P25 IN METRO MANILA, PHILIPPINES

BusinessWorld

STOCK MARKET

PSEi

OPEN:	6,517.13
HIGH:	6,541.64
LOW:	6,465.98
CLOSE:	6,472.97
VOL.:	0.623 B
VAL(P):	4.579 B

ASIAN MARKETS

AUGUST 8, 2023

	CLOSE		NET	%
Japan (Nikkei 225)	32,377.29	▲	122.73	0.38
Hong Kong (Hang Seng)	19,184.17	▼	-353.75	-1.81
Taiwan (Weighted)	16,877.07	▼	-118.93	-0.70
Thailand (SET Index)	1,518.44	▼	-14.07	-0.92
S.Korea (Kse Composite)	2,573.98	▼	-6.73	-0.26
Singapore (Straits Times)	3,313.79	▲	3.92	0.12
Sydney (All Ordinaries)	7,311.10	▲	1.90	0.03
Malaysia (Klse Composite)	1,451.00	▲	5.19	0.36

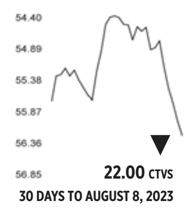
WORLD MARKETS

AUGUST 7, 2023

	CLOSE		NET
Dow Jones	35,473.130	▲	407.510
NASDAQ	13,994.398	▲	85.160
S&P 500	4,518.440	▲	40.410
FTSE 100	7,554.490	▼	-9.880
Euro Stoxx50	3,949.050	▲	10.500

PESO-DOLLAR RATES

FX



OPEN	P56.180
HIGH	P56.140
LOW	P56.380
CLOSE	P56.240
W.AVE.	P56.258
VOL.	$1,148.95 M

SOURCE : BAP

ASIAN MONIES-US$ RATE

AUGUST 8, 2023

	LATEST BID (0900GMT)		PREVIOUS
Japan (yen)	143.110	▼	142.290
Hong Kong (HK dollar)	7.810	▼	7.806
Taiwan (NT dollar)	31.798	▼	31.697
Thailand (baht)	34.960	▼	34.820
S. Korea (won)	1,317.830	▼	1,304.750
Singapore (dollar)	1.346	▼	1.341
Indonesia (rupiah)	15,215	▼	15,180
Malaysia (ringgit)	4.580	▼	4.558

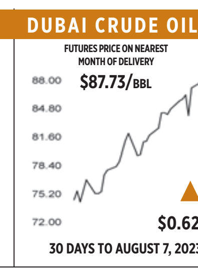
WORLD CURRENCIES

AUGUST 8, 2023

	CLOSE		PREVIOUS
US$/UK pound	1.2732	▲	1.2720
US$/Euro	1.0969	▲	1.0968
US$/Aust dollar	0.6514	▼	0.6566
Canada dollar/US$	1.3438	▲	1.3383
Swiss Franc/US$	0.8752	▼	0.8763

DUBAI CRUDE OIL

FUTURES PRICE ON NEAREST MONTH OF DELIVERY



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S1/1-10 • 2 SECTIONS, 16 PAGES

PHILIPPINE STOCK EXCHANGE'S 10 MOST ACTIVE STOCKS BY VALUE TURNOVER • AUGUST 8, 2023 (PSEi snapshot on *S1/2*; article on *S2/2*)

		Value			
ALI	P29.400	P666,928,400	P0.700	▲	2.439%
MPI	P4.970	P400,974,570	P0.070	▲	1.429%
ICT	P208.800	P288,243,126	P0.800	▲	0.385%
SM	P895.000	P248,885,175	-P6.500	▼	-0.721%
BDO	P141.000	P247,797,052	P0.000	—	0.000%
BPI	P113.200	P233,837,109	-P3.200	▼	-2.749%
AC	P612.500	P193,156,000	-P11.500	▼	-1.843%
URC	P124.000	P180,830,831	-P0.400	▼	-0.322%
SMPH	P32.700	P177,484,880	-P0.550	▼	-1.654%
BLOOM	P11.900	P175,580,964	P0.620	▲	5.496%

Trade gap narrows to $3.92B in June

By Bernadette Therese M. Gadon *Researcher*

THE PHILIPPINE trade-in-goods deficit narrowed for a third consecutive month in June as imports contracted to a near three-year low while exports were flat as global demand for goods weakened.

