

STOCK MARKET	ASIAN MARKETS	WORLD MARKETS	PESO-DOLLAR RATES	ASIAN MONIES-US\$ RATE	WORLD CURRENCIES	DUBAI CRUDE OIL																																																																				
PSEI OPEN: 6,222.30 HIGH: 6,222.30 LOW: 6,144.03 CLOSE: 6,160.61 VOL.: 0.341 B VAL(P): 3.571 B 65.17 pts. 1.04% 30 DAYS TO AUGUST 25, 2023	AUGUST 25, 2023 <table border="1"> <tr><th>CLOSE</th><th>NET</th><th>%</th></tr> <tr><td>JAPAN (Nikkei 225)</td><td>31,624.28</td><td>-662.93 -2.05</td></tr> <tr><td>HONG KONG (Hang Seng)</td><td>17,956.38</td><td>-255.79 -1.40</td></tr> <tr><td>TAIWAN (Weighted)</td><td>16,481.58</td><td>-289.29 -1.72</td></tr> <tr><td>THAILAND (SET Index)</td><td>1,560.20</td><td>2.79 0.18</td></tr> <tr><td>S. KOREA (KSE Composite)</td><td>2,519.14</td><td>-18.54 -0.73</td></tr> <tr><td>SINGAPORE (Straits Times)</td><td>3,189.88</td><td>9.16 0.29</td></tr> <tr><td>SYDNEY (All Ordinaries)</td><td>7,115.20</td><td>-66.90 -0.93</td></tr> <tr><td>MALAYSIA (KLC Composite)</td><td>1,444.41</td><td>-0.26 -0.02</td></tr> </table>	CLOSE	NET	%	JAPAN (Nikkei 225)	31,624.28	-662.93 -2.05	HONG KONG (Hang Seng)	17,956.38	-255.79 -1.40	TAIWAN (Weighted)	16,481.58	-289.29 -1.72	THAILAND (SET Index)	1,560.20	2.79 0.18	S. KOREA (KSE Composite)	2,519.14	-18.54 -0.73	SINGAPORE (Straits Times)	3,189.88	9.16 0.29	SYDNEY (All Ordinaries)	7,115.20	-66.90 -0.93	MALAYSIA (KLC Composite)	1,444.41	-0.26 -0.02	AUGUST 25, 2023 <table border="1"> <tr><th>CLOSE</th><th>NET</th></tr> <tr><td>Dow Jones</td><td>34,346.900 ▲ 247.480</td></tr> <tr><td>NASDAQ</td><td>13,590.646 ▲ 126.674</td></tr> <tr><td>S&P 500</td><td>4,405.710 ▲ 29.400</td></tr> <tr><td>FTSE 100</td><td>7,338.580 ▲ 4.950</td></tr> <tr><td>Euro Stoxx50</td><td>3,921.960 ▼ -2.410</td></tr> </table>	CLOSE	NET	Dow Jones	34,346.900 ▲ 247.480	NASDAQ	13,590.646 ▲ 126.674	S&P 500	4,405.710 ▲ 29.400	FTSE 100	7,338.580 ▲ 4.950	Euro Stoxx50	3,921.960 ▼ -2.410	FX OPEN P56.800 HIGH P56.480 LOW P56.840 CLOSE P56.570 W.AVE. P56.664 VOL. \$1,321.60 M SOURCE: BAP 19.00 ctyvs 30 DAYS TO AUGUST 25, 2023	AUGUST 25, 2023 LATEST BID (0900GMT) <table border="1"> <tr><th>PREVIOUS</th></tr> <tr><td>JAPAN (YEN)</td><td>146.410 ▼ 145.390</td></tr> <tr><td>HONG KONG (HK DOLLAR)</td><td>7.844 ▼ 7.841</td></tr> <tr><td>TAIWAN (NT DOLLAR)</td><td>31.822 ▼ 31.727</td></tr> <tr><td>THAILAND (BAHT)</td><td>35.130 ▼ 34.960</td></tr> <tr><td>S. KOREA (WON)</td><td>1,323.530 ▼ 1,318.340</td></tr> <tr><td>SINGAPORE (DOLLAR)</td><td>1.356 ▼ 1.354</td></tr> <tr><td>INDONESIA (RUPIAH)</td><td>15,290 ▼ 15,240</td></tr> <tr><td>MALAYSIA (RINGGIT)</td><td>4.638 ▲ 4.643</td></tr> </table>	PREVIOUS	JAPAN (YEN)	146.410 ▼ 145.390	HONG KONG (HK DOLLAR)	7.844 ▼ 7.841	TAIWAN (NT DOLLAR)	31.822 ▼ 31.727	THAILAND (BAHT)	35.130 ▼ 34.960	S. KOREA (WON)	1,323.530 ▼ 1,318.340	SINGAPORE (DOLLAR)	1.356 ▼ 1.354	INDONESIA (RUPIAH)	15,290 ▼ 15,240	MALAYSIA (RINGGIT)	4.638 ▲ 4.643	AUGUST 25, 2023 <table border="1"> <tr><th>CLOSE</th><th>PREVIOUS</th></tr> <tr><td>US\$/UK POUND</td><td>1.2577 ▼ 1.2682</td></tr> <tr><td>US\$/EURO</td><td>1.0800 ▼ 1.0852</td></tr> <tr><td>US\$/AUST DOLLAR</td><td>0.6400 ▼ 0.6450</td></tr> <tr><td>CANADA DOLLAR/US\$</td><td>1.3602 ▼ 1.3541</td></tr> <tr><td>SWISS FRANC/US\$</td><td>0.8845 ▲ 0.8806</td></tr> </table>	CLOSE	PREVIOUS	US\$/UK POUND	1.2577 ▼ 1.2682	US\$/EURO	1.0800 ▼ 1.0852	US\$/AUST DOLLAR	0.6400 ▼ 0.6450	CANADA DOLLAR/US\$	1.3602 ▼ 1.3541	SWISS FRANC/US\$	0.8845 ▲ 0.8806	FUTURES PRICE ON NEAREST MONTH OF DELIVERY \$86.24/BBL 91.00 88.20 85.40 82.60 79.80 77.00 30 DAYS TO AUGUST 25, 2023
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PHILIPPINE STOCK EXCHANGE'S 10 MOST ACTIVE STOCKS BY VALUE TURNOVER • AUGUST 25, 2023 (PSEI snapshot on SI/5; article on SI/2)

