

STOCK MARKET	ASIAN MARKETS	WORLD MARKETS	PESO-DOLLAR RATES	ASIAN MONIES-US\$ RATE	WORLD CURRENCIES	DUBAI CRUDE OIL																																																																																																			
PSEi OPEN: 6,352.08 HIGH: 6,366.08 LOW: 6,290.27 CLOSE: 6,290.27 VOL.: 0.349 B VAL(P): 4.483 B 74.70 pts, 1.17% 30 DAYS TO AUGUST 18, 2023	AUGUST 18, 2023 <table border="1"> <tr><th></th><th>CLOSE</th><th>NET</th><th>%</th></tr> <tr><td>JAPAN (NIKKEI 225)</td><td>31,450.76</td><td>▼175.24</td><td>-0.55</td></tr> <tr><td>HONG KONG (HANG SENG)</td><td>17,950.85</td><td>▼375.78</td><td>-2.05</td></tr> <tr><td>TAIWAN (WEIGHTED)</td><td>16,381.31</td><td>▼135.35</td><td>-0.82</td></tr> <tr><td>THAILAND (SET INDEX)</td><td>1,519.12</td><td>▼9.69</td><td>-0.63</td></tr> <tr><td>S.KOREA (KSE COMPOSITE)</td><td>2,504.50</td><td>▼15.35</td><td>-0.61</td></tr> <tr><td>SINGAPORE (STRAITS TIMES)</td><td>3,173.93</td><td>▼22.82</td><td>-0.71</td></tr> <tr><td>SYDNEY (ALL ORDINARIES)</td><td>7,148.10</td><td>▲2.10</td><td>0.03</td></tr> <tr><td>MALAYSIA (KLSE COMPOSITE)</td><td>1,446.09</td><td>▼1.89</td><td>-0.13</td></tr> </table>		CLOSE	NET	%	JAPAN (NIKKEI 225)	31,450.76	▼175.24	-0.55	HONG KONG (HANG SENG)	17,950.85	▼375.78	-2.05	TAIWAN (WEIGHTED)	16,381.31	▼135.35	-0.82	THAILAND (SET INDEX)	1,519.12	▼9.69	-0.63	S.KOREA (KSE COMPOSITE)	2,504.50	▼15.35	-0.61	SINGAPORE (STRAITS TIMES)	3,173.93	▼22.82	-0.71	SYDNEY (ALL ORDINARIES)	7,148.10	▲2.10	0.03	MALAYSIA (KLSE COMPOSITE)	1,446.09	▼1.89	-0.13	AUGUST 18, 2023 <table border="1"> <tr><th></th><th>CLOSE</th><th>NET</th></tr> <tr><td>Dow Jones</td><td>34,500.660</td><td>▲25.830</td></tr> <tr><td>NASDAQ</td><td>13,290.776</td><td>▼26.156</td></tr> <tr><td>S&P 500</td><td>4,369.710</td><td>▼0.650</td></tr> <tr><td>FTSE 100</td><td>7,262.430</td><td>▼47.780</td></tr> <tr><td>Euro Stoxx50</td><td>3,885.390</td><td>▼20.820</td></tr> </table>		CLOSE	NET	Dow Jones	34,500.660	▲25.830	NASDAQ	13,290.776	▼26.156	S&P 500	4,369.710	▼0.650	FTSE 100	7,262.430	▼47.780	Euro Stoxx50	3,885.390	▼20.820	FX OPEN P56.650 HIGH P56.140 LOW P56.650 CLOSE P56.180 W.AVE. P56.434 VOL. \$1,457.52 M SOURCE: BAP 59.00 ctyvs 30 DAYS TO AUGUST 18, 2023	AUGUST 18, 2023 <table border="1"> <tr><th></th><th>LATEST BID (0900GMT)</th><th>PREVIOUS</th></tr> <tr><td>JAPAN (YEN)</td><td>145.370</td><td>▲146.220</td></tr> <tr><td>HONG KONG (HK DOLLAR)</td><td>7.833</td><td>▲7.829</td></tr> <tr><td>TAIWAN (NT DOLLAR)</td><td>31.872</td><td>▲31.954</td></tr> <tr><td>THAILAND (BAHT)</td><td>35.380</td><td>▲35.460</td></tr> <tr><td>S. KOREA (WON)</td><td>1,339.170</td><td>▲1,341.310</td></tr> <tr><td>SINGAPORE (DOLLAR)</td><td>1.357</td><td>▲1.361</td></tr> <tr><td>INDONESIA (RUPIAH)</td><td>15,280</td><td>▲15,280</td></tr> <tr><td>MALAYSIA (RINGGIT)</td><td>4.645</td><td>▲4.650</td></tr> </table>		LATEST BID (0900GMT)	PREVIOUS	JAPAN (YEN)	145.370	▲146.220	HONG KONG (HK DOLLAR)	7.833	▲7.829	TAIWAN (NT DOLLAR)	31.872	▲31.954	THAILAND (BAHT)	35.380	▲35.460	S. KOREA (WON)	1,339.170	▲1,341.310	SINGAPORE (DOLLAR)	1.357	▲1.361	INDONESIA (RUPIAH)	15,280	▲15,280	MALAYSIA (RINGGIT)	4.645	▲4.650	AUGUST 18, 2023 <table border="1"> <tr><th></th><th>CLOSE</th><th>PREVIOUS</th></tr> <tr><td>US\$/UK POUND</td><td>1.2735</td><td>▲1.2712</td></tr> <tr><td>US\$/EURO</td><td>1.0873</td><td>▲1.0865</td></tr> <tr><td>US\$/AUSTRALIAN DOLLAR</td><td>0.6403</td><td>▼0.6405</td></tr> <tr><td>CANADA DOLLAR/US\$</td><td>1.3546</td><td>▲1.3526</td></tr> <tr><td>SWISS FRANC/US\$</td><td>0.8815</td><td>▲0.8790</td></tr> </table>		CLOSE	PREVIOUS	US\$/UK POUND	1.2735	▲1.2712	US\$/EURO	1.0873	▲1.0865	US\$/AUSTRALIAN DOLLAR	0.6403	▼0.6405	CANADA DOLLAR/US\$	1.3546	▲1.3526	SWISS FRANC/US\$	0.8815	▲0.8790	DUBAI CRUDE OIL FUTURES PRICE ON NEAREST MONTH OF DELIVERY \$85.40/BBL ▲ \$0.45 30 DAYS TO AUGUST 18, 2023
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PHILIPPINE STOCK EXCHANGE'S 10 MOST ACTIVE STOCKS BY VALUE TURNOVER • AUGUST 18, 2023 (PSEi snapshot on S1/2; article on S2/2)

