

STOCK MARKET	ASIAN MARKETS	WORLD MARKETS	PESO-DOLLAR RATES	ASIAN MONIES-US\$ RATE	WORLD CURRENCIES	DUBAI CRUDE OIL																																																																					
PSEi OPEN: 6,498.59 HIGH: 6,522.59 LOW: 6,485.03 CLOSE: 6,507.78 VOL.: 0.578 B VAL(P): 3.258 B 56.94 PTS. 0.88% 30 DAYS TO AUGUST 7, 2023	AUGUST 7, 2023 <table border="1"> <tr><th>CLOSE</th><th>NET</th><th>%</th></tr> <tr><td>JAPAN (NIKKEI 225)</td><td>32,254.56</td><td>▲ 61.81 0.19</td></tr> <tr><td>HONG KONG (HANG SENG)</td><td>19,537.92</td><td>▼ -1.54 -0.01</td></tr> <tr><td>TAIWAN (WEIGHTED)</td><td>16,996.00</td><td>▲ 152.32 0.90</td></tr> <tr><td>THAILAND (SET INDEX)</td><td>1,532.51</td><td>▲ 2.05 0.13</td></tr> <tr><td>S.KOREA (KSE COMPOSITE)</td><td>2,580.71</td><td>▲ -22.09 -0.85</td></tr> <tr><td>SINGAPORE (STRAITS TIMES)</td><td>3,309.87</td><td>▲ 17.48 0.53</td></tr> <tr><td>SYDNEY (ALL ORDINARIES)</td><td>7,309.20</td><td>▼ -16.10 -0.22</td></tr> <tr><td>MALAYSIA (KLSX COMPOSITE)</td><td>1,445.81</td><td>▲ 0.60 0.04</td></tr> </table>	CLOSE	NET	%	JAPAN (NIKKEI 225)	32,254.56	▲ 61.81 0.19	HONG KONG (HANG SENG)	19,537.92	▼ -1.54 -0.01	TAIWAN (WEIGHTED)	16,996.00	▲ 152.32 0.90	THAILAND (SET INDEX)	1,532.51	▲ 2.05 0.13	S.KOREA (KSE COMPOSITE)	2,580.71	▲ -22.09 -0.85	SINGAPORE (STRAITS TIMES)	3,309.87	▲ 17.48 0.53	SYDNEY (ALL ORDINARIES)	7,309.20	▼ -16.10 -0.22	MALAYSIA (KLSX COMPOSITE)	1,445.81	▲ 0.60 0.04	AUGUST 4, 2023 <table border="1"> <tr><th>CLOSE</th><th>NET</th></tr> <tr><td>Dow Jones</td><td>35,065.620 ▼ -150.270</td></tr> <tr><td>NASDAQ</td><td>13,909.238 ▼ -50.477</td></tr> <tr><td>S&P 500</td><td>4,478.030 ▼ -23.860</td></tr> <tr><td>FTSE 100</td><td>7,564.370 ▲ 35.210</td></tr> <tr><td>Euro Stoxx50</td><td>3,938.550 ▲ 6.120</td></tr> </table>	CLOSE	NET	Dow Jones	35,065.620 ▼ -150.270	NASDAQ	13,909.238 ▼ -50.477	S&P 500	4,478.030 ▼ -23.860	FTSE 100	