

STOCK MARKET	ASIAN MARKETS	WORLD MARKETS	PESO-DOLLAR RATES	ASIAN MONIES-US\$ RATE	WORLD CURRENCIES	DUBAI CRUDE OIL
PSEi AUGUST 15, 2023 OPEN: 6,337.67 HIGH: 6,370.43 LOW: 6,297.17 CLOSE: 6,335.91 VOL.: 0.473 B VAL(P): 24.819 B 6.72 Pts. 0.1% 30 DAYS TO AUGUST 15, 2023	AUGUST 15, 2023 JAPAN (NIKKEI 225) 32,238.89 ▲ 178.98 0.56 HONG KONG (HANG SENG) 18,581.11 ▼ -192.44 -1.03 TAIWAN (WEIGHTED) 16,454.80 ▲ 61.14 0.37 THAILAND (SET INDEX) 1,520.73 ▼ -14.43 -0.94 S.KOREA (KSE COMPOSITE)* 2,570.87 ▼ -20.39 -0.79 SINGAPORE (STRAITS TIMES) 3,232.74 ▼ -14.96 -0.46 SYDNEY (ALL ORDINARIES) 7,305.00 ▲ 28.00 0.38 MALAYSIA (KLSE COMPOSITE) 1,460.28 ▲ 3.28 0.23	AUGUST 14, 2023 DOW JONES 35,307.630 ▲ 26.230 NASDAQ 13,788.331 ▲ 143.482 S&P 500 4,489.720 ▲ 25.670 FTSE 100 7,507.150 ▼ -17.010 EURO STOXX50 3,980.950 ▲ 7.440	FX OPEN P56.650 HIGH P56.600 LOW P56.865 CLOSE P56.840 W.AVE. P56.767 VOL. \$1,088.25 M SOURCE: BAP 6.00 CTVS 30 DAYS TO AUGUST 15, 2023	AUGUST 15, 2023 LATEST BID (0900GMT) PREVIOUS JAPAN (YEN) 145.540 ▼ 145.030 HONG KONG (HK DOLLAR) 7.824 ▼ 7.819 TAIWAN (NT DOLLAR) 31.894 ▼ 31.932 THAILAND (BAHT) 35.350 ▼ 35.160 S. KOREA (WON) 1,333.880 ▼ 1,333.990 SINGAPORE (DOLLAR) 1.356 ▼ 1.354 INDONESIA (RUPIAH) 15,335 ▼ 15,310 MALAYSIA (RINGGIT) 4.633 ▼ 4.615	AUGUST 15, 2023 US\$/UK POUND 1.2715 ▲ 1.2687 US\$/EURO 1.0934 ▼ 1.0945 US\$/AUSTRALIAN DOLLAR 0.6474 ▼ 0.6490 CANADA DOLLAR/US\$ 1.3483 ▼ 1.3447 SWISS FRANC/US\$ 0.8751 ▼ 0.8769	FUTURES PRICE ON NEAREST MONTH OF DELIVERY \$87.60/bbl 30 DAYS TO AUGUST 14, 2023 \$0.25

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PHILIPPINE STOCK EXCHANGE'S 10 MOST ACTIVE STOCKS BY VALUE TURNOVER • AUGUST 15, 2023 (PSEi snapshot on S1/2; article on S2/2)

SM	P860.000	ALI	P29.650	BPI	P114.600	SMPH	P30.100	URC	P119.000	AEV	P46.100	BDO	P142.000	GTAP	P535.000	EMI	P21.150	JFC	P246.200
Value	P20,844,431,280	Value	P452,017,555	Value	P266,233,028	Value	P262,848,600	Value	P249,209,338	Value	P231,408,785	Value	P176,658,430	Value	P169,896,510	Value	P152,275,735	Value	P151,826,310
	-P7,000 ▼ -0.807%		PO.600 ▲ 2.065%		PO.700 ▲ 0.615%		-P0.050 ▼ -0.166%		-P5.800 ▼ -4.647%		-P0.400 ▼ -0.860%		PO.200 ▲ 0.141%		PT1.000 ▲ 2.099%		PO.050 ▲ 0.237%		-P1.400 ▼ -0.565%

June remittances hit 6-month high

House panel approves bill seeking to reform military pension system

A HOUSE of Representatives ad hoc committee approved on Tuesday a consolidated bill that seeks to reform the military and uniformed personnel (MUP) pension system.

