

STOCK MARKET	ASIAN MARKETS	WORLD MARKETS	PESO-DOLLAR RATES	ASIAN MONIES-US\$ RATE	WORLD CURRENCIES	DUBAI CRUDE OIL																																																																				
<b>PSEI</b> OPEN: 6,683.22 HIGH: 6,683.22 LOW: 6,622.61 CLOSE: 6,679.13 VOL.: 0.462 B VAL(P): 4.438 B 18.02 pts. 0.27% 30 DAYS TO JULY 26, 2023	<b>JULY 26, 2023</b> <table border="1"> <tr><th>CLOSE</th><th>NET</th><th>%</th></tr> <tr><td>JAPAN (NIKKEI 225)</td><td>32,668.34</td><td>-14.17 -0.04</td></tr> <tr><td>HONG KONG (HANG SENG)</td><td>19,365.14</td><td>-69.26 -0.36</td></tr> <tr><td>TAIWAN (WEIGHTED)</td><td>17,162.55</td><td>-36.34 -0.21</td></tr> <tr><td>THAILAND (SET INDEX)</td><td>1,522.38</td><td>-3.92 -0.26</td></tr> <tr><td>S.KOREA (KSE COMPOSITE)</td><td>2,592.36</td><td>-44.10 -1.67</td></tr> <tr><td>SINGAPORE (STRAITS TIMES)</td><td>3,301.96</td><td>15.80 0.48</td></tr> <tr><td>SYDNEY (ALL ORDINARIES)</td><td>7,402.00</td><td>62.30 0.85</td></tr> <tr><td>MALAYSIA (KLSE COMPOSITE)</td><td>1,449.29</td><td>12.50 0.87</td></tr> </table>	CLOSE	NET	%	JAPAN (NIKKEI 225)	32,668.34	-14.17 -0.04	HONG KONG (HANG SENG)	19,365.14	-69.26 -0.36	TAIWAN (WEIGHTED)	17,162.55	-36.34 -0.21	THAILAND (SET INDEX)	1,522.38	-3.92 -0.26	S.KOREA (KSE COMPOSITE)	2,592.36	-44.10 -1.67	SINGAPORE (STRAITS TIMES)	3,301.96	15.80 0.48	SYDNEY (ALL ORDINARIES)	7,402.00	62.30 0.85	MALAYSIA (KLSE COMPOSITE)	1,449.29	12.50 0.87	<b>JULY 25, 2023</b> <table border="1"> <tr><th>CLOSE</th><th>NET</th></tr> <tr><td>Dow Jones</td><td>35,438.070 ▲ 26.830</td></tr> <tr><td>NASDAQ</td><td>14,144.555 ▲ 85.689</td></tr> <tr><td>S&amp;P 500</td><td>4,567.460 ▲ 12.820</td></tr> <tr><td>FTSE 100</td><td>7,691.800 ▲ 13.210</td></tr> <tr><td>Euro Stoxx50</td><td>4,009.710 ▲ 15.520</td></tr> </table>	CLOSE	NET	Dow Jones	35,438.070 ▲ 26.830	NASDAQ	14,144.555 ▲ 85.689	S&P 500	4,567.460 ▲ 12.820	FTSE 100	