7,564.370 ▲ 35.210	Euro Stoxx50	3,938.550 ▲ 6.120	FX OPEN P55.650 HIGH P55.600 LOW P56.060 CLOSE P56.020 W.AVE. P55.743 VOL. \$973.75 M SOURCE : BAP 28.00 CTVS 30 DAYS TO AUGUST 7, 2023	AUGUST 7, 2023 <table border="1"> <tr><th>LATEST BID (0900GMT)</th><th>PREVIOUS</th></tr> <tr><td>JAPAN (YEN)</td><td>142.290 ▼ 141.750</td></tr> <tr><td>HONG KONG (HK DOLLAR)</td><td>7.806 ▼ 7.811</td></tr> <tr><td>TAIWAN (NT DOLLAR)</td><td>31.697 ▼ 31.652</td></tr> <tr><td>THAILAND (BAHT)</td><td>34.820 ▼ 34.670</td></tr> <tr><td>S. KOREA (WON)</td><td>1,304.750 ▼ 1,304.080</td></tr> <tr><td>SINGAPORE (DOLLAR)</td><td>1.341 ▼ 1.339</td></tr> <tr><td>INDONESIA (RUPIAH)</td><td>15,180 ▼ 15,165</td></tr> <tr><td>MALAYSIA (RINGGIT)</td><td>4.558 ▼ 4.553</td></tr> </table>	LATEST BID (0900GMT)	PREVIOUS	JAPAN (YEN)	142.290 ▼ 141.750	HONG KONG (HK DOLLAR)	7.806 ▼ 7.811	TAIWAN (NT DOLLAR)	31.697 ▼ 31.652	THAILAND (BAHT)	34.820 ▼ 34.670	S. KOREA (WON)	1,304.750 ▼ 1,304.080	SINGAPORE (DOLLAR)	1.341 ▼ 1.339	INDONESIA (RUPIAH)	15,180 ▼ 15,165	MALAYSIA (RINGGIT)	4.558 ▼ 4.553	AUGUST 7, 2023 <table border="1"> <tr><th>CLOSE</th><th>PREVIOUS</th></tr> <tr><td>US\$/UK POUND</td><td>1.2720 ▼ 1.2748</td></tr> <tr><td>US\$/EURO</td><td>1.0968 ▼ 1.1010</td></tr> <tr><td>US\$/AUSTRALIAN DOLLAR</td><td>0.6566 ▼ 0.6569</td></tr> <tr><td>CANADA DOLLAR/US\$</td><td>1.3383 ▼ 1.3373</td></tr> <tr><td>SWISS FRANC/US\$</td><td>0.8763 ▼ 0.8727</td></tr> </table>	CLOSE	PREVIOUS	US\$/UK POUND	1.2720 ▼ 1.2748	US\$/EURO	1.0968 ▼ 1.1010	US\$/AUSTRALIAN DOLLAR	0.6566 ▼ 0.6569	CANADA DOLLAR/US\$	1.3383 ▼ 1.3373	SWISS FRANC/US\$	0.8763 ▼ 0.8727	FUTURES PRICE ON NEAREST MONTH OF DELIVERY \$87.11/BBL ▲ \$3.13 30 DAYS TO AUGUST 4, 2023
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PHILIPPINE STOCK EXCHANGE'S 10 MOST ACTIVE STOCKS BY VALUE TURNOVER • AUGUST 7, 2023 (PSEi snapshot on S1/2; article on S2/2)