BDO	ALI	SMPH	JGS	BPI	TEL	SM	ICT	AC	URC
P138.200	P29.500	P30.000	P38.050	P111.100	P1,215.000	P860.000	P213.800	P590.000	P117.600
Value P566,209,557	Value P413,704,270	Value P305,414,730	Value P241,852,270	Value P239,119,242	Value P155,501,835	Value P148,207,440	Value P141,937,944	Value P139,726,005	Value P135,587,081
-P3.800 ▼ -2.676%	-P0.500 ▼ -1.667%	-P0.300 ▼ -0.990%	-P1.150 ▼ -2.934%	-P2.300 ▼ -2.028%	-P13.000 ▼ -1.059%	-P0.500 ▼ -0.058%	-P2.000 ▼ -0.927%	-P3.000 ▼ -0.506%	-P2.300 ▼ -1.918%

BoP deficit narrows to \$53M in July

Economists cut inflation forecasts for 2024, 2025

PRIVATE SECTOR economists kept their inflation outlook for this year but cut their forecasts for 2024 and 2025, the Bangko Sentral ng Pilipinas (BSP) said.

However, analysts said the threat of El Niño, the impact of trade restrictions on food items, oil production cuts, and hikes on transport fare and wages pose risks to the inflation outlook.

Based on the results of the BSP's survey of private economists in August, analysts' average inflation forecast for 2023 was at 5.5%, unchanged from the July survey.

For 2024, the analysts' mean inflation forecast was trimmed to 3.5%, from 3.6% previously, while the projection for 2025 was also cut to 3.4% from 3.6%.

"Analysts expect inflation to continue easing in the near term owing largely to negative base

effects," the BSP said. "Risks to the inflation outlook, however, remain tilted to the upside due mainly to supply disruptions, particularly the potential adverse impact of El Niño."

On Thursday, the BSP raised its average inflation forecast for 2023 to 5.6% (from 5.4% previously) and 3.3% (from 2.9%) for 2024, respectively. It also hiked its 2025 inflation forecast to 3.4% from 3.2%.

According to the central bank, analysts cited the higher prices of basic commodity items and services due to weather disturbances and the El Niño phenomenon as a key upside risk to inflation.

The El Niño weather event will likely persist in the Philippines until the second quarter next year, based on the latest advisory from the state weather agency.

