

STOCK MARKET	ASIAN MARKETS	WORLD MARKETS	PESO-DOLLAR RATES	ASIAN MONIES-US\$ RATE	WORLD CURRENCIES	DUBAI CRUDE OIL	
PSEi OPEN: 6,660.12 HIGH: 6,677.92 LOW: 6,627.59 CLOSE: 6,677.92 1.21 PTS. 0.01% VOL: 0.430 B VAL(P): 3,779 B	JULY 27, 2023 JAPAN (NIKKEI 225) 32,891.16 ▲ 222.82 0.68 HONG KONG (HANG SENG) 19,639.11 ▲ 273.97 1.41 TAIWAN (WEIGHTED) 17,241.82 ▲ 79.27 0.46 THAILAND (SET INDEX) 1,543.99 ▲ 19.40 1.27 S. KOREA (KSE COMPOSITE) 2,603.81 ▲ 11.45 0.44 SINGAPORE (STRAITS TIMES) 3,335.15 ▲ 30.19 0.91 SYDNEY (ALL ORDINARIES) 7,455.90 ▲ 53.90 0.73 MALAYSIA (KLSE COMPOSITE) 1,451.27 ▲ 1.98 0.14	JULY 26, 2023 Dow Jones 35,520.120 ▲ 82.050 NASDAQ 14,127.282 ▼ -17.273 S&P 500 4,566.750 ▼ -0.710 FTSE 100 7,676.890 ▼ -14.910 Euro Stoxx50 3,973.550 ▼ -36.160	FX OPEN P54.550 HIGH P54.470 LOW P54.595 CLOSE P54.560 W.AVE. P54.530 VOL. P914.10 M SOURCE: BAP	JULY 27, 2023 LATEST BID (0900GMT) PREVIOUS JAPAN (YEN) 140.020 140.240 HONG KONG (HK DOLLAR) 7.800 7.805 TAIWAN (NT DOLLAR) 31.270 31.192 THAILAND (BAHT) 34.100 34.260 S. KOREA (WON) 1,278.610 1,273.710 SINGAPORE (DOLLAR) 1.323 1.327 INDONESIA (RUPIAH) 14,995 15,015 MALAYSIA (RINGGIT) 4.519 4.548	JULY 27, 2023 US\$/UK POUND 1.2982 ▲ 1.2902 US\$/EURO 1.1130 ▲ 1.1075 US\$/AUSTRALIAN DOLLAR 0.6803 ▲ 0.6758 CANADA DOLLAR/US\$ 1.3168 ▼ 1.3204 SWISS FRANC/US\$ 0.8566 ▼ 0.8622	30 DAYS TO JULY 27, 2023 6.00 CTVS	30 DAYS TO JULY 26, 2023 \$84.30/BBL \$0.04

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PHILIPPINE STOCK EXCHANGE'S 10 MOST ACTIVE STOCKS BY VALUE TURNOVER • JULY 27, 2023 (PSEi snapshot on S1/4; article on S2/2)

SM	P34.000	BDO	P148.700	ALI	P27.450	ICT	P213.000	SM	P922.000	AC	P630.500	URC	P126.600	JFC	P259.000	MPI	P4.880	BPI	P116.000
Value	P579,148,315	Value	P303,083,062	Value	P246,398,490	Value	P245,619,248	Value	P223,343,895	Value	P204,645,640	Value	P121,478,986	Value	P110,871,960	Value	P102,804,000	Value	P90,138,785
PO.400	▲ 1.190%	PO.500	▲ 0.337%	PO.450	▲ 1.667%	P6.000	▲ 2.899%	-P15.500	▼ -1.653%	-P12.500	▼ -1.944%	PO.900	▲ 0.716%	-PO.200	▼ -0.077%	PO.000	— 0.000%	-P1.500	▼ -1.277%

'Hot money' flows turn positive in June

BSP has room to extend pause despite Fed's latest rate hike — economists

THE BANGKO SENTRAL ng Pilipinas (BSP) has room to extend its monetary policy tightening pause at its meeting next month, despite the narrowing interest rate differential with the US Federal Reserve, economists said.

The Fed raised the federal funds rate target range by 25 basis points (bps) to 5.25-5.5% on Wednesday, the highest level in 22 years (Read related story "Fed lifts rates; Powell leaves door open to another hike in September" on S2/3).

"Should pressure on the peso not build to proportions seen in 2022, we believe the BSP can look past this recent rate hike by the Fed and continue to adopt a wait-and-see, data-driven approach to policy," ING Bank N.V. Manila Senior Economist Nicholas Antonio T. Mapa said in an e-mail.

"Against the backdrop of inflation headed back towards tar-

get and an economy headed for a slowdown, we believe that there is room for the BSP to pause at the next meeting," he added.

