

STOCK MARKET	ASIAN MARKETS	WORLD MARKETS	PESO-DOLLAR RATES	ASIAN MONIES-US\$ RATE	WORLD CURRENCIES	DUBAI CRUDE OIL																																																																																																			
PSEi OPEN: 6,664.62 HIGH: 6,671.61 LOW: 6,625.26 CLOSE: 6,625.26 VOL.: 0.636 B VAL(P): 2.912 B 52.66 pts. 0.78% 30 DAYS TO JULY 28, 2023	JULY 28, 2023 <table border="1"> <tr><th></th><th>CLOSE</th><th>NET</th><th>%</th></tr> <tr><td>JAPAN (NIKKEI 225)</td><td>32,759.23</td><td>-131.93</td><td>-0.40</td></tr> <tr><td>HONG KONG (HANG SENG)</td><td>19,916.56</td><td>277.45</td><td>1.41</td></tr> <tr><td>TAIWAN (TAIEX)</td><td>17,292.93</td><td>51.11</td><td>0.30</td></tr> <tr><td>THAILAND (SET INDEX)*</td><td>1,543.27</td><td>18.68</td><td>1.23</td></tr> <tr><td>S.KOREA (KSE COMPOSITE)</td><td>2,608.32</td><td>4.51</td><td>0.17</td></tr> <tr><td>SINGAPORE (STRAITS TIMES)</td><td>3,371.17</td><td>33.75</td><td>1.01</td></tr> <tr><td>SYDNEY (ALL ORDINARIES)</td><td>7,403.60</td><td>-52.30</td><td>-0.70</td></tr> <tr><td>MALAYSIA (KLSE COMPOSITE)</td><td>1,450.35</td><td>-0.92</td><td>-0.06</td></tr> </table>		CLOSE	NET	%	JAPAN (NIKKEI 225)	32,759.23	-131.93	-0.40	HONG KONG (HANG SENG)	19,916.56	277.45	1.41	TAIWAN (TAIEX)	17,292.93	51.11	0.30	THAILAND (SET INDEX)*	1,543.27	18.68	1.23	S.KOREA (KSE COMPOSITE)	2,608.32	4.51	0.17	SINGAPORE (STRAITS TIMES)	3,371.17	33.75	1.01	SYDNEY (ALL ORDINARIES)	7,403.60	-52.30	-0.70	MALAYSIA (KLSE COMPOSITE)	1,450.35	-0.92	-0.06	JULY 28, 2023 <table border="1"> <tr><th></th><th>CLOSE</th><th>NET</th></tr> <tr><td>Dow Jones</td><td>35,459.290</td><td>▲ 176.570</td></tr> <tr><td>NASDAQ</td><td>14,316.658</td><td>▲ 266.551</td></tr> <tr><td>S&P 500</td><td>4,582.230</td><td>▲ 44.820</td></tr> <tr><td>FTSE 100</td><td>7,694.270</td><td>▲ 1.510</td></tr> <tr><td>Euro Stoxx50</td><td>4,038.120</td><td>▼ -0.420</td></tr> </table>		CLOSE	NET	Dow Jones	35,459.290	▲ 176.570	NASDAQ	14,316.658	▲ 266.551	S&P 500	4,582.230	▲ 44.820	FTSE 100	7,694.270	▲ 1.510	Euro Stoxx50	4,038.120	▼ -0.420	FX OPEN P54.750 HIGH P54.750 LOW P54.920 CLOSE P54.910 W.AVE. P54.847 VOL. \$1,099.90 M SOURCE: BAP 35.00 ctyvs 30 DAYS TO JULY 28, 2023	JULY 28, 2023 LATEST BID (0900GMT) <table border="1"> <tr><th></th><th>LATEST BID</th><th>PREVIOUS</th></tr> <tr><td>JAPAN (YEN)</td><td>141.150</td><td>140.020</td></tr> <tr><td>HONG KONG (HK DOLLAR)</td><td>7.796</td><td>7.800</td></tr> <tr><td>TAIWAN (NT DOLLAR)</td><td>31.334</td><td>31.270</td></tr> <tr><td>THAILAND (BAHT)</td><td>34.240</td><td>34.100</td></tr> <tr><td>S. KOREA (WON)</td><td>1,272.830</td><td>1,278.610</td></tr> <tr><td>SINGAPORE (DOLLAR)</td><td>1.331</td><td>1.323</td></tr> <tr><td>INDONESIA (RUPIAH)</td><td>15,090</td><td>14,995</td></tr> <tr><td>MALAYSIA (RINGGIT)</td><td>4.553</td><td>4.519</td></tr> </table>		LATEST BID	PREVIOUS	JAPAN (YEN)	141.150	140.020	HONG KONG (HK DOLLAR)	7.796	7.800	TAIWAN (NT DOLLAR)	31.334	31.270	THAILAND (BAHT)	34.240	34.100	S. KOREA (WON)	1,272.830	1,278.610	SINGAPORE (DOLLAR)	1.331	1.323	INDONESIA (RUPIAH)	15,090	14,995	MALAYSIA (RINGGIT)	4.553	4.519	JULY 28, 2023 <table border="1"> <tr><th></th><th>CLOSE</th><th>PREVIOUS</th></tr> <tr><td>US\$/UK POUND</td><td>1.2850</td><td>▼ 1.2982</td></tr> <tr><td>US\$/EURO</td><td>1.1015</td><td>▼ 1.1130</td></tr> <tr><td>US\$/AUSTRALIAN DOLLAR</td><td>0.6649</td><td>▼ 0.6803</td></tr> <tr><td>CANADA DOLLAR/US\$</td><td>1.3253</td><td>▲ 1.3168</td></tr> <tr><td>SWISS FRANC/US\$</td><td>0.8698</td><td>▲ 0.8566</td></tr> </table>		CLOSE	PREVIOUS	US\$/UK POUND	1.2850	▼ 1.2982	US\$/EURO	1.1015	▼ 1.1130	US\$/AUSTRALIAN DOLLAR	0.6649	▼ 0.6803	CANADA DOLLAR/US\$	1.3253	▲ 1.3168	SWISS FRANC/US\$	0.8698	▲ 0.8566	DUBAI CRUDE OIL FUTURES PRICE ON NEAREST MONTH OF DELIVERY \$84.70/BBL 30 DAYS TO JULY 28, 2023
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VOL. XXXVII • ISSUE 3 MONDAY • JULY 31, 2023 • www.bworldonline.com S1/1-14 • 3 SECTIONS, 24 PAGES