Albay Rep. Jose Maria Clemente S. Salceda, who is the chairman of the ad hoc committee on the MUP pension system, said the committee members agreed in principle on a substitute bill that is "amenable" to economic managers and the military and uniformed personnel.

"This is a win-win solution, because we are removing the risks of sudden spikes in pension liabilities while also ensuring that salaries and pensions increase at manageable levels," he said.

Economic managers earlier warned the current MUP pension system is unsustainable and may trigger a "fiscal collapse."

A copy of the approved bill was not made available as of press time.

Mr. Salceda in a statement said the measure would guarantee salary increases, pension indexation and funding sources for the MUP pension system.

Under the measure, all MUP would now be required to contribute to the pension fund. For active personnel, they would contribute 5% for the first three years, 7% for the following three years, and 9% thereafter. For new entrants, they would have to contribute 9% immediately, but "a larger government counterpart to complete 21% contribution," Mr. Salceda said.

All MUP will also be guaranteed a 3% salary increase under the measure.

"For the past 25 years, the salaries have only increased for nine years, so this is also a win for the active personnel, who will get a salary increase every year for the next 10 years," he said.

The retirement age for all MUP will now be fixed at 57, or after completing 30 years of satisfactory service.

Another key provision is the 90% maximum retirement package based on the base pay of all MUP, raising by 5% the previous package for Armed Forces of the Philippines (AFP) personnel.

The measure also includes Philippine National Police (PNP) personnel who leave with less than 20 years' service in the list of those eligible for a lump sum separation pay.

Mr. Salceda said the bill will retain the indexation of pensions, which means MUP pensioners would be guaranteed an increase in pensions for 10 years. However, this would be capped at 50% of the salary increase.

The current policy where an MUP will be promoted to one rank higher upon retirement will also be maintained.

Pension, S1/9

Approved foreign investment pledges jump by 28% in Q2

FOREIGN INVESTMENT PLEDGES approved by investment promotion agencies (IPAs) rose by an annual 27.8% in the second quarter, data from the Philippine Statistics Authority (PSA) showed.

Total foreign investment commitments jumped to P59.09 billion in the April-to-June period from the P46.26 billion recorded in the same period last year. This was the lowest level of foreign investment commitments since the P46.26 billion in the second quarter of 2022.

