

STOCK MARKET	ASIAN MARKETS	WORLD MARKETS	PESO-DOLLAR RATES	ASIAN MONIES-US\$ RATE	WORLD CURRENCIES	DUBAI CRUDE OIL																																																																				
PSEI OPEN: 6,632.60 HIGH: 6,678.29 LOW: 6,591.47 CLOSE: 6,591.47 VOL.: 1.955 B VAL(P): 20.066 B 33.79 pts. 0.51% 30 DAYS TO JULY 31, 2023	JULY 31, 2023 <table border="1"> <tr><th>CLOSE</th><th>NET</th><th>%</th></tr> <tr><td>JAPAN (NIKKEI 225)</td><td>33,172.22</td><td>▲ 412.99 1.26</td></tr> <tr><td>HONG KONG (HANG SENG)</td><td>20,078.94</td><td>▲ 162.38 0.82</td></tr> <tr><td>TAIWAN (TAIEX)</td><td>17,145.43</td><td>▼ -147.50 -0.85</td></tr> <tr><td>THAILAND (SET INDEX)</td><td>1,555.45</td><td>▲ 12.18 0.79</td></tr> <tr><td>S. KOREA (KOSPI)</td><td>2,632.58</td><td>▲ 24.26 0.93</td></tr> <tr><td>SINGAPORE (STRAITS TIMES)</td><td>3,378.46</td><td>▲ 7.29 0.22</td></tr> <tr><td>SYDNEY (ALL ORDINARIES)</td><td>7,410.40</td><td>▲ 6.80 0.09</td></tr> <tr><td>MALAYSIA (KLCSE COMPOSITE)</td><td>1,459.43</td><td>▲ 9.08 0.63</td></tr> </table>	CLOSE	NET	%	JAPAN (NIKKEI 225)	33,172.22	▲ 412.99 1.26	HONG KONG (HANG SENG)	20,078.94	▲ 162.38 0.82	TAIWAN (TAIEX)	17,145.43	▼ -147.50 -0.85	THAILAND (SET INDEX)	1,555.45	▲ 12.18 0.79	S. KOREA (KOSPI)	2,632.58	▲ 24.26 0.93	SINGAPORE (STRAITS TIMES)	3,378.46	▲ 7.29 0.22	SYDNEY (ALL ORDINARIES)	7,410.40	▲ 6.80 0.09	MALAYSIA (KLCSE COMPOSITE)	1,459.43	▲ 9.08 0.63	JULY 28, 2023 <table border="1"> <tr><th>CLOSE</th><th>NET</th></tr> <tr><td>Dow Jones</td><td>35,459.290 ▲ 176.570</td></tr> <tr><td>NASDAQ</td><td>14,316.658 ▲ 266.551</td></tr> <tr><td>S&P 500</td><td>4,582.230 ▲ 44.820</td></tr> <tr><td>FTSE 100</td><td>7,694.270 ▲ 1.510</td></tr> <tr><td>Euro Stoxx50</td><td>4,038.120 ▼ -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 P54.888 HIGH P54.750 LOW P54.910 CLOSE P54.880 W.AVE. P54.834 VOL. \$1,031.60 M SOURCE: BAP 3.00 CTVS 30 DAYS TO JULY 31, 2023	JULY 31, 2023 LATEST BID (0900GMT) <table border="1"> <tr><th>PREVIOUS</th></tr> <tr><td>JAPAN (YEN)</td><td>142.360 ▼ 141.150</td></tr> <tr><td>HONG KONG (HK DOLLAR)</td><td>7.803 ▼ 7.796</td></tr> <tr><td>TAIWAN (NT DOLLAR)</td><td>31.459 ▼ 31.334</td></tr> <tr><td>THAILAND (BAHT)</td><td>34.200 ▼ 34.240</td></tr> <tr><td>S. KOREA (WON)</td><td>1,275.180 ▼ 1,272.830</td></tr> <tr><td>SINGAPORE (DOLLAR)</td><td>1.330 ▼ 1.331</td></tr> <tr><td>INDONESIA (RUPIAH)</td><td>15,075 ▼ 15,090</td></tr> <tr><td>MALAYSIA (RINGGIT)</td><td>4.500 ▼ 4.553</td></tr> </table>	PREVIOUS	JAPAN (YEN)	142.360 ▼ 141.150	HONG KONG (HK DOLLAR)	7.803 ▼ 7.796	TAIWAN (NT DOLLAR)	31.459 ▼ 31.334	THAILAND (BAHT)	34.200 ▼ 34.240	S. KOREA (WON)	1,275.180 ▼ 1,272.830	SINGAPORE (DOLLAR)	1.330 ▼ 1.331	INDONESIA (RUPIAH)	15,075 ▼ 15,090	MALAYSIA (RINGGIT)	4.500 ▼ 4.553	JULY 31, 2023 <table border="1"> <tr><th>CLOSE</th><th>PREVIOUS</th></tr> <tr><td>US\$/UK POUND</td><td>1.2856 ▲ 1.2850</td></tr> <tr><td>US\$/EURO</td><td>1.1027 ▲ 1.1015</td></tr> <tr><td>US\$/AUSTRALIAN DOLLAR</td><td>0.6696 ▲ 0.6649</td></tr> <tr><td>CANADA DOLLAR/US\$</td><td>1.3231 ▼ 1.3253</td></tr> <tr><td>SWISS FRANC/US\$</td><td>0.8696 ▼ 0.8698</td></tr> </table>	CLOSE	PREVIOUS	US\$/UK POUND	1.2856 ▲ 1.2850	US\$/EURO	1.1027 ▲ 1.1015	US\$/AUSTRALIAN DOLLAR	0.6696 ▲ 0.6649	CANADA DOLLAR/US\$	1.3231 ▼ 1.3253	SWISS FRANC/US\$	0.8696 ▼ 0.8698	FUTURES PRICE ON NEAREST MONTH OF DELIVERY \$84.70/BBL ▲ \$0.60 30 DAYS TO JULY 28, 2023
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VOL. XXXVII • ISSUE 4 TUESDAY • AUGUST 1, 2023 • www.bworldonline.com S1/1-10 • 2 SECTIONS, 14 PAGES