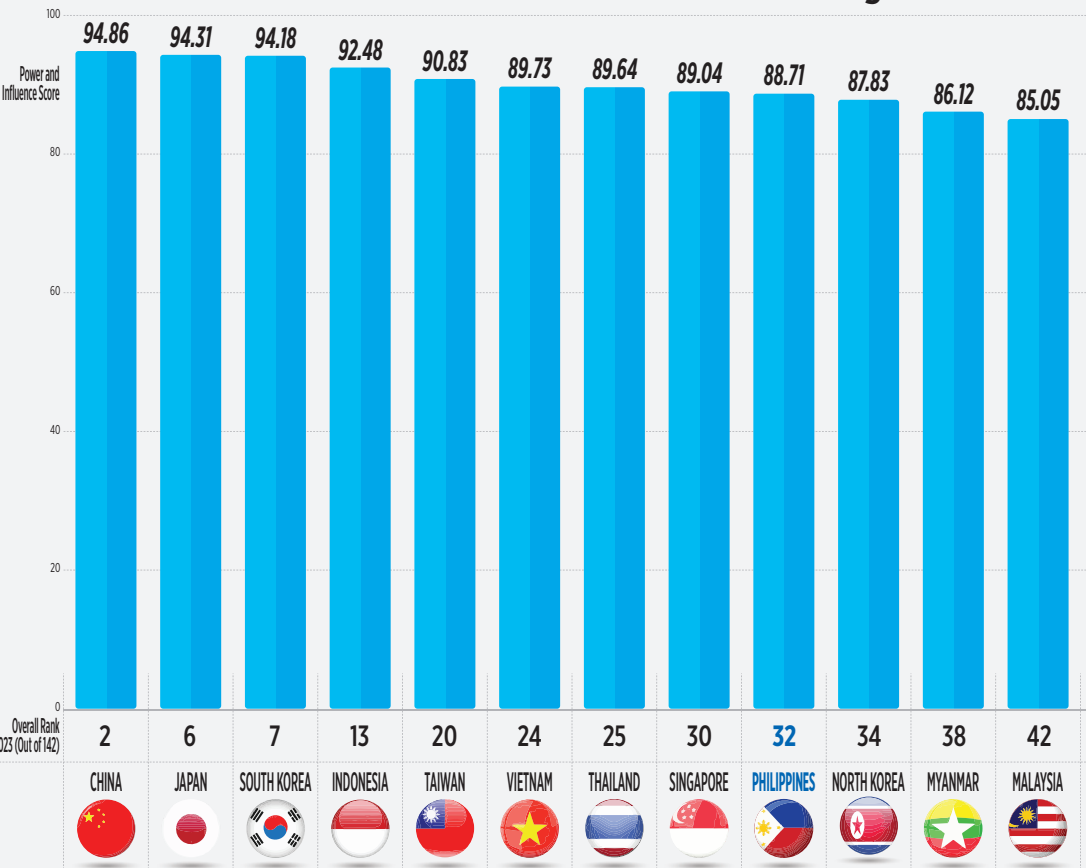
SMPH	P29.600	BPI	P105.100	BDO	P140.500	ALI	P28.100	ICT	P204.800	AC	P598.000	SM	P825.000	TEL	P1,200.000	URC	P115.000	MPI	P5.100
Value	P374,731,135	Value	P368,597,448	Value	P217,141,626	Value	P202,004,940	Value	P197,111,680	Value	P165,068,485	Value	P149,218,435	Value	P120,419,720	Value	P100,465,376	Value	P79,414,366
	-P0.750 ▼ -2.471%		-P3.100 ▼ -2.865%		-P2.300 ▼ -1.611%		-P0.150 ▼ -0.531%		-P0.200 ▼ -0.098%		P3.000 ▲ 0.504%		-P10.000 ▼ -1.198%		-P20.000 ▼ -1.639%		P0.000 — 0.000%		P0.000 — 0.000%