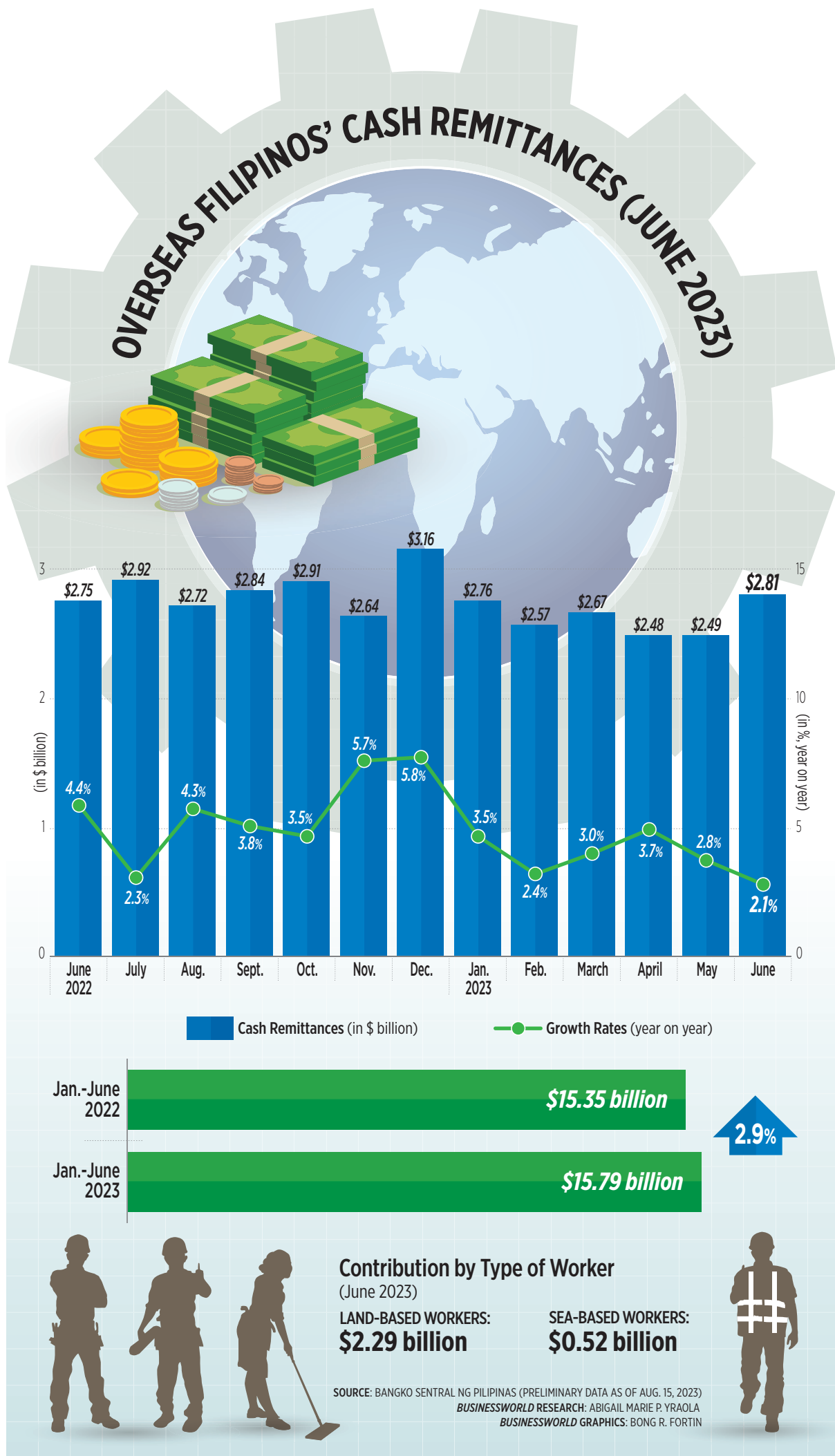
The growth in foreign investment pledges was also the slowest since the 22.4% contraction in the third quarter of 2022.

Rizal Commercial Banking Corp. Chief Economist Michael L. Ricafort said in an e-mail the annual growth in foreign investment pledges reflected the further reopening of the economy, which had tempered concerns over elevated inflation and high borrowing costs.

Quarter on quarter, the amount of approved foreign investment commitments was almost seven times lower than the revised P408.2 billion in the January-to-March period.

"The (quarter-on-quarter) slowdown (in investments) may be due to the wait-and-see attitude, lagged effects of policy hikes that inhibit investments, persistence of uncertainties, and headwinds to the economy," Oikonomia Advisory & Research, Inc. President and Chief Economist John Paolo R. Rivera said in e-mail.

Investment pledges, S1/9



By Keisha B. Ta-asan
Reporter

MONEY SENT by overseas Filipino workers (OFWs) rose to a six-month high in June, data from the Bangko Sentral ng Pilipinas (BSP) showed.

Cash remittances coursed through banks rose by 2.1% to \$2.81 billion in June, from \$2.75 billion in the same month in 2022.