7,691.800 ▲ 13.210	Euro Stoxx50	4,009.710 ▲ 15.520	<b>FX</b> OPEN P54.600 HIGH P54.560 LOW P54.690 CLOSE P54.620 W.AVE. P54.641 VOL. P987.10 M SOURCE: BAP 7.00 cmys 30 DAYS TO JULY 26, 2023	<b>JULY 26, 2023 LATEST BID (0900GMT)</b> <table border="1"> <tr><th>PREVIOUS</th></tr> <tr><td>JAPAN (YEN)</td><td>140.240 ▲ 141.410</td></tr> <tr><td>HONG KONG (HK DOLLAR)</td><td>7.805 ▲ 7.811</td></tr> <tr><td>TAIWAN (NT DOLLAR)</td><td>31.192 ▲ 31.327</td></tr> <tr><td>THAILAND (BAHT)</td><td>34.260 ▲ 34.520</td></tr> <tr><td>S. KOREA (WON)</td><td>1,273.710 ▲ 1,276.050</td></tr> <tr><td>SINGAPORE (DOLLAR)</td><td>1.327 ▲ 1.328</td></tr> <tr><td>INDONESIA (RUPIAH)</td><td>15,015 ▼ 14,990</td></tr> <tr><td>MALAYSIA (RINGGIT)</td><td>4.548 ▲ 4.560</td></tr> </table>	PREVIOUS	JAPAN (YEN)	140.240 ▲ 141.410	HONG KONG (HK DOLLAR)	7.805 ▲ 7.811	TAIWAN (NT DOLLAR)	31.192 ▲ 31.327	THAILAND (BAHT)	34.260 ▲ 34.520	S. KOREA (WON)	1,273.710 ▲ 1,276.050	SINGAPORE (DOLLAR)	1.327 ▲ 1.328	INDONESIA (RUPIAH)	15,015 ▼ 14,990	MALAYSIA (RINGGIT)	4.548 ▲ 4.560	<b>JULY 26, 2023</b> <table border="1"> <tr><th>CLOSE</th><th>PREVIOUS</th></tr> <tr><td>US\$/UK POUND</td><td>1.2902 ▲ 1.2836</td></tr> <tr><td>US\$/EURO</td><td>1.1075 ▲ 1.1051</td></tr> <tr><td>US\$/AUSTRALIAN DOLLAR</td><td>0.6758 ▼ 0.6771</td></tr> <tr><td>CANADA DOLLAR/US\$</td><td>1.3204 ▲ 1.3174</td></tr> <tr><td>SWISS FRANC/US\$</td><td>0.8622 ▼ 0.8686</td></tr> </table>	CLOSE	PREVIOUS	US\$/UK POUND	1.2902 ▲ 1.2836	US\$/EURO	1.1075 ▲ 1.1051	US\$/AUSTRALIAN DOLLAR	0.6758 ▼ 0.6771	CANADA DOLLAR/US\$	1.3204 ▲ 1.3174	SWISS FRANC/US\$	0.8622 ▼ 0.8686	<b>FUTURES PRICE ON NEAREST MONTH OF DELIVERY</b> <b>\$84.26/BBL</b> 30 DAYS TO JULY 25, 2023 \$1.72
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PHILIPPINE STOCK EXCHANGE'S 10 MOST ACTIVE STOCKS BY VALUE TURNOVER • JULY 26, 2023 (PSEi snapshot on S1/5; article on S2/2)