PHILIPPINE STOCK EXCHANGE'S 10 MOST ACTIVE STOCKS BY VALUE TURNOVER • JULY 28, 2023 (PSEi snapshot on S1/4; article on S2/2)

ALI	P27.500	BDO	P147.000	BPI	P115.100	SM	P918.000	ICT	P211.000	JFC	P252.000	AC	P624.500	ACEN	P5.330	URC	P124.500	GTCAP	P540.000
Value	P343,336,220	Value	P205,004,654	Value	P196,667,597	Value	P111,849,115	Value	P107,790,464	Value	P89,607,046	Value	P80,685,300	Value	P78,115,013	Value	P76,134,010	Value	P74,287,590
PO.050	▲ 0.182%	-P1.700	▼ -1.143%	-P0.900	▼ -0.776%	-P4.000	▼ -0.434%	-P2.000	▼ -0.939%	-P7.000	▼ -2.703%	-P6.000	▼ -0.952%	-P0.220	▼ -3.964%	-P2.100	▼ -1.659%	-P0.500	▼ -0.093%

July inflation likely eased below 5%

By Keisha B. Ta-asan
Reporter

INFLATION likely further eased to below the 5% level in July, as base effects and lower power rates may have tempered higher food costs and

pump prices, a *BusinessWorld* poll showed.

A *BusinessWorld* poll of 17 analysts yielded a median estimate of 4.9% for July inflation, which would be slower than the 5.4% print seen in June and the 6.4% print in July 2022.

If realized, July would mark the sixth straight month of slow-

ing inflation and the first time that inflation fell below 5% since 4.9% in April 2022.

July inflation would also likely exceed the central bank's annual 2-4% target range for the 16th straight month.

The Bangko Sentral ng Pilipinas (BSP) will release its inflation forecast today (July 31).

The Philippine Statistics Authority is scheduled to release the latest consumer price index data on Aug. 4 (Friday).

According to analysts, inflation likely decelerated further in July as lower utility rates offset the rising prices of food and oil.

"Electricity rates in all regions fell substantially from the previ-

ous month, especially in Mindanao and Batangas. This likely resulted in a negative month-on-month inflation rate for non-food items," China Banking Corp. Chief Economist Domini S. Velasquez said.

Residential customers in areas served by Manila Electric Co. saw lower electricity bills in July

after the overall rate went down by P0.72 to P11.18 per kilowatt-hour.

