

STOCK MARKET	ASIAN MARKETS	WORLD MARKETS	PESO-DOLLAR RATES	ASIAN MONIES-US\$ RATE	WORLD CURRENCIES	DUBAI CRUDE OIL																																																																																																			
PSEi OPEN: 6,627.56 HIGH: 6,641.92 LOW: 6,593.80 CLOSE: 6,593.80 VOL.: 0.804 B VAL(P): 3.963 B 2.33 pts. 0.03% 30 DAYS TO AUGUST 1, 2023	AUGUST 1, 2023 <table border="1"> <tr><th></th><th>CLOSE</th><th>NET</th><th>%</th></tr> <tr><td>JAPAN (NIKKEI 225)</td><td>33,476.58</td><td>▲304.36</td><td>0.92</td></tr> <tr><td>HONG KONG (HANG SENG)</td><td>20,011.12</td><td>▼67.82</td><td>-0.34</td></tr> <tr><td>TAIWAN (WEIGHTED)</td><td>17,212.87</td><td>▲67.44</td><td>0.39</td></tr> <tr><td>THAILAND (SET INDEX)*</td><td>1,556.06</td><td>▲12.79</td><td>0.83</td></tr> <tr><td>S.KOREA (KSE COMPOSITE)</td><td>2,667.07</td><td>▲34.49</td><td>1.31</td></tr> <tr><td>SINGAPORE (STRAITS TIMES)</td><td>3,373.79</td><td>▼0.19</td><td>-0.01</td></tr> <tr><td>SYDNEY (ALL ORDINARIES)</td><td>7,450.70</td><td>▲40.30</td><td>0.54</td></tr> <tr><td>MALAYSIA (KLSE COMPOSITE)</td><td>1,451.24</td><td>▼8.19</td><td>-0.56</td></tr> </table>		CLOSE	NET	%	JAPAN (NIKKEI 225)	33,476.58	▲304.36	0.92	HONG KONG (HANG SENG)	20,011.12	▼67.82	-0.34	TAIWAN (WEIGHTED)	17,212.87	▲67.44	0.39	THAILAND (SET INDEX)*	1,556.06	▲12.79	0.83	S.KOREA (KSE COMPOSITE)	2,667.07	▲34.49	1.31	SINGAPORE (STRAITS TIMES)	3,373.79	▼0.19	-0.01	SYDNEY (ALL ORDINARIES)	7,450.70	▲40.30	0.54	MALAYSIA (KLSE COMPOSITE)	1,451.24	▼8.19	-0.56	JULY 31, 2023 <table border="1"> <tr><th></th><th>CLOSE</th><th>NET</th></tr> <tr><td>Dow Jones</td><td>35,559.530</td><td>▲100.240</td></tr> <tr><td>NASDAQ</td><td>14,346.024</td><td>▲29.366</td></tr> <tr><td>S&P 500</td><td>4,588.960</td><td>▲6.730</td></tr> <tr><td>FTSE 100</td><td>7,699.410</td><td>▲5.140</td></tr> <tr><td>Euro Stoxx50</td><td>4,053.530</td><td>▲15.410</td></tr> </table>		CLOSE	NET	Dow Jones	35,559.530	▲100.240	NASDAQ	14,346.024	▲29.366	S&P 500	4,588.960	▲6.730	FTSE 100	7,699.410	▲5.140	Euro Stoxx50	4,053.530	▲15.410	FX OPEN P54.850 HIGH P54.680 LOW P54.850 CLOSE P54.770 W.AVE. P54.754 VOL. \$972.50 M SOURCE: BAP	AUGUST 1, 2023 <table border="1"> <tr><th></th><th>LATEST BID (0900GMT)</th><th>PREVIOUS</th></tr> <tr><td>JAPAN (YEN)</td><td>142.640</td><td>▲142.360</td></tr> <tr><td>HONG KONG (HK DOLLAR)</td><td>7.793</td><td>▲7.803</td></tr> <tr><td>TAIWAN (NT DOLLAR)</td><td>31.546</td><td>▲31.459</td></tr> <tr><td>THAILAND (BAHT)</td><td>34.250</td><td>▲34.200</td></tr> <tr><td>S. KOREA (WON)</td><td>1,286.850</td><td>▲1,275.180</td></tr> <tr><td>SINGAPORE (DOLLAR)</td><td>1.333</td><td>▲1.330</td></tr> <tr><td>INDONESIA (RUPIAH)</td><td>15,110</td><td>▲15,075</td></tr> <tr><td>MALAYSIA (RINGGIT)</td><td>4.517</td><td>▲4.500</td></tr> </table>		LATEST BID (0900GMT)	PREVIOUS	JAPAN (YEN)	142.640	▲142.360	HONG KONG (HK DOLLAR)	7.793	▲7.803	TAIWAN (NT DOLLAR)	31.546	▲31.459	THAILAND (BAHT)	34.250	▲34.200	S. KOREA (WON)	1,286.850	▲1,275.180	SINGAPORE (DOLLAR)	1.333	▲1.330	INDONESIA (RUPIAH)	15,110	▲15,075	MALAYSIA (RINGGIT)	4.517	▲4.500	AUGUST 1, 2023 <table border="1"> <tr><th></th><th>CLOSE</th><th>PREVIOUS</th></tr> <tr><td>US\$/UK POUND</td><td>1.2818</td><td>▲1.2856</td></tr> <tr><td>US\$/EURO</td><td>1.0971</td><td>▲1.1027</td></tr> <tr><td>US\$/AUSTRALIAN DOLLAR</td><td>0.6634</td><td>▲0.6696</td></tr> <tr><td>CANADA DOLLAR/US\$</td><td>1.3253</td><td>▲1.3231</td></tr> <tr><td>SWISS FRANC/US\$</td><td>0.8749</td><td>▲0.8696</td></tr> </table>		CLOSE	PREVIOUS	US\$/UK POUND	1.2818	▲1.2856	US\$/EURO	1.0971	▲1.1027	US\$/AUSTRALIAN DOLLAR	0.6634	▲0.6696	CANADA DOLLAR/US\$	1.3253	▲1.3231	SWISS FRANC/US\$	0.8749	▲0.8696	FUTURES PRICE ON NEAREST MONTH OF DELIVERY \$85.64/BBL \$0.94 30 DAYS TO JULY 31, 2023
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PHILIPPINE STOCK EXCHANGE'S 10 MOST ACTIVE STOCKS BY VALUE TURNOVER • AUGUST 1, 2023 (PSEi snapshot on S1/2; article on S2/2)