Symbol	Value	Change	Symbol	Value	Change	Symbol	Value	Change	Symbol	Value	Change	Symbol	Value	Change	Symbol	Value	Change												
BDO	P141,000	▲ 0.000%	SMPH	P33,250	▼ -2.206%	SM	P901,500	▼ -0.771%	ICT	P208,000	▲ 2.970%	ALI	P28,700	▲ 1.056%	URC	P124,400	▲ 2.980%	AC	P624,000	▲ 2.801%	BPI	P116,400	▼ -0.513%	AEV	P50,600	▲ 1.709%	ACEN	P5,420	▼ -1.455%

DBM to review agencies' budget use

THE DEPARTMENT of Budget and Management (DBM) is planning to review the budget execution of government agencies amid the low utilization of funds. Budget Secretary Amenah F. Pangandaman said that as part of the review, the department is now planning to release all Special Allotment

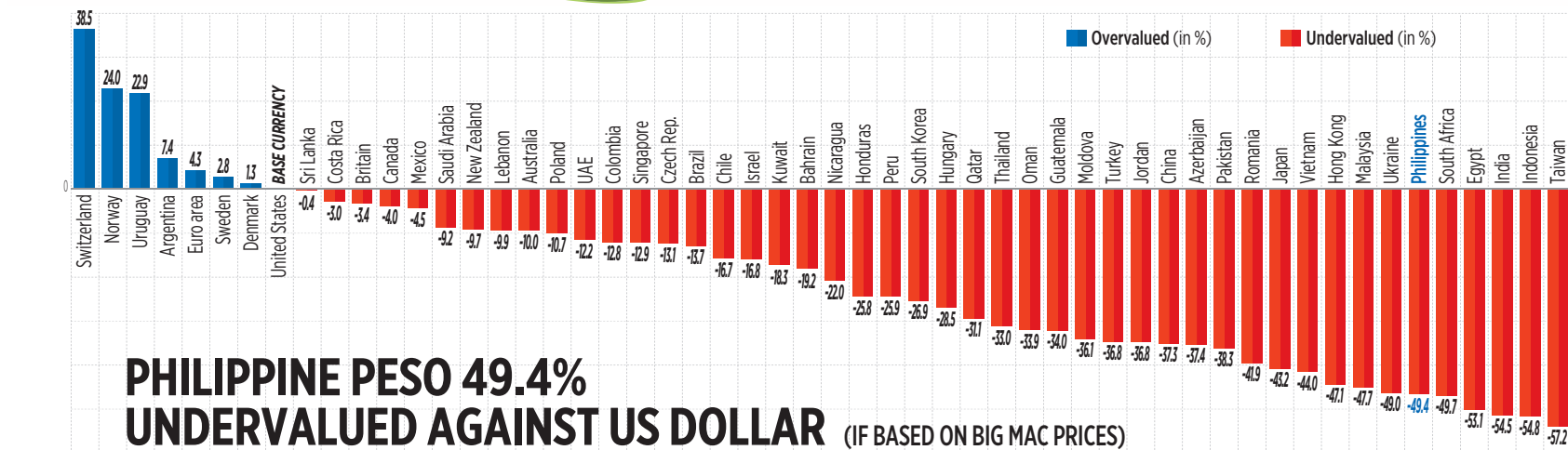
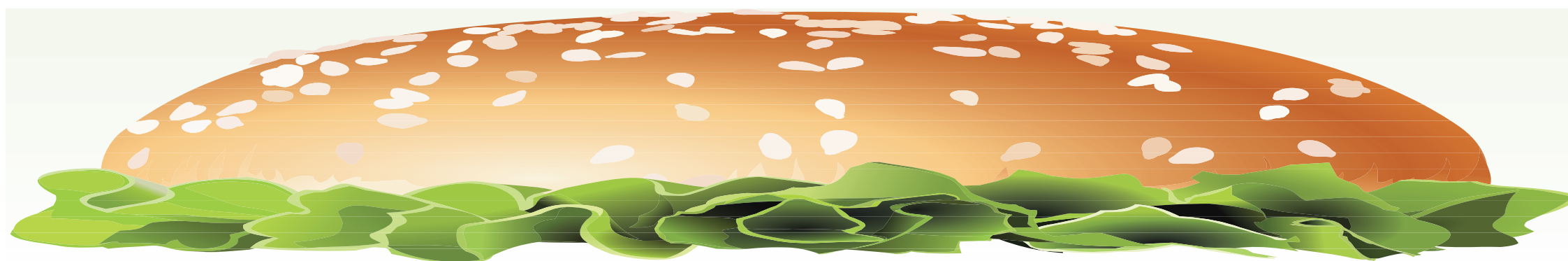
Release Orders (SARO) by the first quarter. "For next year, we are going to have a review on the budget execution (of agencies)," she said at a briefing in Manila on Monday. The review will likely be finished by the end of the year, DBM Chief of Staff Leo Angelo M. Larcia said.

"We will be forming a technical working group to review the budget execution process so basically we want to expedite the releases of funds, but at the same time we want the releases to be aligned with our Philippine Development Plan so we will have until the end of the year to review the process," he said.