Value	Change	Value	Change	Value	Change	Value	Change	Value	Change	Value	Change	Value	Change	Value	Change	Value	Change		
BDO	▲ 0.475%	URC	▼ -2.179%	SM	▲ 1.461%	ALI	▼ -1.639%	BPI	▼ -0.676%	JFC	▼ -0.231%	SMPH	▲ 0.299%	AC	▲ 0.312%	MPI	▼ -0.408%	GTCAP	— 0.000%

# Economy faces external headwinds

THE PHILIPPINES is on track to be one of the fastest-growing economies in the Asia-Pacific region this year, Moody's Analytics said, but faces risks from China's slow economic recovery and a potential reacceleration of inflation arising from Russia's exit from the Ukraine grain deal, India's rice export ban, and El Niño.

Moody's Analytics Chief Asia-Pacific Economist Steven Cochrane said the expansion of the Philippine economy will mainly be supported by strong domestic demand and high infrastructure spending this year. "The Philippines is actually one of the faster-growing economies in the region and there are a number of positive factors

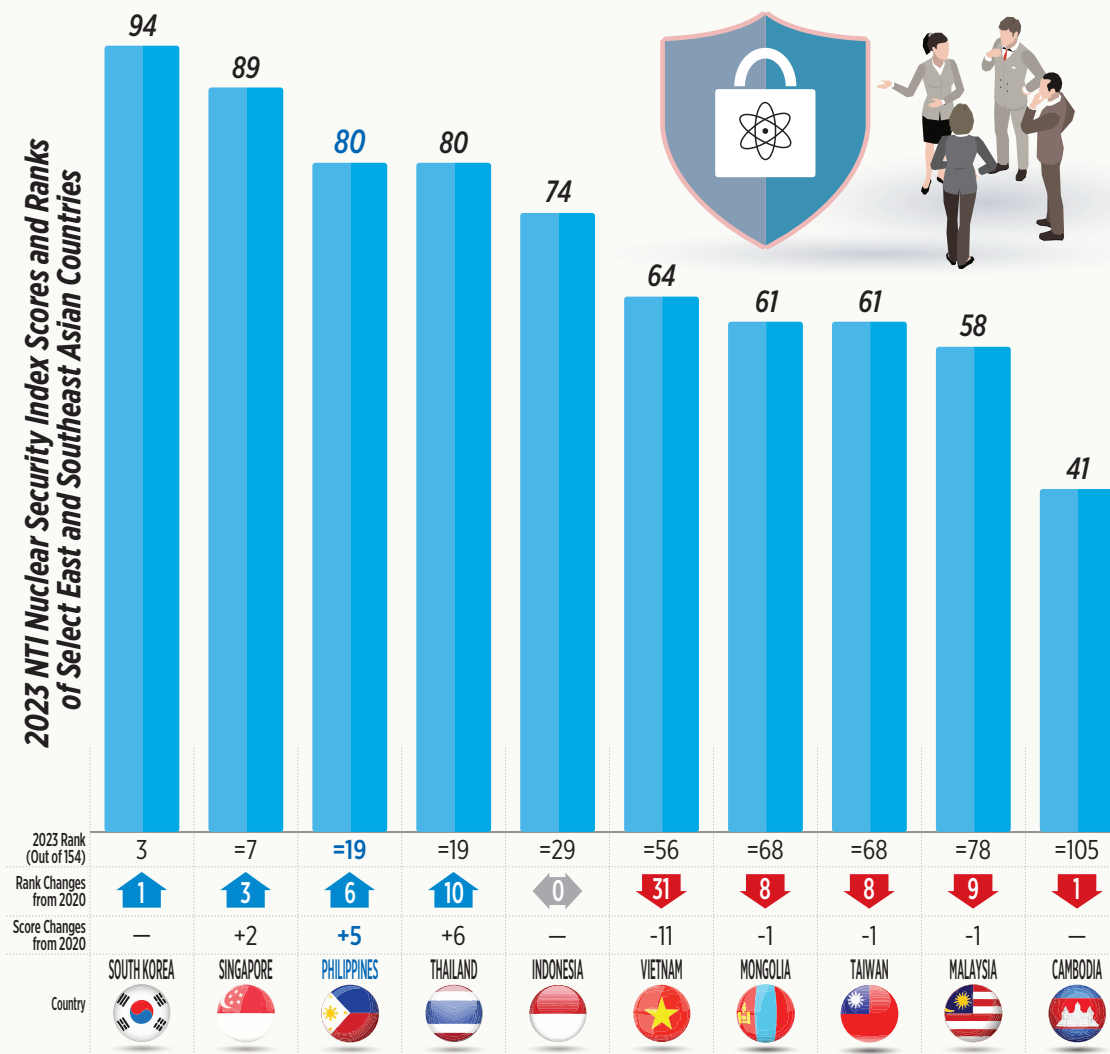
that are helping the Philippine economy. One, inflation has come (down) quite a bit and that's a good sign," Mr. Cochrane said in a webinar on Wednesday. Stable remittances and foreign direct investment will also help support growth. "But even more important than that is broad consumer de-

mand. It seems to be quite strong in the Philippines. So, the outlook is good," he said. In an e-mail to *BusinessWorld*, Mr. Cochrane said he projects 6% gross domestic product (GDP) growth for the Philippines this year, and 5.6% in 2024. A slower-than-expected recovery in China may impact the

Philippines' overall trade and tourism, according to Mr. Cochrane. "Almost all of Southeast Asia and indeed much of the Asia-Pacific region is highly dependent on exports both to China as well as to developed markets around the world. For the Philippines, as of April, there hasn't been any

recovery yet in terms of exports," he said. Exports dropped by 20.2% in April, marking the fifth straight month of decline. However, exports rebounded in May as it inched up by 1.9% to \$6.44 billion, the fastest growth since the 13.1% logged in November 2022. *Economy, S1/9*