ALI	P28.100	BDO	P146.000	ICT	P210.200	BPI	P114.500	SMPH	P33.250	SM	P915.000	AC	P613.000	PGOLD	P28.000	URC	P126.000	JFC	P261.000
Value	P505,000,145	Value	P380,984,892	Value	P296,465,348	Value	P277,677,956	Value	P214,032,510	Value	P206,196,475	Value	P171,752,200	Value	P148,790,560	Value	P114,207,560	Value	P106,655,546
PO.700	▲ 2.555%	PO.900	▲ 0.620%	-P6.800	▼ -3.134%	PO.000	— 0.000%	-P0.150	▼ -0.449%	P3.000	▲ 0.329%	-P2.000	▼ -0.325%	-P1.000	▼ -3.448%	P3.400	▲ 2.773%	P6.000	▲ 2.353%

PHL factory activity perks up in July

Outstanding debt hits P14.15-T as of end-June

By Luisa Maria Jacinta C. Jocson Reporter

THE NATIONAL Government's (NG) outstanding debt reached a fresh high of P14.15 trillion as of end-June, the Bureau of the Treasury (BTr) said.

Data from the BTr showed that outstanding debt inched up by 0.4% from P14.01 trillion as of end-May, mainly due to the net issuance of domestic securities.

Year on year, the debt stock went up by 10.6% from P12.79 trillion. It was also 5.4% higher than the P13.42-trillion debt as of end-December.

The bulk or 68.6% of the NG's debt portfolio came from domestic sources, while the rest came from foreign sources.

Domestic debt increased by 10.7% to P9.7 trillion as of end-June, from P8.77 trillion a year ago. Month on month, domestic debt inched higher by 1.2% from P9.59 trillion.

"For the month, domestic debt growth amounted to P114.32 billion due to the net issuance of government bonds driven by the NG's financing requirements," the BTr said.

