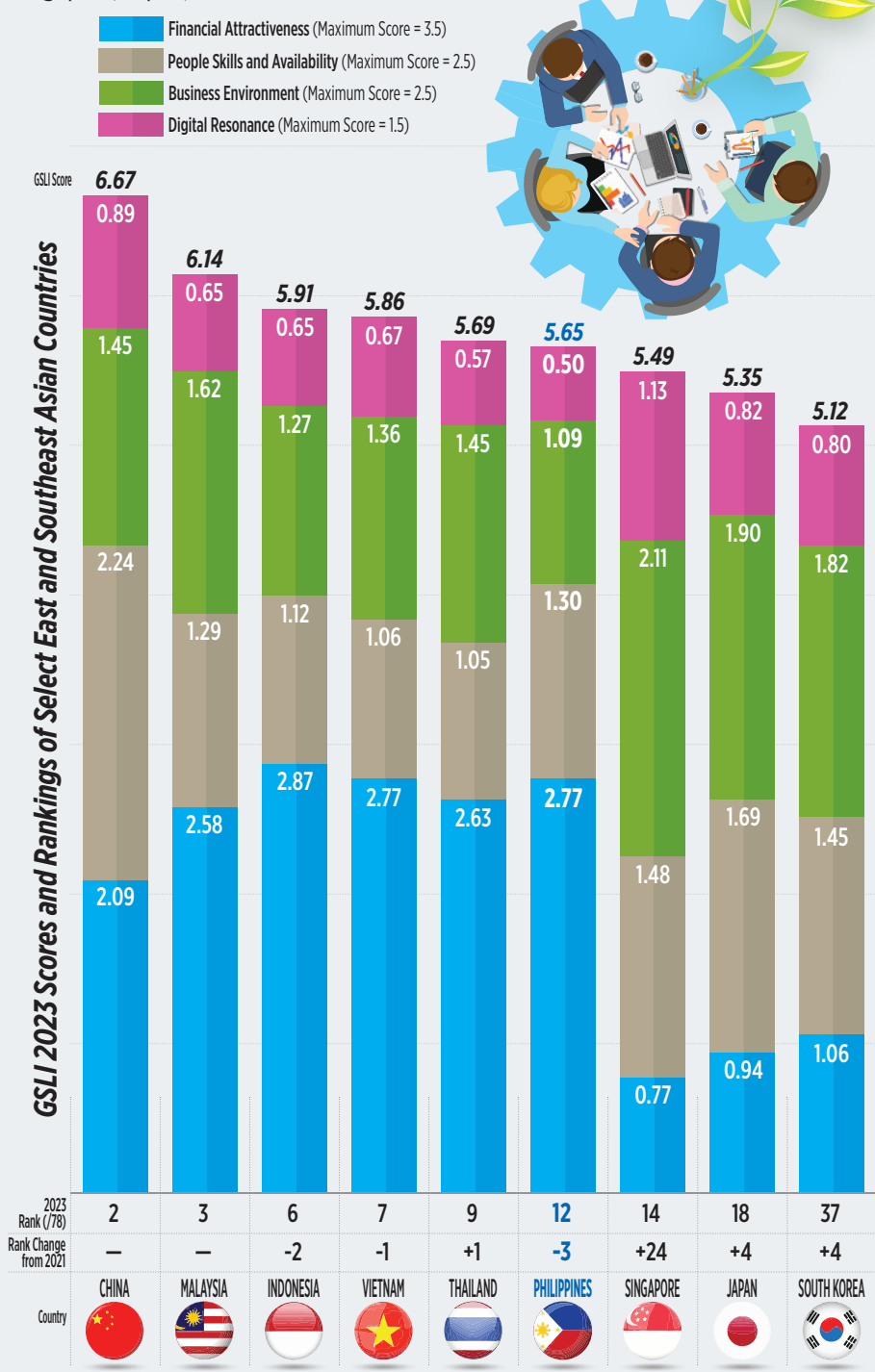
"Our challenge now is inflation. Fortunately, the BSP's inflation-targeting framework has served us well in the face of unusual supply shocks. We continue to focus on our mandate of price stability and have dedicated our resources and attention in pursuit of this goal," he said.

Inflation eased to a 14-month low of 5.4% in June. However, this is still above the BSP's 2-4% target range for the 15th consecutive month.