## PHILIPPINES CLIMBS TO 19<sup>TH</sup> OUT OF 154 COUNTRIES IN 2023 NUCLEAR SECURITY INDEX



The Philippines placed 19<sup>th</sup> out of 154 countries, up six places from 2020, with a score of 80 (out of 100) in the 2023 edition of the Nuclear Security Index by nonprofit, nonpartisan global security organization Nuclear Threat Initiative (NTI). The report assesses the security of the world's most dangerous materials (highly enriched uranium and plutonium) against theft and the security of nuclear facilities against sabotage. The Philippines and Thailand tied for third in terms of nuclear safety in East and Southeast Asia.

### Philippines' Profile

Rank (Out of 154)	19
Overall Score (Out of 100)	80
Global Norms	83
International Legal Commitments	86
Voluntary Commitments	83
Nuclear Security INFCIRC	80
Domestic Commitments and Capacity	100
UNSCR 1540 Implementation	100
Domestic Nuclear Security Legislation	100
Risk Environment	48
Political Stability	60
Effective Governance	50
Pervasiveness of Corruption	25
Illicit Activities by Non-State Actors	58

### Most Secure Countries

2023 Rank (Out of 154)	Country	Rank Changes from 2020	2023 Score (Out of 100)	Score Changes from 2020
1	Finland	1	98	+2
2	Sweden	1	97	-1
3	South Korea	1	94	—
4	Denmark	1	93	+1
=5	Czech Republic	2	90	—
=5	New Zealand	3	90	-6
=7	Hungary	0	89	-1
=7	Singapore	3	89	+2
=7	Spain	1	89	-2
=10	Jordan	0	87	—
=10	Poland	0	87	—
=10	Romania	1	87	+1

### Least Secure Countries

2023 Rank (Out of 154)	Country	Rank Changes from 2020	2023 Score (Out of 100)	Score Changes from 2020
154	Somalia	0	6	-1
153	Equatorial Guinea	2	13	-2
152	Timor-Leste	7	14	-6
=150	Samoa	5	17	-3
=150	Venezuela	17	17	-7
149	Papua New Guinea	0	18	—
=146	Haiti	7	19	-3
=146	Suriname	1	19	-1
=146	Vanuatu	15	19	-6
=144	Belize	1	21	—
=144	Gambia	5	21	-1

SOURCE: NUCLEAR THREAT INITIATIVE'S NUCLEAR SECURITY INDEX 2023 (HTTPS://WWW.NTINDEX.ORG/) BUSINESSWORLD RESEARCH: BERNADETTE THERESA M. GADON BUSINESSWORLD GRAPHICS: BONG R. FORTIN

## Income reclassification may limit LGU access to financial aid — analysts

By Luisa Maria Jacinta C. Jocson Reporter

THE PROPOSED automatic income classification for local government units (LGUs) may not be able to take into account their specific needs and potentially limit their access to assistance, analysts said.

"There is a possibility that underdeveloped LGUs may not anymore be granted financial aid from the National Government merely because their income has been automatically reclassified. The bill is developmental in general, but the government should take note of these specific policy consequences," Terry L. Ridon, a public investment analyst and convener of think tank InfraWatch PH, said in an e-mail.

In his State of the Nation Address (SONA) on Monday, President Ferdinand R. Marcos, Jr. asked Congress to prioritize several measures including the LGU income classification bill.

The bill is also one of the 20 priority measures of the Legislative-Executive Development Advisory Council (LEDAC) that is

targeted for Congress approval by December this year.

The House of Representatives last March approved on third reading House Bill No. 7006, which seeks to institutionalize the income classification of provinces, cities, and municipalities. The counterpart measure, Senate Bill No. 2165, is now up for second reading at the Senate.

Under the pending Senate bill, the LGUs will be classified into six classes according to income ranges based on the average annual regular income for three fiscal years preceding a general income reclassification.