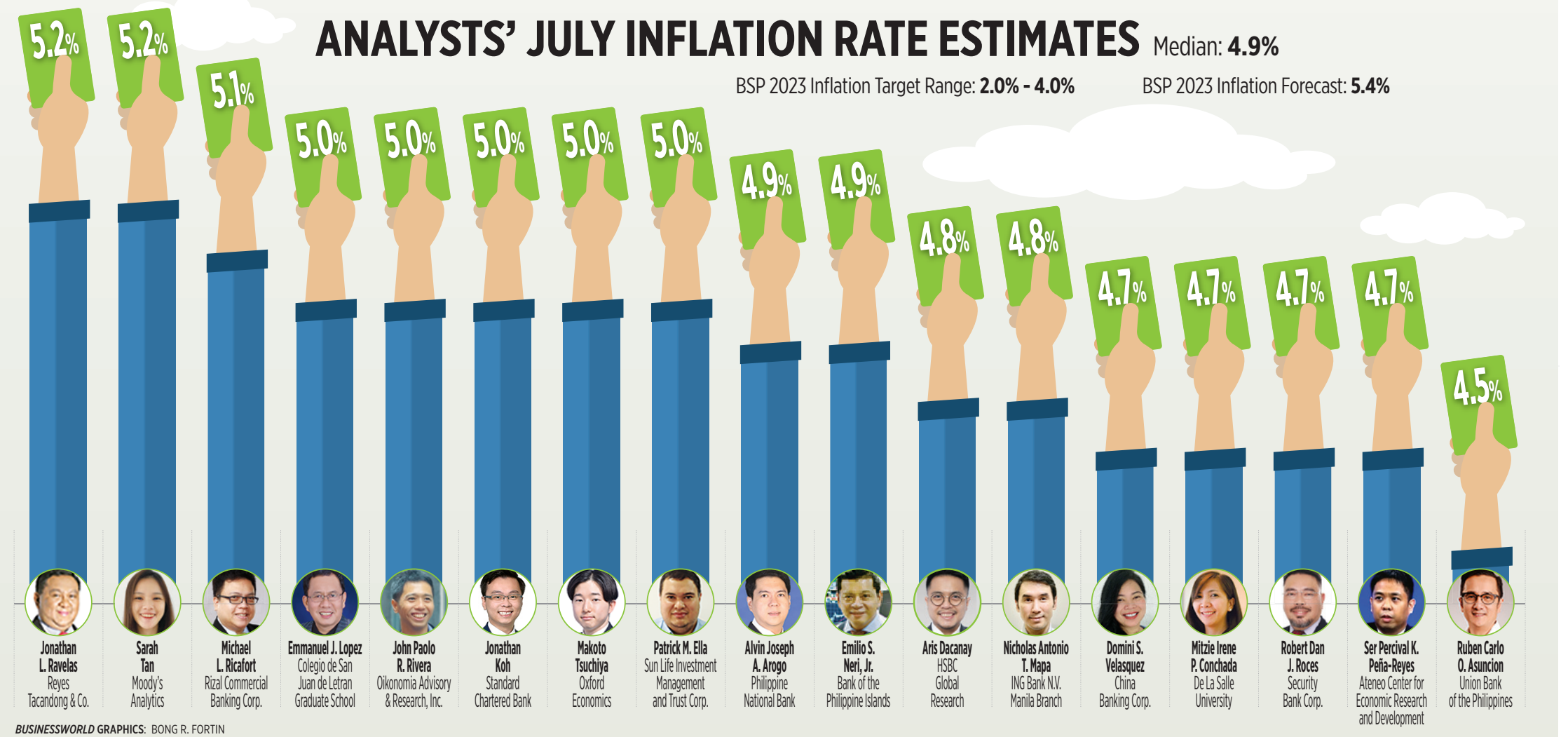
"Electricity prices decreased during the month while the peso strengthened against the dollar, making imports more affordable," HSBC Global Research ASEAN economist Aris Dacanay said.

Inflation, S1/13

ANALYSTS' JULY INFLATION RATE ESTIMATES Median: 4.9%

BSP 2023 Inflation Target Range: 2.0% - 4.0%

BSP 2023 Inflation Forecast: 5.4%



FIRB grants tax incentives to 25 projects

THE FISCAL Incentives Review Board (FIRB) has approved the application for tax incentives of 25 projects with a combined investment capital of P287.7 billion in the first year of the Marcos administration, the Department of Finance (DoF) said.

"These are expected to generate around 24,617 jobs in telecommunications, data centers, manufacturing, infrastructure, tourism, hospitals, mass housing, energy, and information technology and business process management (IT-BPM)," Finance Secretary Benjamin E. Diokno said in a press chat in Pasay City on Friday.

Data from the DoF also showed that incentives granted from June 30, 2022 to July 28, 2023 were worth P29.97 billion.