Ms. Pangandaman said the DBM wants to release agencies' budgets earlier to allow them to implement projects faster. "There are some budget items that still have SARO, especially those that are introduced by Congress. It is our plan that by next year, we will release SAROs by the first quarter. For Notices of Cash

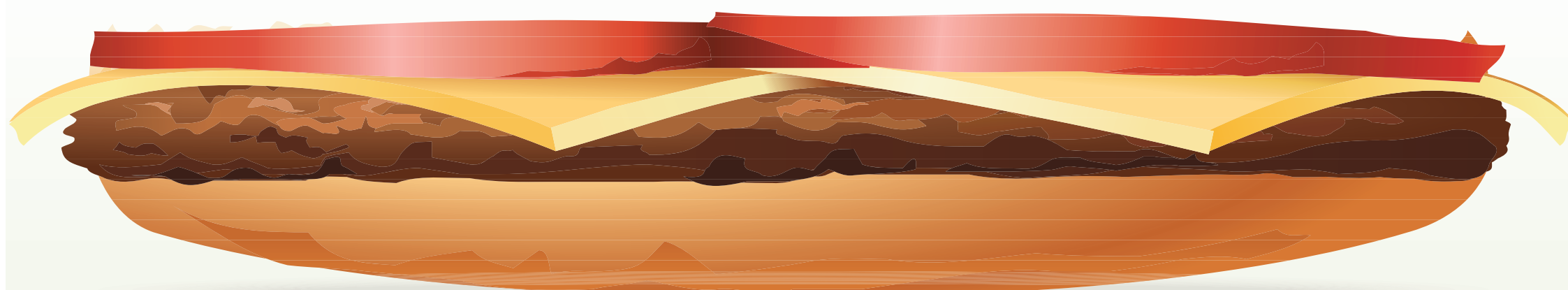
Allocation (NCA), that's where it will be strict. Agencies only need cash once they implement their projects," she said. While the study is ongoing, Ms. Pangandaman said the DBM wants "everything listed under the General Appropriations Act to be released so agencies can bid and start preparations, then

all that's left to be released is the cash." A SARO is a specific authority issued to agencies to incur obligations not exceeding a given amount during a specified period for the purpose indicated. Meanwhile, an NCA is a cash authority issued to cover the cash requirements of agencies. *Budget, S1/9*



Philippine Big Mac Index (Jan. 2017-July 2023)	Big Mac Exchange Rate (P:\$)	Actual Exchange Rate (P:\$)	Undervalued/Overvalued, in %
Jan. 2017	29.56	49.62	-40.4
July 2017	29.78	50.58	-41.1
Jan. 2018	29.07	50.73	-42.7
July 2018	30.30	53.49	-43.3
Jan. 2019	29.72	52.39	-43.3
July 2019	30.15	51.32	-41.3
Jan. 2020	29.46	50.58	-41.8
July 2020	29.46	49.43	-40.4
Jan. 2021	29.04	48.09	-39.6
July 2021	28.80	50.35	-42.8
Jan. 2022	28.17	50.98	-44.7
July 2022	30.10	56.27	-46.5
Jan. 2023	28.92	54.44	-46.9
July 2023	27.78	54.92	-49.4

SOURCE: THE ECONOMIST'S THE BIG MAC INDEX (AS OF JULY 2023) BUSINESSWORLD RESEARCH; LOURDES O. PILAR BUSINESSWORLD GRAPHICS; BONG R. FORTIN



BSP likely to extend pause until March 2024

THE BANGKO SENTRAL ng Pilipinas (BSP) will likely keep its benchmark interest rate steady until the first quarter of 2024, despite easing inflation, Nomura Global Markets said. Nomura Global Markets Research Chief ASEAN Economist Euben Paracuelles said the BSP's hiking cycle is over and is now on a "prolonged pause." "We continue to forecast an unchanged BSP policy rate at 6.25% until March 2024, which is when we expect its cutting cycle to begin in tandem with our view of the Fed," he said in an Aug. 4 note. The Monetary Board in June extended its pause for a second

meeting, keeping the key interest rate at a near 16-year high of 6.25%. It has raised borrowing costs by a total of 425 basis points (bps) from May 2022 to March 2023. Mr. Paracuelles said the lower-than-expected inflation in July will likely keep the BSP on hold "despite some relatively hawkish rhetoric by officials that the BSP is prepared to resume hiking as needed." Headline inflation slowed for a sixth straight month in July to a 16-month low of 4.7% from 5.4% in June. It was the first-time inflation fell below 5% since the 4.9% print in April 2022. From