Gross borrowings hit P1.4T in 1st half

PHILIPPINES PLACES 32ND IN MOST POWERFUL COUNTRIES LIST

The Philippines ranked 32nd among 142 countries in the 2023 report of the World's Most Powerful Countries by business magazine and news site *CEOWORLD Magazine*. Based on the report, powerful countries are those that shape global economic policies and dominate through seven key attributes, namely: political stability, economic influence, defense budget, weaponry, global alliances, soft power, and military strength. The country has a power and influence score of 88.71.

Most Powerful Countries in Select East and Southeast Asian Region



Most Powerful Countries

Overall Rank 2023 (Out of 142)	Country	Power and Influence Score
1	United States	95.36
2	China	94.86
3	Russia	94.81
4	India	94.76
5	United Kingdom	94.56
6	Japan	94.31
7	South Korea	94.18
8	France	93.55
9	Italy	93.30
10	Türkiye	93.30

Least Powerful Countries

Overall Rank 2023 (Out of 142)	Country	Power and Influence Score
142	Moldova	59.23
141	Bhutan	59.34
140	Benin	59.43
139	Somalia	59.61
138	Liberia	59.74
137	Suriname	60.06
136	Sierra Leone	60.21
135	Iceland	60.38
134	Central African Republic	60.39
133	Panama	60.59

THE NATIONAL Government's (NG) gross borrowings rose nearly a third to P1.42 trillion in the first semester, the Bureau of the Treasury (BTr) reported.