The value of merchandise imports contracted by 15.2% year on year to $10.62 billion in June, worse than the revised 8.1% drop in May, preliminary data from the Philippine Statistics Authority (PSA) showed on Tuesday. This was also a reversal of the 26.4% growth in June 2022.

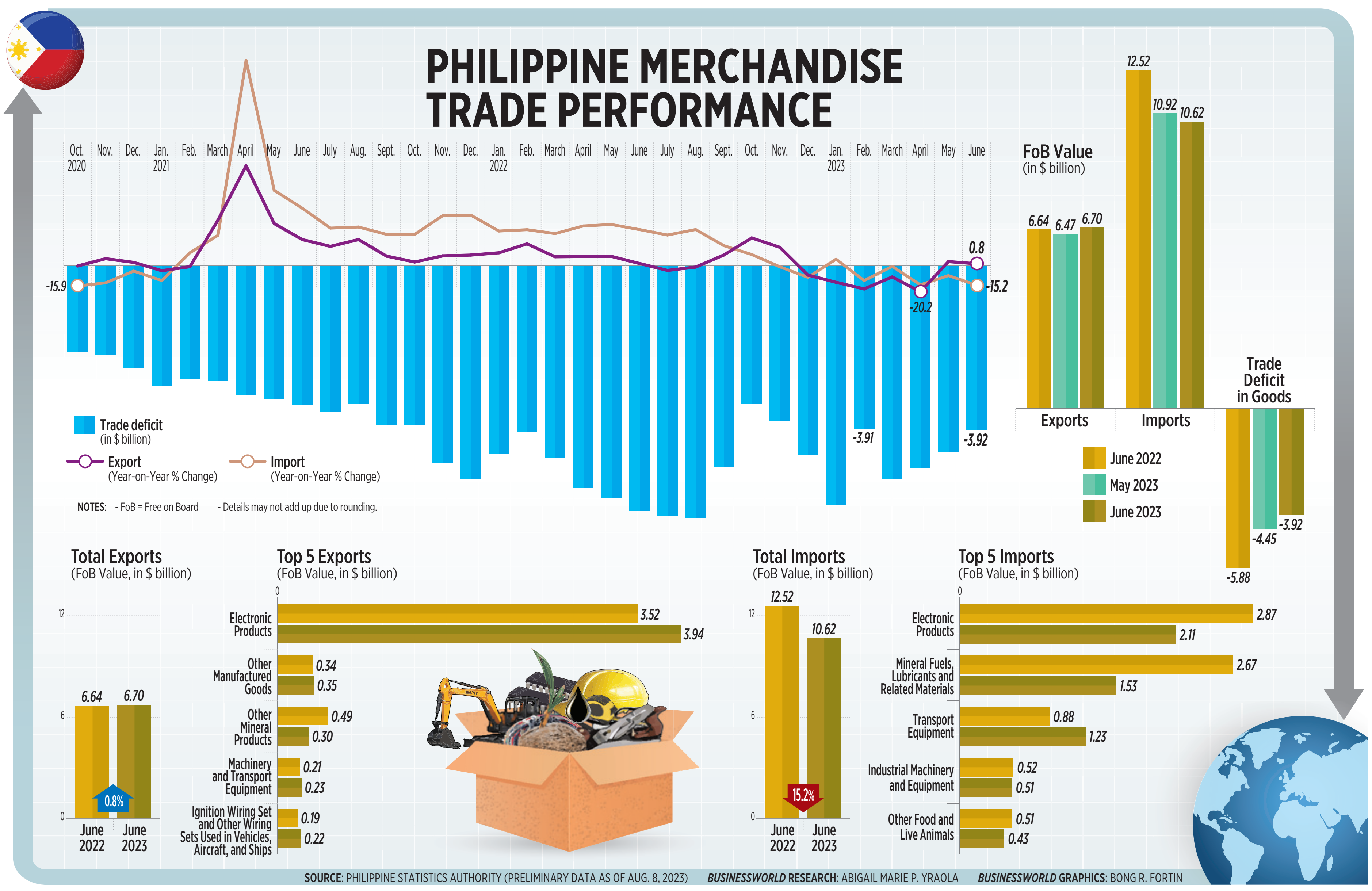
Imports have been on a decline in the last five months, but June saw the sharpest drop in nearly three years or since the 15.9% drop in October 2020.