Filomeno S. Sta. Ana III, coordinator of Action for Economic Reforms, said that the reclassification of LGU income may not take into consideration their specific needs.

"The downside is that very specific or peculiar conditions of LGUs might not be captured," he said via Facebook Messenger chat.

On the other hand, Mr. Sta. Ana said that the proposal is "sensible" as it provides an objective criteria for decisions on budget and subsidies.

Income, S1/11

## PHL confident it will bring down poverty rate to 9% by 2028

THE PHILIPPINES is on track to reducing poverty incidence rate to 9% by 2028, National Economic and Development Authority (NEDA) Secretary Arsenio M. Balisacan said.

"I think given the recent developments and economic data we've seen, we are definitely on track," he said during the Post-State of the Nation Address (SONA) Discussion in Pasay City on Wednesday.

Poverty incidence among individuals rose to 18.1% in 2021, from the 16.7% recorded in 2018, latest data from the Philippine Statistics Authority (PSA) showed. This is equivalent to 19.992 million Filipinos living in poverty in 2021.

Poverty incidence refers to the proportion of Filipinos whose incomes fell below the per capita poverty threshold from the total population.

Under the Philippine Development Plan, the government

is targeting to reduce the poverty incidence rate to 16.4% this year, to 13.2% by 2025, and to 9% by 2028. It aims to have a "prosperous, predominantly middle-class society where no one is poor" by 2040.

Mr. Balisacan told reporters that sustained growth will be crucial to meet the Marcos administration's poverty reduction goal.

"The requirements are we keep our growth target. We

make that growth inclusive by ensuring that everyone benefits from that growth, even those who are suffering from shocks," he said.

This year, the government is targeting 6-7% gross domestic product (GDP) growth and 6.5-8% growth from 2024 to 2028.

Job creation will also help pull people out of poverty, the NEDA secretary said.

Poverty, S1/11

## Asia-Pacific needs to spend \$144B for climate adaptation

THE Asia-Pacific region will need to spend as much as \$144.74 billion or 0.49% of regional gross domestic product (GDP) for climate adaptation, the United Nations Economic and Social Commission for Asia and the Pacific (UNESCAP) said.

In its latest Asia-Pacific Disaster Report, UNESCAP said that Southeast Asia alone accounts for almost a quarter of the total adaptation costs.

"The East and North-East Asia subregion accounts for 48% of the total absolute adaptation costs, followed by South and South-West Asia (28%), and Southeast Asia (24%). These numbers increase to \$150.5 billion and \$153 billion

under 1.5°C and 2°C climate scenarios, respectively," it said.

UNESCAP said Asia and the Pacific remains the "most disaster-prone" region in the world. Since 1970, disasters in the region have resulted in more than two million fatalities or around 60% of the global disaster death toll, it added.

Last year, over 140 disasters hit the region and amounted to economic damage worth an estimated \$57 billion.

Earthquakes, which occurred primarily in the Philippines, Japan, China and Iran, have caused damage worth \$12 billion in 2022 alone.

UNESCAP said climate-induced disasters are outpacing the

region's resilience. Citing a 2019 study, it noted the Philippines may experience a 20-45% loss in biodiversity conservation areas due to climate pressures by 2030.

The country may also experience a 100% endemic plant loss due to climate and agro-economic pressures by the same year.

"Drought, intense rainfall, and floods are already contributing to decreasing agricultural produce and surging food prices," it added.

One of the key risks to the inflation outlook this year is the El Niño phenomenon, a weather pattern that causes dry spells and droughts in some areas of the country. El Niño is seen to persist until the first quar-

ter of 2024 and is showing signs of strengthening in the coming months.

UNESCAP said adaptation and risk-reduction investments are far more cost-effective than post-disaster response and recovery.

It recommended implementing early warning systems, which can reduce disaster losses by up to 60%.

"Countries with low multi-hazard early warning system coverage and high agricultural economic value exposure are highly vulnerable to the impacts of climate change and require the establishment of sector-specific early warning systems to protect agricultural assets," the report said. — Luisa Maria Jacinta C. Jocson