Data from the BTr showed that the NG's gross borrowings in the first six months jumped by 32.9% from P1.07 trillion in the same period a year ago.

Domestic debt accounted for almost three-fourths or 74.25% of total gross borrowings during the six-month period.

Gross domestic debt surged by 42.5% to P106 trillion in the first half from P741.263 billion in the previous year.

Broken down, the BTr raised P686.15 billion from fixed-rate Treasury bonds, P283.763 billion from retail Treasury bonds, and P86.584 billion from Treasury bills.

Meanwhile, external borrowings in the January-June period went up by 11.3% year on year to P366.441 billion from P329.336 billion.

This consisted of P163.607 billion in global bonds, P145.059 billion in program loans, and P57.775 billion in new project loans.

In June alone, the NG's gross borrowings went up by 13.9% to P166.487 billion from P146.17 billion in the same month in 2022.

Month on month, total borrowings increased by 13.4% from P146.783 billion in May.

Gross domestic borrowings rose by 49.2% to P143.92 billion in June from P96.448 billion a year ago.

The BTr raised P125 billion from the issuance of fixed-rate Treasury bonds and P18.92 billion from Treasury bills.

Meanwhile, gross external debt fell by 54.6% to P22.567 billion during the month from P49.722 billion. This was composed of P19.903 billion in new project loans and P2.664 billion in program loans.

Rizal Commercial Banking Corp. Chief Economist Michael L. Ricafort said that the increase in gross borrowings in the first half was likely due to elevated inflation and high interest rates.

Borrowings, SI/3

IMF to hold consultation mission in PHL in Sept.

THE INTERNATIONAL Monetary Fund (IMF) will hold its annual discussions with the Philippines starting in September, an official said.

IMF Representative to the Philippines Ragnar Gudmundsson said the IMF will hold its Article IV Consultation mission from Sept. 21 to Oct. 3. A press briefing is scheduled on Oct. 3.

"We will be discussing the growth outlook in the near term, taking into consideration the second-quarter numbers, and over the medium term, with a focus on economic diversification, digitalization, and policies to promote green and inclusive growth," he said in a text message.

The IMF earlier said it may revise its forecasts for the Philippines, after the slower-than-expected 4.3% gross domestic product (GDP) growth in the second quarter. For the first half, GDP averaged 5.3%.

Economic managers have said GDP has to expand by at least 6.6% in the second half to be able to meet the government's 6-7% target.

In its July World Economic Outlook update, the World Bank raised its growth outlook for the Philippines to 6.2% from the 6% forecast it gave in April. However, it lowered its 2024 growth projection to 5.5% from 5.8% previously.

"We will also be discussing the Medium-Term Fiscal Framework, monetary policy and inflation targeting, and the soundness of the financial system, amongst other topics," Mr. Gudmundsson said.

He said the IMF's Executive Board meeting may take place in late November.

The IMF currently expects full-year inflation to average 5.5% in 2023, before easing further to 3.2% by 2024. Both projections are below the Philippine central bank's 5.6% forecast for 2023 and 3.3% next year.

To tame inflation, the Bangko Sentral ng Pilipinas raised borrowing costs by 425 basis points from May 2022 to March 2023, bringing the key interest rate to a near 16-year high of 6.25%.

Under Article IV of the IMF's Articles of Agreement, the IMF holds annual bilateral discussions with its members. A team from the IMF will visit the country to assess economic and financial developments and hold meetings with government and central bank officials.

The team will then present its findings for discussion to the IMF Executive Board, which represents all of IMF's member countries. A summary of the IMF Board's assessment will be given to the country's government.

The IMF last conducted its annual consultation with the Philippines in September 2022. The multilateral lender publicly released its staff report on Dec. 15 last year. — **Keisha B. Ta-asaan**

Deficit-to-GDP ratio still a concern, analysts say

By **Luisa Maria Jacinta C. Jocson** Reporter

THE deficit-to-gross domestic product (GDP) ratio may have slipped as of end-June, but analysts said it is still a cause for concern as it should have been driven by fiscal consolidation rather than slow spending.