The June cash remittance inflows are at the highest level since the \$3.16 billion in December 2022.

However, the 2.1% annual growth in cash remittances was the slowest in 13 months or since the 1.8% rise seen in May 2022.

"The expansion in cash remittances in June 2023 was due to the growth in receipts from land- and sea-based workers," the BSP said.

Remittances from land-based workers jumped by 2.1% year on year to \$2.29 billion in June, while money sent by sea-based workers increased by 1.9% to \$524 million.

For the first six months of 2023, cash remittances rose by 2.9% to \$15.79 billion, from \$15.35 billion in the comparable period last year.

Security Bank Corp. Chief Economist Robert Dan J. Roces said improved economic conditions in host countries led to more job opportunities and better wages for OFWs.

"Increased demand for labor in host countries boosted OFW employment and remittances... Positive fluctuations in exchange rates increased remittance values in Philippine peso terms," he said.

The peso closed at P55.20 against the dollar on June 30, appreciating by 95 centavos or 1.7% from its P56.15 close on May 31.

However, the slower growth rate in June may be attributed to base effects, with a high-remittance month in the previous year made growth seem slower, Mr. Roces said.

Rizal Commercial Banking Corp. Chief Economist Michael L. Ricafort said OFWs may have sent more money back home to support their families amid rising prices.

Headline inflation eased to 5.4% in June from 6.1% both in May 2023 and June 2022, the slowest in 14 months. Still, it marked the 15th straight month of inflation exceeding the BSP's 2-4% target band.

BSP data showed cash remittances in the January-to-June period were driven mainly by higher inflows from the United States, Singapore, and United Arab Emirates (UAE).

Remittances, S1/9

High inflation fails to dampen vehicle sales in July

THE PHILIPPINE auto industry recorded a 33% increase in vehicle sales in July, even as elevated inflation dampens overall consumer spending.

A joint report by the Chamber of Automotive Manufacturers of the Philippines, Inc. (CAMPI) and the Truck Manufacturers Association (TMA) showed new vehicle sales rose to 37,086 units in July from 27,813 units in the same month a year ago.

"The auto industry is sustaining its positive growth trend as sales of new motor vehicles recorded a continued year-on-year growth for the past 17 consecutive months —

since March 2022. The industry hopes to maintain this trend for the year," CAMPI President Rommel R. Gutierrez said in a statement.

Month on month, auto sales went up by 2.1% from 36,311 units in June.

In July, passenger car sales accelerated by an annual 49.8% to 9,509 units from 6,346 units a year ago. Month on month, sales of passenger cars rose by 5.82% from 8,986 units in June.

Meanwhile, sales of commercial vehicles jumped by 28.5% to 27,577 units in July from 21,467 in the same month last year. Month on month, commercial vehicle sales inched up by 0.9%.

Asian utility vehicle sales in July grew by an annual 14.1% to 4,990, while sales of light commercial vehicles climbed by 32.7% to 21,627. Sales of light trucks inched up by 0.2% to 466.

For the first seven months of the year, CAMPI-TMA members sold 239,501 units, up by 31.1% from 182,687 a year ago.

The bulk of sales came from commercial vehicles, which rose by 30.4% to 179,144 units. Passenger car sales jumped by 33% to 60,357 in the January-July period.

"The auto industry is notably going strong despite the consumer

spending slowdown attributed to the risks of inflation," Mr. Gutierrez said.

The Philippine economy grew by a slower-than-expected 4.3% in the second quarter, as consumer demand was dented by rising prices. Household spending growth slowed to 5.5% in the April-June period, from 8.5% a year earlier.

Headline inflation cooled to a 16-month low of 4.7% in July from 5.4% in June, and 6.4% in the same month in 2022. For the seven-month period, inflation averaged 6.8%, still higher than the 5.4% forecast by the central bank.

Vehicle sales, S1/9