Tax incentives ranged from duty exemptions on importation, value-added tax zero-rating on local purchases, and income tax holidays, among others.

The FIRB granted incentives for two major telecommunication infrastructure projects, one worth P147 billion by Unity Digital Infrastructure, Inc. and another worth P36 billion by LBS Digital Infrastructure Corp.

It also approved incentives for energy projects by Enovate Motors Corp. (P16 billion), Century Summit Carrier, Inc. (P15.8 billion), and Century Peak Energy Corp. (P7.6 billion).

FIRB, S1/11



ABAC meeting in Cebu

PRESIDENT Ferdinand R. Marcos, Jr. delivered the keynote address at the opening ceremony of the APEC Business Advisory Council (ABAC) III meeting in Cebu on July 28. Business leaders from 21 Asia-Pacific Economic Cooperation (APEC) economies are engaging in dialogue and discussion to refine recommendations for sustainable and inclusive growth in the region.

Inflation in 'right direction,' but PHL faces persistent upside risks

THE BANGKO SENTRAL ng Pilipinas (BSP) needs to ensure that the downtrend in inflation is "more permanent," amid persistent upside risks arising from the El Niño weather event and Russia's invasion of Ukraine.

"Inflation is in the right direction but we have to be able to set in the measures which will make it long term and sustainable. Right now, we're lucky that fuel prices are going down. But that's luck. We need to make it more permanent," Monetary Board member Bruce J. Tolentino told reporters on the sidelines of the annual reception for the banking community on Friday.

At the same event, BSP Governor Eli M. Remolona said it is too early to "declare victory" against inflation, even if it is on its way to the 2-4% target band.

"Core inflation remains high. There are still upside risks to inflation — for example, risks in the form of El Niño and further supply shocks. We will wait and see. We will analyze the data as they arrive, and that analysis will decide monetary policy down the road," Mr. Remolona said.

The BSP expects inflation to return to the 2-4% target range by the fourth quarter this year, with full-year inflation hitting 5.4% in

2023. Inflation is expected to decelerate further to 2.9% in 2024.

According to Mr. Tolentino, the blockage of wheat and fertilizer exports due to the ongoing conflict in Ukraine will impact prices of rice and corn globally.

"We're reacting to international developments particularly to fuel, but if Ukraine gives a kick to food and fuel prices, we have a problem," he said.

Earlier this month, Russia quit the Black Sea Grain Initiative which allowed Ukraine to export grain to help prevent a global food crisis.

Risks, S1/11

DoF orders agencies to address underspending

THE DEPARTMENT of Finance (DoF) ordered government agencies to come up with a "catch-up" plan to address underspending in the first half of the year.

"We talked to agencies, and we asked them to come up with their own catch-up plan. The problem is they are underspending. Their budget has been increased significantly this year (but) they're still not spending," Finance Secretary Benjamin E. Diokno told reporters at the DoF office in Pasay City, Friday.

"We are still optimistic they will be able to catch up."

The National Government's budget deficit narrowed by 18% to P551.7 billion in the January-to-June period as revenue collections exceeded the target while spending slowed. However, it was 28.49% lower than the P771.5-billion program for the period.

State spending inched up by 0.42% to P2.41 trillion in the first half but missed its P2.58-trillion expenditure program by 6.6%.

"I'm worried we aren't meeting our expenditure target. I'm not happy with a smaller deficit," Mr. Diokno added.

This year, the government has set a budget deficit ceiling of P1.499 trillion, equivalent to 6.1% of the gross domestic product.

Mr. Diokno said agencies may have been underspending due to "birth pains" as the Marcos administration has only had one year in office.

"There are adjustments. Let's call it birth pains. Congress made a lot of changes in the budget, there are new projects introduced in the budget. And since they are new, they may not have feasibility studies and engineering (plans) so they cannot start building," he said.

"Though our underspending is not as big, unlike other years. This time, it's just a matter of procurement delays. The weather was cooperating in the first six months," he added.

Mr. Diokno expressed optimism that government agencies will still be able to catch up with spending in the second half.

Data from the Department of Budget and Management showed that government agencies' budget utilization rate stood at 98% at the end of the second quarter, slightly slower than the year-ahead pace of 99%.

As of end-June, the newly formed Department of Migrant Workers registered the lowest utilization rate at 44%.

This was followed by the Department of Agriculture (76%), the Office of the Vice-President, the Department of Information and Communications Technology, and the Department of Social Welfare and Development (80%).

REVENUES

Meanwhile, Mr. Diokno said that the government is planning to maintain its full-year revenue program for the year.

Underspending, S1/11