PHILIPPINE STOCK EXCHANGE'S 10 MOST ACTIVE STOCKS BY VALUE TURNOVER • JULY 31, 2023 (PSEi snapshot on S1/4; article on S2/2)

ICT	P217.000	SMPH	P33.400	BDO	P145.100	AC	P615.000	ALI	P27.400	SM	P912.000	JFC	P255.000	URC	P122.600	MBT	P60.000	BPI	P114.500
Value	P321,160,806	Value	P312,597,350	Value	P306,095,590	Value	P303,658,745	Value	P275,778,035	Value	P274,799,395	Value	P218,314,450	Value	P215,903,684	Value	P207,885,407	Value	P200,480,369
P6.000	▲ 2.844%	-P0.450	▼ -1.329%	-P1.900	▼ -1.293%	-P9.500	▼ -1.521%	-P0.100	▼ -0.364%	-P6.000	▼ -0.654%	P3.000	▲ 1.190%	-P1.900	▼ -1.526%	P2.300	▲ 3.986%	-P0.600	▼ -0.521%

EU, PHL to restart free trade talks

Central bank sees July inflation at 4.1%-4.9%

By Keisha B. Ta-anan
Reporter

HEADLINE INFLATION likely settled within the 4.1% to 4.9% range in July due to lower electricity rates, rollback in cooking gas prices, and a stronger peso, the Bangko Sentral ng Pilipinas (BSP) said.

“Lower electricity rates, declines in the prices of meat, fruits, and fish items, the rollback in LPG prices, and the peso appreciation could contribute to downward price pressures during the month,” the central bank said in a statement on Monday.

Last month’s inflation likely slowed from the 5.4% print in June and the 6.4% logged in July 2022.

If realized, July would be the first time that inflation would fall below 5% since the 4.9% logged in April 2022.

At the lower end of the BSP forecast, 4.1% would be the slowest pace recorded in 15 months or since the 4% recorded in March 2022.

July would mark the sixth straight month of easing inflation since the peak of 8.7% in January, and the 16th consecutive month inflation exceeded the BSP’s 2-4% target band.

A *BusinessWorld* poll of 17 analysts last week yielded a median estimate of 4.9% for July inflation, settling at the upper end of the BSP’s 4.1-4.9% forecast for the month.

The BSP cited lower electricity rates and a reduction in cooking gas prices as factors that may have contributed to the downtrend in inflation.

Manila Electric Co. lowered the overall rate for a typical household by P0.72 to P11.18 per kilowatt-hour in July.

Fuel retailers slashed their cooking gas prices by P3.70 per kilogram in July, marking the second consecutive month of price cuts.

“Meanwhile, higher prices of rice and vegetables as well as higher domestic oil prices are the primary sources of upward price pressures in July,” the BSP said.