As of end-June, government securities made up almost the entire domestic debt mix.

Meanwhile, foreign debt jumped by 10.4% to P4.45 trillion from P4.02 trillion a year earlier. However, it slipped by 1.4% from the P4.51 trillion at end-May.

Broken down, external debt consisted of P2.44 trillion in global bonds and P2 trillion in loans.

"The reduction in foreign debt was driven by the impact of currency adjustments affecting both US dollar and third-currency equivalents leading to a decrease in the peso value of the debt, amounting to P69.98 billion and P8.28 billion, respectively. These more than offset the availment of foreign loans amounting to P15.25 billion," the BTr added.

Data from the Treasury showed that the peso strengthened by 1.6% against the dollar to P55.368 as of end-June from P56.241 as of end-May.

As of end of June, the NG's overall guaranteed obligations declined by 2.6% to P369.7 billion from P379.7 billion at end-May.

Year on year, guaranteed debt fell by 10.7% from P413.9 billion.

"In the first six months of the year, the government had to incur debt in a high interest rate environment to finance government projects and programs and augment budget deficits," China Banking Corp. Chief Economist Domini S. Velasquez said in a Viber message.

Rizal Commercial Banking Corp. Chief Economist Michael L. Ricafort said that the rise in borrowings was also due to the need to finance the "still relatively wider budget deficits in recent months."

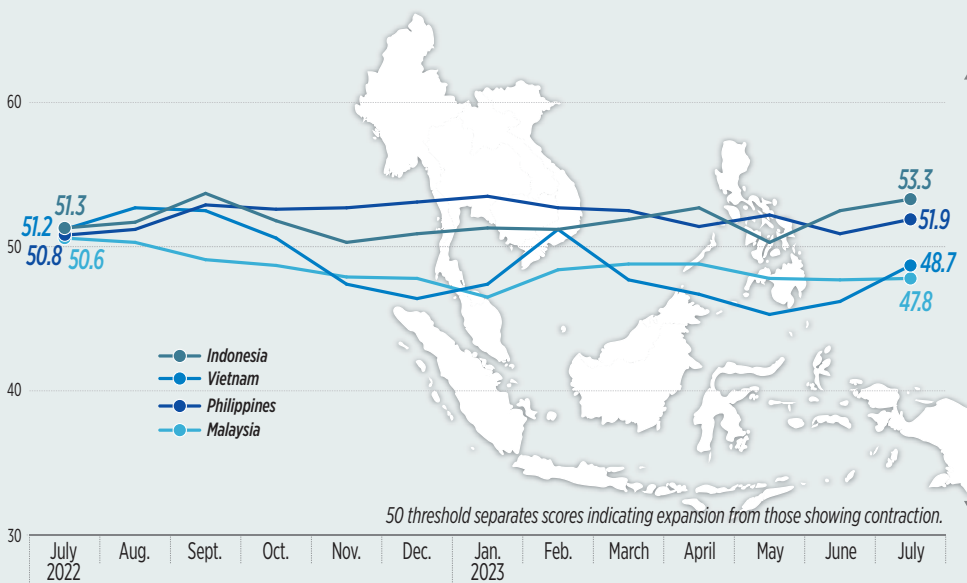
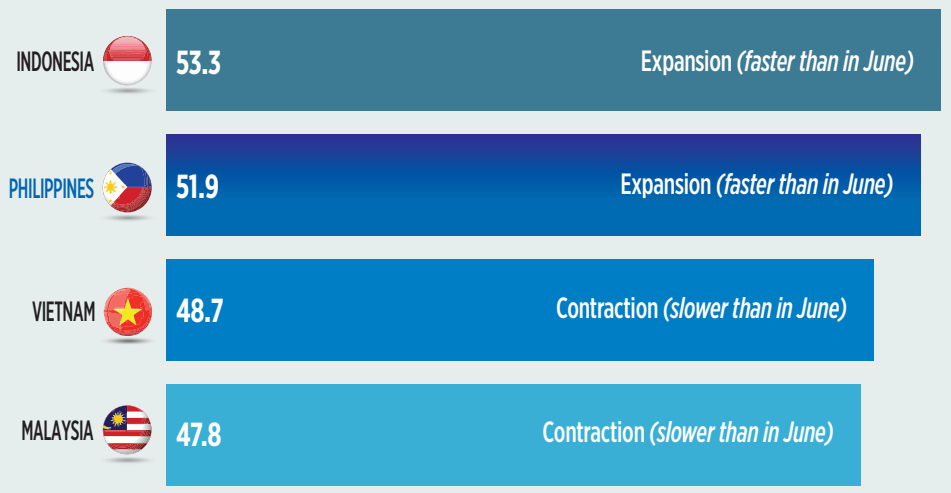
The NG's budget deficit in the January-to-June period narrowed by 18.17% to P551.7 billion from P674.2 billion a year ago.