The Monetary Board in June paused its tightening cycle for a second meeting, keeping the key rate to a near 16-year high of 6.25%. From May 2022 to March 2023, the BSP has hiked borrowing costs by a total of 425 bps to curb inflation.

Headline inflation eased to 5.4% in June, marking a 14-month low. For the first six months of 2023, inflation averaged 7.2%. The central bank expects full-year inflation to hit 5.4% this year, still above its 2-4% target band.

Jonathan L. Ravelas, senior adviser at Reyes Tacandong & Co., said the narrower interest rate differential between the Philippines and the US could still cause some volatility in the foreign exchange market.

BSP, S1/5

BIR may start imposing withholding tax on online sellers by Q4

THE BUREAU of Internal Revenue (BIR) is looking to start imposing a creditable withholding tax on partner-merchants of online platforms as early as the fourth quarter this year.

"We are aiming for (its) full implementation by next year. It may even start by the fourth quarter. Hopefully, the private sector will be on board," BIR Commissioner Romeo D. Lumagui, Jr. told reporters on Tuesday.

The BIR is amending Revenue Regulations No. 2-98, which currently does not cover income payments by online platform providers.

Under the draft rules, the BIR proposed a creditable withholding tax of 1% on one-half of the gross remittances of online platform providers to their partner sellers or merchants.

It defined an online platform provider as any entity that serves as an intermediary, where sellers and buyers of goods and services transact their business through the use of information technology

and other electronic means, and act as the withholding agent of the government.

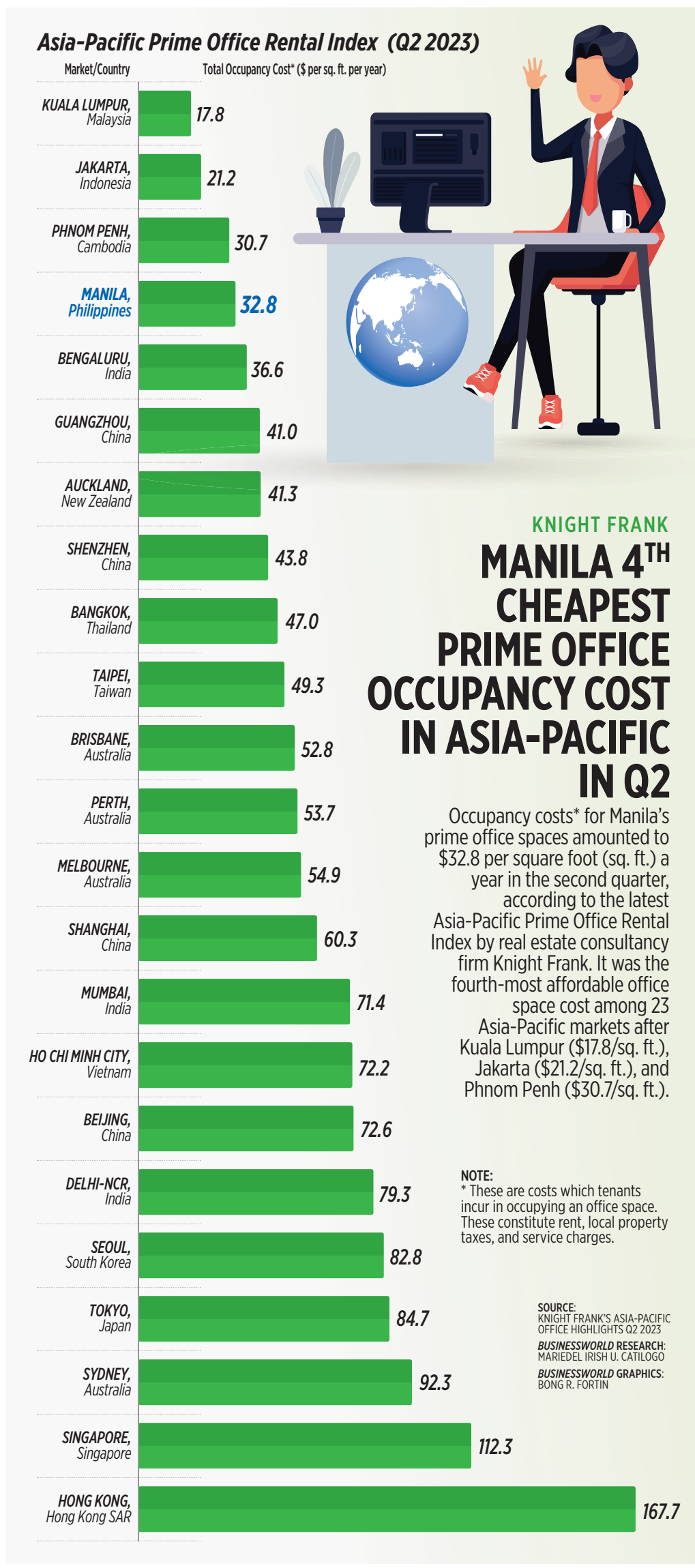
These would include marketplaces, food delivery, lodging accommodation, travel or transportation, and payment platforms, among others.