In July alone, pump price adjustments stood at a net increase of P2.35 per liter for gasoline, P2.60 per liter for diesel, and P1.80 per liter for kerosene.

“Going forward, the BSP will continue to monitor developments affecting the outlook for inflation and growth in line with its data-dependent approach to monetary policy formulation,” the central bank added.

Inflation, S1/10

Consumers may pay more for online goods once withholding tax is imposed

By Luisa Maria Jacinta C. Jacson
Reporter

CONSUMERS may have to pay more for online goods and services as the government plans to start imposing a creditable withholding tax on partner-merchants of online platforms later this year.

“The bottom line is that ordinary consumers will be the ones affected by this tax. Commodities, transportation, anything that is availed online, will be hit by this tax. Businesses will pass this cost off to the ordinary consumers,” Rodolfo B. Javellana, Jr., president of the United Filipino Consumers and Commuters, said in mixed English and Filipino via phone call.

The Bureau of Internal Revenue (BIR) last week said it plans to impose a creditable withholding tax of 1% on one-half of the gross remittances of online platform providers to their partner-sellers or merchants as early as the fourth quarter.

This would cover online platform providers such as marketplaces, food delivery and transportation apps, and e-wallets. Examples include Shopee, Lazada, Airbnb, Grab, Angkas, GCash and Maya.

“(The tax’s) imposition has faced resistance from online platform

providers, who argue that it could stifle innovation, burden small businesses, and potentially lead to increased costs for consumers,” Angelito M. Villanueva, founding chairman of Fintech Alliance.PH and Rizal Commercial Banking Corp. Executive Vice-President and Chief Innovation and Inclusion Officer, said in a Viber message.

“On the other hand, some governments view it as a necessary step to ensure a level playing field and fair taxation between traditional businesses and their digital counterparts,” he added.

Finance Secretary Benjamin E. Diokno last week said that the withholding tax will create a level playing field between online and brick-and-mortar stores.

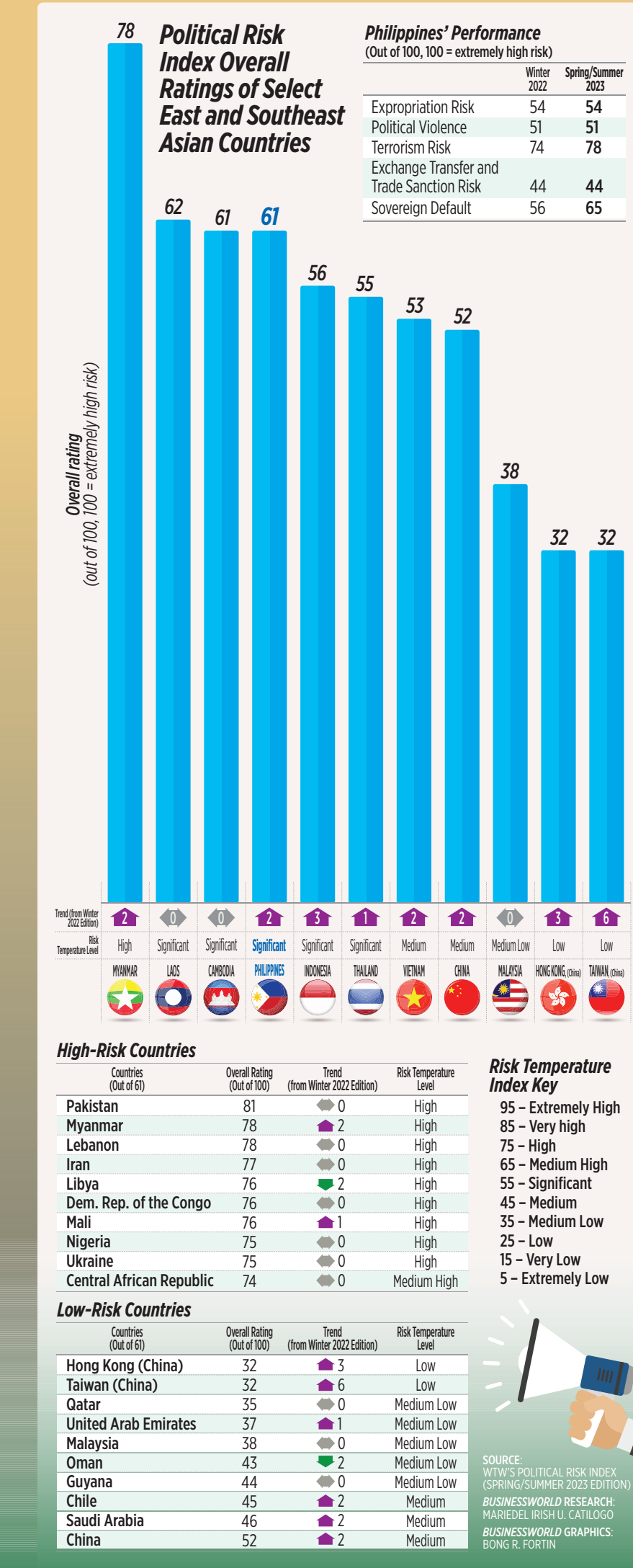
“It’s not only increasing tax revenues, it’s a matter of fairness. A good tax system should be fair. If you buy something from a regular store, you pay tax. But if you buy it online, there’s no tax and that’s unfair. People have to perceive that the tax system is fair, so they’re willing to pay,” he said in mixed English and Filipino in a press chat on Friday.