Tightening, S1/5

PHILIPPINES RANKS 12TH MOST ATTRACTIVE COUNTRY FOR OFFSHORE SERVICES

The Philippines dropped three spots to 12th place out of 78 countries in the 2023 Global Services Location Index (GSLI) by US global management consulting firm A.T. Kearney. Released biennially, the index measures the countries' location attractiveness based on their financial attractiveness, people skills and availability, business environment, and digital resonance. With an overall score of 5.65 out of possible 10, the Philippines ranked ahead of Singapore, Japan, and South Korea.



NOTES:
The following components covered under the index's categories are as follows:
- Financial attractiveness (35% of total weight): compensation costs, infrastructure costs, and tax and regulatory costs
- People skills and availability (25%): IT/BPO experience and skills, labor force availability, educational skills, and language skills
- Business environment (25%): country environment, country infrastructure, cultural adaptability, and security of intellectual property
- Digital resonance (15%): digital skills, legal and cybersecurity, corporate activity, and outputs

Top 10				Bottom 10			
2023 Rank (78)	Country	2023 GSLI Score (10)	Rank Change from 2021	2023 Rank (78)	Country	2023 GSLI Score (10)	Rank Change from 2021
1	India	6.91	-	78	Lebanon	2.74	New
2	China	6.67	-	77	Oman	3.07	New
3	Malaysia	6.14	-	76	Kuwait	3.27	New
4	Brazil	6.07	+1	75	Iceland	3.59	New
5	United Kingdom	5.96	+3	74	Qatar	3.73	New
6	Indonesia	5.91	-2	73	Norway	4.03	New
7	Vietnam	5.86	-1	72	Austria	4.05	New
8	United States	5.75	-1	71	Algeria	4.05	New
9	Thailand	5.69	+1	70	Denmark	4.14	-10
10	Mexico	5.68	+1	69	Italy	4.17	New

SOURCE: A.T. KEARNEY'S REGENERATIVE POOLS: THE 2023 KEARNEY GLOBAL SERVICES LOCATION INDEX
BUSINESSWORLD RESEARCH: LOURDES O. PILAR and BERNADETTE THERESE M. GADON
BUSINESSWORLD GRAPHICS: BONG R. FORTIN

By Keisha B. Ta-asan Reporter

THE INTERNATIONAL Monetary Fund (IMF) raised its growth outlook for the Philippines to 6.2% this year from the 6% forecast it gave in April, as domestic demand is expected to remain robust.

At the same time, National Economic and Development Authority (NEDA) Secretary Arsenio M. Balisacan said economic growth further slowed in the second quarter but is unlikely to miss the full-year target.

In an e-mail, IMF Representative to the Philippines Ragnar Gudmundsson said the Philippine growth forecast for this year was revised to reflect the strong first-quarter output.

The Philippine economy expanded by 6.4% in the first quarter, beating expectations, but slower than the 8% growth in the same period in 2022.

"We've seen that demand and growth dynamics remained strong in 2023," Mr. Gudmundsson told reporters on the sidelines of the Philippine economic briefing in Pasay City.

The IMF's 2023 gross domestic product (GDP) growth forecast is within the government's 6-7% target for this year. In 2022, GDP grew by 7.6%.

However, the IMF lowered its 2024 growth projection for the Philippines to 5.5%, from 5.8% previously. This is well below the government's 6.5-8% GDP growth target for next year.

"The forecast for 2024 has been revised slightly downwards because of global headwinds and the lagged effects of monetary policy tightening," Mr. Gudmundsson said.

To curb inflation, the Bangko Sentral ng Pilipinas (BSP) hiked borrowing costs by 425 basis points (bps) starting from May last year to March 2023, bringing the benchmark interest rate to a near 16-year high of 6.25%.

The IMF's Philippine growth forecasts for this year and 2024 are above its estimates for the Association of Southeast Asian Nations-5 (ASEAN-5). The IMF raised its growth outlook for ASEAN-5, which refers to Indonesia, Malaysia, the Philippines, Singapore, and Thailand, to 4.6% this year from 4.5% in April. It lowered the ASEAN-5 forecast for 2024 to 4.5% from 4.6% previously.

Despite an expected slowdown in the second quarter, Mr. Balisacan told reporters that he is hoping the economy will hit the lower end of the 6-7% growth target this year.

"We will probably see (GDP) growth further moderate but not far enough to allow us to miss the target," Mr. Balisacan said.