Elevated inflation also drove up borrowing costs, Mr. Ricafort said.

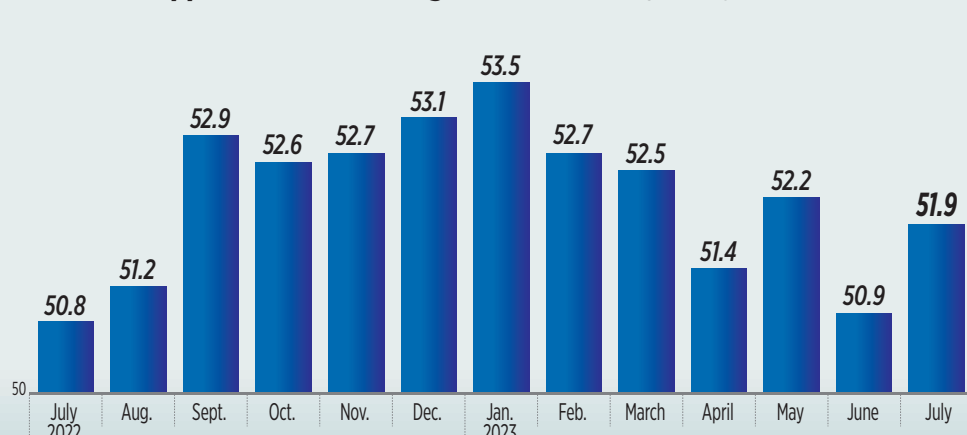
Inflation averaged 7.2% in the first half of the year, still above the central bank's 5.4% forecast.

Debt, S1/3

MANUFACTURING PURCHASING MANAGERS' INDEX (PMI) OF SELECT ASEAN ECONOMIES, JULY 2023



Philippines' Manufacturing PMI 50 = no change from previous month



SOURCE: S&P GLOBAL'S ASEAN MANUFACTURING PMI (DATA AS OF AUG. 1, 2023)
BUSINESSWORLD RESEARCH: BERNADETTE THERESE M. GADON BUSINESSWORLD GRAPHICS: BONG R. FORTIN



Factory, S1/3

Gov't urges traders to increase rice imports

By Kyle Aristophere T. Atienza Reporter

THE PHILIPPINE government plans to boost its rice inventory following the onslaught of two typhoons and in preparation for the impact of the El Niño weather pattern on domestic production.

The Department of Agriculture (DA) called on the private sector to import over a million metric tons (MT) of rice amid worries over supply.

A farmers' group, however, said the target may not be met due to the absence of incentives for local traders, who have to deal with rising international prices and compete with foreign importers who can bid at a higher rate.

Agriculture Undersecretary Mercedes A. Sombilla said the government is now preparing the schedule for the importation of 1.3 million MT of rice.

"We have already something like 1.3 million MT volume of applications that are already pending there. So, what we are going to be doing is to really encourage the private sector to get this," she said at a Palace briefing after a Cabinet meeting with President Ferdinand R. Marcos, Jr.

Mr. Marcos, who heads the Agriculture department, will hold

discussions with the private sector on the issue of rice supply, Ms. Sombilla said.

"I think we really need the help of the private sector in situations like these," she said.

Ms. Sombilla said the rice imports will be scheduled properly to protect local farmers.

The Philippines has been battered by Super Typhoon Egay (international name: Doksuri) and a southwest monsoon that dumped heavy rainfall for almost a week now. This was followed by Typhoon Falcon (international name: Khanun) which brought strong rains to parts of Luzon, including Metro Manila.