By value, the country's import bill was the lowest in two months or since the $9.75 billion in April.

Meanwhile, merchandise exports inched up by 0.8% annually to $6.7 billion in June, slower than the revised 2.4% growth in the previous month and the 1% in the same month a year ago.

Exports receipts for June were the highest in seven months or since the $7.1 billion in November 2022.

Trade, S1/3



SOURCE: PHILIPPINE STATISTICS AUTHORITY (PRELIMINARY DATA AS OF AUG. 8, 2023) *BUSINESSWORLD* RESEARCH: ABIGAIL MARIE P. YRAOLA *BUSINESSWORLD* GRAPHICS: BONG R. FORTIN

Factory output eases to 1-year low in June

MANUFACTURING OUPUT eased in June to its slowest in a year, mainly due to the contraction in the manufacturing of food products and beverages, the Philippine Statistics Authority (PSA) reported on Tuesday.

Preliminary results of the PSA's latest Monthly Integrated Survey of Selected Industries showed factory output, as measured by the volume of production index, rose by 3.4% year on year in June.

However, this was slower than the revised 7.7% in May, and matched the pace in March. It was also the slowest growth in 12 months or since the 0.04% decline in June last year.

On a monthly basis, June's output contracted by 3.5%. Stripping out seasonality factors, manufacturing for that month slipped by 2.1%, a reversal of the 2.4% growth in May.

Year to date, factory output growth averaged 5.9%, decelerating from the 28.1% growth in the same six-month period in 2022.

According to the PSA, the manufacturing slowdown in June was mainly due to the sharp annual declines in the top three industry divisions: food products (-3.2% from 6.9% in May), fabricated mineral products, except machinery and equipment (-36.4% from 2.9%), and beverages (-7.7% from 4.8%).

Ten other divisions posted slower growth, while the remaining nine saw expansion.

This slowdown was reflected in the S&P Global Philippines Manufacturing Purchasing Managers' Index, which eased to 50.9 reading in June — the slowest expansion in 11 months. A reading above 50 separates expansion from contraction.

Nicholas Antonio T. Mapa, senior economist at ING Bank N.V. Manila, said he expects manufacturing to continue expanding for the rest of the year.

"Potential headwinds to the agricultural sector (storm damage and El Niño) could have a negative impact on manufacturing, however," he said in an e-mail.

Philippine Exporters Confederation, Inc. President Sergio R. Ortiz-Luis, Jr. said in a Viber interview that the manufacturing sector's performance could have affected second-quarter gross domestic product (GDP) growth.

Manufacturing historically accounts for about 20% of the country's GDP.

"The positive but less pronounced pickup in manufacturing moves in line with our expectation for a slowdown in the second quarter from the 6.4% pace of growth in the first quarter," Mr. Mapa said.

A *BusinessWorld* poll yielded a median estimate of 6% GDP growth for the second quarter. If realized, this would be easing from the 6.4% print in the first three months of the year and the 7.5% growth a year ago.

The PSA will release the second-quarter GDP data on Thursday (Aug. 10). — **Lourdes O. Pilar**

PHL dollar reserves inch up to $99.7 billion in July

By Keisha B. Ta-asan *Reporter*

THE PHILIPPINES' dollar reserves edged higher as of end-July, as the value of its gold holdings rose amid an increase in world prices, the central bank said late on Monday.