Michael L. Ricafort, chief economist at Rizal Commercial Banking Corp., said the imposition of a withholding tax would remove the “tax advantage” of online sellers.

Online goods, S1/10

PHILIPPINES’ POLITICAL RISK STILL ‘SIGNIFICANT’

The Philippines’ overall rating worsened by two points to 61 (out of 100) with “significant” risk temperature level in the latest quarterly Political Risk Index by global advisory company WTW (formerly Willis Towers Watson) in collaboration with Oxford Analytica. The index analyzes patterns in the world’s most vulnerable countries, covering key political perils from expropriation to currency inconvertibility to political violence. The Philippines tied with Cambodia as the third most politically at-risk countries in the region, trailing behind Myanmar and Laos.



THE PHILIPPINES and the European Union (EU) are exploring the resumption of negotiations for a free trade agreement (FTA), which have been stalled since 2017. President Ferdinand R. Marcos, Jr. and European Commission (EC) President Ursula von der Leyen made the announcement after a meeting in Malacañang on Monday.

“I welcome the conduct this year of scoping exercises between the European Commission and the Philippines towards negotiations for a Philippines-EU free trade agreement,” Mr. Marcos said in a speech. “The Philippine government experts will work with the European Commission in achieving a bilateral FTA.”

Ms. Von der Leyen said a team will start working to “set the right conditions so that we can get back to the negotiations.”

The EU and the Philippines will now start a bilateral “scoping process” where they will assess to which extent they share a mutual understanding on the future trade deal.

Once the scoping process is concluded and after consultations with EU member-states, the EU and the Philippines would then be able to resume negotiations.

Trade Secretary Alfredo E. Pascual said the scoping process will start in September.

“The target is to complete it before the end of the year so that the formal negotiation of the FTA should follow suit. Hopefully by the start of the new calendar year, 2024,” he told reporters on the sidelines of a forum in Makati City on Monday.

The EU and the Philippines began exploratory talks for an FTA as early as 2013. Official negotiations for the target trade deal were launched in December 2015, with the first round taking place in May 2016.

Since 2017, talks have been stalled over issues related to intellectual property rights and data exclusivity, among others.

Ms. Von der Leyen said a Philippines-EU free trade deal has “huge potential” for the countries in terms of economic growth and job creation, adding that it could also be a “springboard for a new technology cooperation to modernize the broader economy.”

“The EU is already your fourth-largest trading partner, and we are the first foreign investor. But we can do so much more,” she said. “So I’m very glad that we have decided to relaunch negotiations for a free trade agreement.”

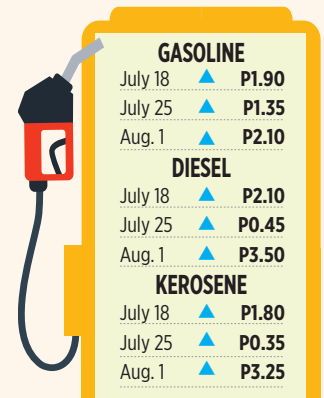
Bilateral trade between the Philippines and the EU reached €18.38 billion in 2022.

Citing economic dependencies, Ms. Von der Leyen said there’s a need for them “to diversify our supply lines and make them resilient.”

Trade, S1/9

FUEL PRICE TRACKER

(week-on-week change)



• Aug. 1, 12:01 a.m. — Caltex Philippines
• Aug. 1, 6 a.m. — Petron Corp.; Phoenix Petroleum; Pilipinas Shell Petroleum Corp.; PTT Philippines Corp.; Seaoil Philippines, Inc.
• Aug. 1, 8:07 a.m. — Cleanfuel (Shaw Autogas, Inc.)