Mr. Lumagui said that the agency is working with online platforms to address their concerns on the implementation of the creditable withholding tax.

"There really is a need to level the playing field. It's also unfair for brick-and-mortar stores. There are so many sales now online," he added.

Under the draft rules, online platforms that do not require business registration from sellers will only collect withholding tax on single transactions of goods or services worth P10,000 and if the same buyer and seller have engaged in at least six transactions, regardless of amount per transaction, in the previous or current year.

Online sellers, S1/12



By Keisha B. Ta-asan Reporter

FOREIGN PORTFOLIO INVESTMENTS registered a net inflow in June, ending four straight months of outflows, the Bangko Sentral ng Pilipinas (BSP) said.

Transactions on short-term foreign investments registered with the BSP through authorized agent banks (AABs) posted a net inflow of \$1.23 million in June, a turnaround from the \$124.49-million net outflow seen in May and the \$342.19-million net outflow in the same month of 2022.

These foreign investments are also known as "hot money" — called as such due to the ease by which these funds enter and exit an economy.

BSP data showed gross inflows of hot money fell by 14.3% to \$889.44 million in June, from \$1.04 billion a year earlier.

The top five investor economies were the United Kingdom, the United States, Luxembourg, Singapore, and Switzerland, accounting for 84.2% of total foreign portfolio investment inflows.

Most of the investments went into Philippine Stock Exchange-listed securities of companies involved in property, banks, holding firms, food, beverage and tobacco, as well as telecommunications. The rest were invested in peso government securities.

Gross outflows also declined by 35.6% to \$888.21 million in June from \$1.38 billion a year ago. The BSP said the United States received \$589 million or 66.3% of total outward remittances.

Security Bank Corp. Chief Economist Robert Dan J. Rocas said the steady interest rate differential between the Philippines and the United States boosted investor sentiment.

"As the Fed and BSP both paused, the interest rate differential between the Philippines and the US remained above 1%. This made Philippine assets more attractive to investors, who then bought pesos and invested in the Philippines," Mr. Rocas said in a Viber message.

At its June meeting, the Monetary Board decided to extend the pause for a second time, keeping the key interest rate at 6.25%. This was after it hiked borrowing costs by a total of 425 basis points (bps) from May 2022 to March 2023.

The Federal Open Market Committee likewise kept policy rates on hold at its meeting in June, following the cumulative 500-bp rate hike since March 2022.

Rizal Commercial Banking Corp. Chief Economist Michael L. Ricafort said hot money inflows in June may have been driven by the easing inflation trend in the Philippines and in the US.

In the Philippines, headline inflation slowed to 5.4% in June from 6.1% a month earlier. This was the slowest print in 14 months. Year-to-date inflation settled at 7.2%, still higher than the 5.4% forecast of the BSP.

Meanwhile, US inflation slowed to 3% year on year from 4% in May. This was the smallest annual increase since March 2021.

A bipartisan deal to raise the debt ceiling in the United States also supported investor sentiment, Mr. Ricafort said.

'Hot money,' S1/5



Energy Secretary graces BusinessWorld Insights forum

BUSINESSWORLD held on Wednesday the BusinessWorld Insights forum "Sustaining the Future of Energy" at the Shangri-La The Fort Manila in Bonifacio Global City. This is part of the PhilSTAR Media Group's sustainability-oriented "Project KaLiKHaSan" initiative. Energy Secretary Raphael P.M. Lotilla (center), who was one of the keynote speakers, discussed the topic: "Achieving an energy-secured and environmentally resilient future." Photo shows Mr. Lotilla receiving a token from BusinessWorld Publishing Corp. President and Chief Executive Officer Miguel G. Belmonte (left) and BusinessWorld Editor-in-Chief Wilfredo G. Reyes (right).

DoE planning to include LGUs in one-stop shop for energy projects

THE PHILIPPINES' Energy Virtual One-Stop Shop (EVOSS) will eventually include local government units (LGUs) in order to address delays in project approvals, the Energy secretary said on Wednesday.

"Under a whole-of-government approach and fully implemented the energy required one-stop shop system to cover all relevant agencies and entities. At the moment, the Department of Energy (DoE) is in

the process of integrating the remaining relevant agencies and entities into the evaluation platform," Energy Secretary Raphael P.M. Lotilla said during the BusinessWorld Insights forum at the Shangri-La The Fort Manila in Bonifacio Global City.

EVOSS is an online platform under the DoE that streamlines and expedites the processing of applications for energy projects.

DoE, S1/12