Preliminary data released by the Bangko Sentral ng Pilipinas (BSP) showed gross international reserves (GIR) inched up by 0.3% to $99.7 billion in July, from the $99.4 billion as of end-June.

Year on year, dollar reserves fell by 0.1%.

This is the highest level of dollar reserves in two months or since the $100.6 billion posted in May.

"The month-on-month increase in the GIR level reflected mainly the upward valuation adjustments in the value of the BSP's gold holdings due to the increase in the price of gold in the international market," the central bank said in a statement.

The BSP also attributed the higher dollar reserves to its net foreign exchange operations, income from its investments abroad, and the foreign currency deposits of the National Government.

The end-July reserve level was equivalent to 7.4 months' worth of imports of goods and payment of services and primary income.

It was about 5.9 times the short-term external debt of the country based on original maturity and 4.1 times based on residual maturity.

A strong reserve buffer protects financial markets from volatility and assures investors and debt watchers that the country can pay its debt in case of an economic downturn.

"The increase in GIR tagged largely to revaluation of gold, which was offset by lower investments, likely due to the movement of global interest rates for the month," ING Bank N.V. Manila Senior Economist Nicholas Antonio T. Mapa said in an e-mail.

The gold reserve component rose by 2.8% to $10.3 billion as of end-July, from $10.01 billion as of end-June. It was 17.5% higher than $8.76 billion a year earlier.

Rizal Commercial Banking Corp. Chief Economist Michael L. Ricafort said in a note that gold prices in the world market jumped by 2.4% month on month in July.

Meanwhile, gains from investments abroad, which made up the bulk of the GIR, dipped by 0.2% to $83.5 billion from $83.7 billion a month ago and by 0.02% from $83.52 billion a year prior.

Dollar, S1/9

Extension of estate tax amnesty lapses into law

THE BILL expanding the coverage of the estate tax amnesty and extending the period of availment by another two years has lapsed into law.

Republic Act (RA) No. 11956 extends the availment period for the estate tax amnesty for another two years (June 15, 2023 to June 14, 2025).

The new law also expands the amnesty's coverage to include the estates of those who died on or before May 31, 2022.

The previous law provided for a two-year amnesty that expired on June 14, 2023, and covered the estates of people who died on or before Dec. 31, 2017.

A copy of the Estate Tax Amnesty Extension Act showed it was not signed by President Ferdinand R. Marcos, Jr., and that it had lapsed into law on Aug. 5. An approved bill becomes a law if the President does not act on it 30 days after it is submitted to Malacañang.

House Ways and Means Committee Chairman and Albay Rep. Jose Ma. Clemente "Joey" S. Salceda said the estate tax amnesty extension would benefit as many as one million Filipino families with unsettled estates.

"It will benefit some 920,000 Filipino families who have unsettled estates, many of whom include the 610,054 agrarian reform beneficiaries recently released from debt by President Marcos' New Agrarian Emancipation Act," he said in a statement.

The new law also allows payment of the estate tax in installments within two years from the statutory day for the payment without civil penalty or interest.

"It has many improvements compared to the previous Estate Tax Amnesty, especially as it makes the administrative requirements for filing much easier to comply with," Mr. Salceda said.

The law allows taxpayers to pay the amnesty tax either manually or electronically through any authorized agent bank, revenue district office or an authorized tax software provider.

It also limited the number of documents required for filing the application for tax amnesty.

The law also clarified that the proof of settlement is only required for the issuance of Electronic Certificate Authorizing Registration for transfer of properties, not for the filing and payment of estate tax.

Under the law, the implementing rules and regulations should be released within 30 days, not 60 days as previously required.

The estate tax amnesty initially ran from June 15, 2019 to June 14, 2021 under RA 11213. It was extended for two years from June 15, 2021 to June 14, 2023. — **Beatriz Marie D. Cruz**