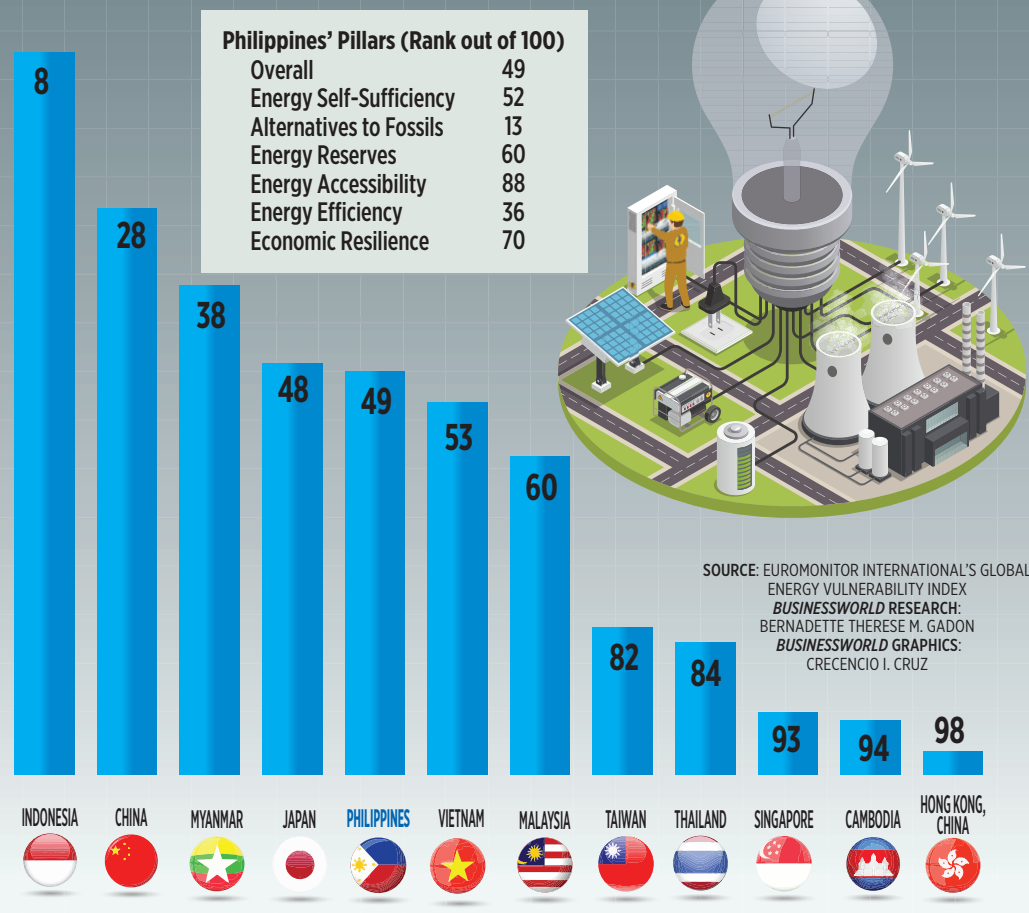
Inflation, S1/2

PHILIPPINES RANKS 49TH IN ENERGY VULNERABILITY INDEX

The Philippines ranked 49th out of 100 countries in the first Global Energy Vulnerability Index by London-based market research company Euromonitor International. The index ranks countries to help leaders and businesses assess and benchmark a country's energy security, providing insights into potential risks, challenges and opportunities in the markets where they operate or plan to expand into in the future.

In the region, the Philippines was the fifth most resilient after Indonesia (8th overall), China (28th), Myanmar (38th), and Japan (48th).

ENERGY VULNERABILITY INDEX RANKINGS OF SELECT EAST AND SOUTHEAST ASIAN COUNTRIES (From most resilient to most vulnerable)



Top Performers	
Country	Rank (100)
Norway	1
Canada	2
Australia	3
USA	4
Colombia	5
Brazil	6
Sweden	7
Indonesia	8
Angola	9
Switzerland	10

Bottom Performers	
Country	Rank (100)
Belarus	100
Lebanon	99
Hong Kong, China	98
Morocco	97
North Macedonia	96
Tunisia	95
Cambodia	94
Singapore	93
Jordan	92
Dominican Republic	91

By Keisha B. Ta-asan
Reporter

THE OVERALL balance of payments (BoP) deficit sharply narrowed to \$53 million in July, as more dollars flowed out of the country to pay for the government's foreign debt.

The BoP shortfall in July was significantly smaller than the \$1.8-billion gap in the same month a year ago and \$606 million in June, data released by the Bangko Sentral ng Pilipinas (BSP) late on Friday showed.

This is the narrowest BoP deficit in three months or since the \$148-million gap in April.

July also marked the fourth straight month the BoP position was in a deficit.

"The BoP deficit in July 2023 reflected net outflows arising mainly from the National Government's (NG) payments of its foreign currency debt obligations," the BSP said in a statement.