The damage to agriculture caused by Egay and the monsoon reached P1.94 billion, with the rice sector accounting for P950 million of the total, Agriculture Assistant Secretary Arnel V. De Mesa told the same briefing.

In a video statement after the Cabinet meeting, Mr. Marcos said the DA had assured him there is enough supply of rice and corn seeds that will be distributed to farmers affected by the typhoon.

The DA is set to distribute 111,873 bags of rice seeds, 14,426 bags of corn seeds, and 2,582 kilograms of assorted vegetable seeds to regions affected by Egay.

Rice, S1/9

Philippines-EU free trade deal seen in 5 years

THE DEPARTMENT of Trade and Industry (DTI) aims to finish the formal negotiations for the free trade agreement (FTA) between the Philippines and the European Union (EU) within five years.

"We will really exert all efforts possible to get it (FTA negotiations) done before the end of the Marcos administration. We have five years. It can be done," Trade Secretary Alfredo E. Pascual said during a media briefing in Makati City on Tuesday.

"We already had the negotiations before. There is momentum. Both sides want it," he added.

On Monday, President Ferdinand R. Marcos, Jr. and European Commission President Ursula von der Leyen announced both sides are exploring the resumption of negotiations for an FTA.

The EU and the Philippines first launched negotiations for an FTA in 2015, but these have been stalled since 2017. Negotiations were put on hold due to issues on intellectual prop-

erty rights and data exclusivity, among others.

Mr. Pascual said the EU and the Philippines are expected to begin the bilateral "scoping process" for the FTA in early September.

"In the coming months, government technical experts from the Philippines and the EU will engage in comprehensive discussions covering various topics, including market access for goods and services, investment liberalization, trade and sustainable develop-

ment, government procurement, dispute settlement, etc.," he added.

Trade Undersecretary Cefterino S. Rodolfo said he expects three major scoping discussions to be done before formal negotiations begin by 2024.

"Hopefully by the end of the year, the chief negotiators will already have their overall assessment of the scoping paper, if both sides are already happy, and then from there, proceed with the actual FTA negotiations," Mr. Rodolfo said.

Trade, S1/9

By Luisa Maria Jacinta C. Jocson Reporter

MANUFACTURING ACTIVITY in the Philippines improved in July due to the growth in output and new orders, S&P Global said.

The S&P Global Philippines Manufacturing Purchasing Managers' Index (PMI) rose to 51.9 in July from the 11-month low of 50.9 in June.

"The latest PMI reading for the Filipino manufacturing sector signaled a stronger improvement in operating conditions at the start of the third quarter," Maryam Baluch, economist at S&P Global Market Intelligence, said in a statement.

July also marked the 18th straight month that the PMI reading was above 50.

A PMI reading above the 50 mark which denotes improvement in operating conditions, while a reading below 50 signals deterioration.

The headline PMI measures manufacturing conditions through the weighted average of five indices: new orders (30%), output (25%), employment (20%), suppliers' delivery times (15%), and stocks of purchases (10%).

Based on the latest available data, the Philippines had the second-highest PMI reading out of four Southeast Asian countries, just behind Indonesia (53.3). Vietnam (48.7) and Malaysia (47.8) both reported a contraction in factory activity.

"Continued improvement in the underlying demand picture helped drive the latest upturn, with both production and new orders recording stronger rates of expansion. New export orders also increased during July," Ms. Baluch said.

Output growth accelerated in July after hitting a 10-month low in the previous month, S&P Global said. "Moreover, the respective seasonally adjusted index signaled a modest expansion in production volumes overall."

New orders also registered a quicker expansion during the month.

"Anecdotal evidence noted that a growing customer base and improved underlying demand trends propelled the latest upturn. At the same time, foreign demand for Filipino goods grew for the seventh successive month. The rate of growth in new export orders accelerated to a three-month high," S&P Global added.

The survey also showed that the pace of purchasing activity was the fastest since January.

"Greater production requirements and a faster rise in new orders fed into a sharper expansion in purchasing activity during July," it said.

S&P Global said export sales went up at a quicker clip, fueled by an increase in foreign clients. "As a result, companies further raised their buying activity in line with greater production requirements," it added.