"Although the low deficit-to-GDP ratio seems to be a positive development, its primary driver — government underspending — is a cause for concern, especially with regard to economic

performance," China Banking Corp. Chief Economist Domini S. Velasquez said in a Viber message.

The National Government's (NG) deficit-to-GDP ratio slipped to 4.8% as of end-June from the 6.5% ratio in the same period in 2022.

This year, the government has set a budget deficit ceiling of P1.499 trillion, equivalent to 6.1% of GDP.

"Lower deficit- and debt-to-GDP ratios are ideal but the lower deficit numbers simply reflect underspending, which was a main reason for the second-quarter GDP growth miss,"

ING Bank N.V. Manila Senior Economist Nicholas Antonio T. Mapa said in a Viber message.

Data from the Bureau of the Treasury (BTr) showed that the budget deficit in the first half narrowed by 18.17% to P551.7 billion from P674.2 billion a year ago. However, it fell short of its program for the period by 28.49%.

The BTr attributed this to slow state spending, which inched up only by 0.42% to P2.41 trillion and fell short of its program by 6.6%.

Deficit-to-GDP, SI/3

Pump price hikes may affect inflation downtrend

THE SERIES of fuel price hikes this month may likely reverse or temper the current inflation downtrend, analysts said.

"It is not hard to imagine that the oil price hikes in August will probably have an effect on overall inflation," Ser Percival K. Peña-Reyes, associate director of the Ateneo Center for Economic Research and Development, said in a phone interview.

So far this month, oil companies have raised pump prices by P5.60 per liter for gasoline, and P9.20 per liter for both diesel and kerosene.

Fuel retailers are scheduled to announce pump price adjustments today (Aug. 28).

On Friday, Brent futures rose by \$1.12 or 1.3% to settle at \$84.48

a barrel, while US West Texas Intermediate crude increased by 78 cents or 1% to settle at \$79.83.

The sharp rise in global crude oil prices has pushed pump prices higher in recent weeks. This is mainly due to the oil production cuts from the Organization of the Petroleum Exporting Countries and its allies.

"The uptick in pump prices will result in a less pronounced fall in headline inflation," Nicholas Antonio T. Mapa, senior economist at ING Bank N.V. Manila, said in a Viber message.

Headline inflation slowed to 4.7% in July from 5.4% in June. In particular, transport inflation contracted by 4.7% in July, a faster annual decrease from 3.1% in June.

For the first seven months of the year, inflation averaged 6.8%. The Bangko Sentral ng Pilipinas' (BSP) latest baseline projections still show a return to the 2-4% inflation target range in the fourth quarter.

However, the BSP slightly raised the 2023 average inflation forecast to 5.6% from 5.4% previously, citing wage hikes and the recent increase in global oil prices. It also hiked the inflation projection for 2024 to 3.3% from 2.9%, previously.

Rizal Commercial Banking Corp. Chief Economist Michael L. Ricafort said the recent fuel price hike could drive up prices of other goods and services.

"The higher base/denominator effects on global crude

oil prices could diminish and eventually normalize especially starting September 2023," Mr. Ricafort said. "This could lead to some risk of re-inflation for the coming months especially by early 2024."

Other risks to the inflation outlook include the impact of storm damage on agriculture, higher rice prices, and recent wage hikes in the National Capital Region.

"Inflation could reaccelerate in the coming months in light of these developments, but slowing demand may offset inflation. If demand remains robust, inflation could reaccelerate," Mr. Peña-Reyes said, adding that consumer spending is expected to further slow.

Pump price, SI/3



THE ECONOMY
Bill lowering tax on stock transactions expected to increase trading activity SI/2

OPINION
A 5% economy? SI/8

WORLD SPORTS
Obiena jumps to silver finish in World Athletics Championship SI/10



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