The BoP measures the country's transactions with the rest of the world at a given time. A deficit means more funds fled the economy than what went in, while a surplus shows that more money entered the Philippines.

In the first seven months of the year, the BoP position swung to a surplus of \$2.21 billion, from the \$4.92-billion deficit in the same period in 2022.

"Based on preliminary data, this development reflected mainly the improvement in the balance of trade and the sustained inflows from personal remittances, net foreign borrowings by the NG, trade in services, and foreign direct investments," the BSP said.

Rizal Commercial Banking Corp. Chief Economist Michael L. Ricafort said the smaller BoP deficit in July is likely due to the narrowing of the country's trade deficit.

The trade deficit for January-June reached \$27.96 billion, slightly narrowing from the \$29.8-billion deficit posted in the same period last year.

BoP, S1/5



Smart lights up the SM Mall of Asia Ball for FIBA Basketball World Cup 2023

FIBA Basketball World Cup 2023 global partner Smart Communications, Inc. has transformed the SM Mall of Asia Ball into a giant basketball with a hoop to welcome the world's biggest basketball tournament in Manila happening from Aug. 25 to Sept. 10. Smart also teamed up with its technology partners Huawei and Ericsson to further expand and optimize its LTE and 5G mobile network coverage across all FIBA Basketball World Cup venues, including Smart Araneta Coliseum in Quezon City, the SM Mall of Asia Arena in Pasay City, and the Philippine Arena in Bulacan.

DBM chief says Q2 GDP growth would have been higher if not for gov't underspending

THE PHILIPPINE ECONOMY would have expanded by 5.3% in the second quarter if the government was able to address underspending by key agencies.

The Department of Budget and Management (DBM) Secretary Amenah F. Pangandaman said the government was not able to spend P170 billion in the first semester, which led to a slower-than-expected gross domestic product (GDP) growth in the second quarter.

"Our study showed that if we only spent at least P65 billion of the P170-billion gap, our GDP would have been 5.3%. So, *sayang* (what a waste)," Ms. Pangandaman said at an event hosted by the University of the Philippines School of Economics on Saturday.

The Philippine economy grew by 4.3% in the second quarter, the slow-

est in two years. This was weaker than the 6.4% growth in the first quarter and 7.5% in the same period last year.

For the first half, GDP growth averaged 5.3%, lower than the government's 6-7% target.

The disappointing second-quarter growth was mainly attributed to weaker consumption and a decline in government spending. Government spending contracted by 7.1% in April to June, a reversal of the 6.2% growth in the first quarter and 10.9% a year ago.

Finance Secretary Benjamin E. Diokno partially attributed the underspending to the over P100 billion in government-issued checks that were not released in the first half.

Ms. Pangandaman earlier said there are P124.1 billion worth of

government-issued checks which are currently held by banks. This prevents the funding of social programs that should have been implemented.

According to Mr. Diokno, during his time as a Budget secretary, government units tend to accept projects that are not ready for implementation.

"You have to be very strict. Do not accept projects that have no studies... Do not ask for more than what you can chew. If you will not be able to spend the budget, that is unfair to other departments that can spend the money," he told reporters on Friday.

In coming up with the proposed 2024 national budget, Ms. Pangandaman said the DBM considered the past spending performance of agencies.

Underspending, S1/5

Infrastructure spending exceeds target in first half

THE NATIONAL GOVERNMENT exceeded its target spending for infrastructure by 5% in the first half, data from the Department of Budget and Management (DBM) showed.

According to data from the DBM, infrastructure expenditures reached P507.2 billion in the January-to-June period, surpassing the P483.1-billion infrastructure spending program for the period by 5%.

Infrastructure spending jumped by 7.8% in the first half from P470.5 billion in the same period in 2022.

The National Government disbursed P608.7 billion for actual infrastructure projects in the first six months, 2.6% up from P593.2 billion in 2022.

However, the disbursement for infrastructure projects missed the P618.1-billion target for the period by 1.5%.

The government plans to spend 5.3% of the gross domestic product (GDP) or about P1.29 trillion on infrastructure this year.

"The continued growth in infrastructure spending would remain to be a bright spot in the economy, as it remains high at 5%-6% of GDP, compared with 2% or even less than 2% of GDP 10-20 years ago," Rizal Commercial Banking Corp. Chief Economist Michael L. Ricafort said in a Viber message.

Infrastructure spending growth also offset the low budget utilization of some government agencies in the second quarter, Mr. Ricafort added.

China Banking Corp. Chief Economist Domini S. Velasquez said higher infrastructure spending may help lift economic growth. — **Aaron Michael C. Sy**