January to July, inflation averaged 6.8%, still higher than the 5.4% forecast by the central bank. Easing price pressures may prompt the BSP to extend its rate hike pause at its Aug. 17 meeting, First Metro Investment Corp. (FMIC) and the University of Asia and the Pacific (UA&P) said. "With inflationary pressures tapering, the BSP will likely keep policy rates unchanged in its August meeting. The peso has shown sufficient resiliency and does not necessitate an adjustment in policy rates," FMIC and UA&P said in the latest The Market Call. *BSP, S1/5*

FUEL PRICE TRACKER (week-on-week change)

Fuel Type	July 25	Aug. 1	Aug. 8
GASOLINE	▲ P1.35	▲ P2.10	▲ P0.50
DIESEL	▲ P0.45	▲ P3.50	▲ P4.00
KEROSENE	▲ P0.35	▲ P3.25	▲ P2.75

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

R&I lifts Philippine outlook to 'positive'

JAPAN-BASED Rating and Investment Information, Inc. (R&I) affirmed the Philippines' investment grade rating and upgraded its outlook to "positive" from "stable," citing the economy's strong performance. R&I maintained the Philippines' long-term foreign currency issuer default rating at "BBB+," just a notch below the "A-" rating. According to the R&I website, a positive or negative outlook is "not a statement indicating a future change of rating." "R&I will upgrade the rating once the factors such as the economic growth path sought under the Philippine Development Plan 2023-2028, the stable macroeconomic condition and the improving trend of fiscal position are confirmed," the credit rater said in a statement on Monday. R&I last affirmed the Philippines' sovereign rating in April 2022. "R&I's improved outlook on the Philippines brings us closer to our goal of an 'A' rating within

the President's term," Finance Secretary Benjamin E. Diokno said in a statement. "We are firmly on track to our 'Road to A' and remain committed to further improving the country's investment climate through structural reforms to enhance the quality and pace of infrastructure development," he added. According to R&I, the Philippine economy has been performing well despite global uncertainties. The economy grew by 7.6% in 2022, and by 6.4% in the first quarter of 2023. "The strong performance has continued through to 2023. Inflation, which had accelerated due to rising energy and food prices, is decelerating after reaching its peak in early 2023. Private consumption, a major driver of the economy, will likely remain strong, despite strong expectations of slower exports due to weakening global demand," R&I said. For this year, the government is targeting 6-7% gross domestic product (GDP) expansion. *Outlook, S1/9*

AI, talent shortage pose dual threat to PHL call centers

THE PHILIPPINES is racing to defend its share of the nearly \$300-billion global business process outsourcing (BPO) market as it battles deteriorating talent, highlighting the perils of competition especially from a rapidly evolving artificial intelligence (AI). The Southeast Asian nation, the world's second-largest provider of outsourcing services, is producing a "low ratio" of graduates with the required level of commu-

nication and technical skills, potentially losing an opportunity to add 800,000 jobs in the next five years, according to industry group IT & Business Process Association of the Philippines. "The most common challenge I hear is comprehension," Jack Madrid, who heads the country's main BPO trade group, said in an interview in his office in Manila on Aug. 2. "I think they fail at a more basic level."

The Philippines is losing its edge in an industry that accounts for around 8% of the nation's gross domestic product and a major source of foreign exchange inflows at a time of intensifying competition from other countries where new entrants are bidding for a share of the pie. AI-powered bots have been taking away an increasing number of outsourcing jobs since the COVID-19 pandemic. *Call centers, S1/5*