In order to achieve the 6% full-year growth, the economy would need to grow by an average of 5.9% in the remaining three quarters, he added.

Mr. Balisacan said consumption and easing inflation continued to support growth in the second quarter.

"One positive thing is inflation has been coming down, it's still a bit high, but the fact that it has been going down should have helped shape the expectations about the near future and that would inspire confidence in spending," he added.

Construction and services sector also drove growth during the April-to-June period, Mr. Balisacan said.

"We don't expect to see (growth) in net exports, it's risky because of the (current) global environment. And that is why our thrust is to diversify sources of growth to include also the external side," he said.

IMF, S1/5

Government revenues hit P1.9 trillion in first half

THE NATIONAL Government's revenues grew by 7.7% year on year to P1.9 trillion in the first six months of the year, Finance Secretary Benjamin E. Diokno said.

"Our stellar performance was the result of higher economic activity and efficiency gains from the digital transformation of our revenue agencies," he said during the Post-State of the Nation Address (SONA) Philippine Economic Briefing in Pasay City on Tuesday.

Data from the Department of Finance also showed that tax collections in the January-to-June period rose by 7.5%, while nontax revenues grew by 9.1%. The exact collection figures were not available.

Mr. Diokno said that the improved revenue collection was due to the digitalization efforts of the Bureau of Internal

Revenue (BIR) and Bureau of Customs.

"Sustaining robust revenue collection requires a simpler, fairer, and more efficient tax system, reinforced by a combination of tax policy and tax administration measures," he added.

The government is targeting to raise P3.729 trillion in revenues this year, equivalent to 15.2% of gross domestic product (GDP).

In a separate interview with reporters, BIR Commissioner Romeo D. Lumagui, Jr. said that the agency is hopeful it will meet its P2.6-trillion collection target this year.

"Improved services will translate to more efficient and increase in revenue collection. We want to make it easier for our taxpayers to comply with their tax obligations," he added.

Revenues, S1/5

PHL slips 3 spots in global ranking of destinations for outsourcing business services

By Revin Mikhael D. Ochave Reporter

THE PHILIPPINES has dropped three spots in a global ranking that measures the attractiveness of countries as a destination for offshore and outsourcing services, according to a report by global management consultancy firm Kearney released on Tuesday.

In Kearney's 2023 Global Services Location Index (GSLI), the Philippines slipped to 12th out of 78 countries in terms of attractiveness as an offshore location of business services, from 9th spot in the last index in 2021.

"The Philippines continues to be the business process outsourcing (BPO) engine of Asia," Kearney

said, adding that it is home to over 1,000 BPO firms that employ over 1.2 million.

However, the Philippines dropped out of the index's top 10, replaced by Mexico.

"(Philippines) slipped three spots in this year's GSLI, primarily because of the rise of Mexico and Colombia as nearshore capability centers with proximity to the United States," it said.

India topped the index, followed by China and Malaysia.

"Overall, the top three countries — India, China, and Malaysia — continue to lead thanks to their immense cost advantage, abundant talent pool, and strong skills," Kearney said, adding that India and China showed strong talent regeneration capabilities.

Outsourcing, S1/5

NGCP fully committed to completing projects

THE NATIONAL Grid Corp. of the Philippines (NGCP) is fully committed to "concentrate all available resources" to complete its ongoing projects, and fast-tracking other projects in the pipeline.

This comes after President Ferdinand R. Marcos, Jr. said the performance of the NGCP is being reviewed over the delay in around 60 of its projects.

"We are conducting a performance review of our private concessionaire, the National Grid Corp. of the Philippines. We look to NGCP to complete all of its deliverables,

starting with the vital Mindanao-Visayas and Cebu-Negros-Panay interconnections," he said in his second State of the Nation Address (SONA) on Monday.

The Energy Regulatory Commission (ERC) recently issued a show-cause order against the NGCP for delays in 37 transmission projects.

"We agree with the President's sentiments. Even before the SONA, NGCP has already been working towards the vision that he mentioned," Anthony L. Almada, president and chief executive officer of NGCP, said in the

statement released after the President's SONA ended on Monday evening.

"After hearing it straight from him — his vision that is completely aligned with ours — we know we are on the right track and we're more motivated to complete all our objectives in a prompt manner."

Among the grid operator's top priority projects are the completion of the Mindanao-Visayas Interconnection Project and Stage 3 of the Cebu-Negros-Panay Interconnection Project. — Ashley Erika O. Jose