

STOCK MARKET	ASIAN MARKETS	WORLD MARKETS	PESO-DOLLAR RATES	ASIAN MONIES-US\$ RATE	WORLD CURRENCIES	DUBAI CRUDE OIL																																																																					
PSEI OPEN: 6,224.81 HIGH: 6,300.44 LOW: 6,224.81 CLOSE: 6,295.29 VOL: 0.673 B VAL(P): 3.972 B 70.29% 1.12% 30 DAYS TO AUGUST 30, 2023	AUGUST 30, 2023 <table border="1"> <tr><th>CLOSE</th><th>NET</th><th>%</th></tr> <tr><td>JAPAN (NIKKEI 225)</td><td>32,333.46</td><td>▲ 106.49 0.33</td></tr> <tr><td>HONG KONG (HANG SENG)</td><td>18,482.86</td><td>▼ -1.17 -0.01</td></tr> <tr><td>TAIWAN (WEIGHTED)</td><td>16,719.82</td><td>▲ 96.17 0.58</td></tr> <tr><td>THAILAND (SET INDEX)</td><td>1,576.67</td><td>▲ 7.86 0.50</td></tr> <tr><td>S.KOREA (KSE COMPOSITE)</td><td>2,561.22</td><td>▲ 9.06 0.35</td></tr> <tr><td>SINGAPORE (STRAITS TIMES)</td><td>3,220.22</td><td>▼ -2.87 -0.09</td></tr> <tr><td>SYDNEY (ALL ORDINARIES)</td><td>7,297.70</td><td>▲ 87.20 1.21</td></tr> <tr><td>MALAYSIA (KLCSE COMPOSITE)</td><td>1,451.94</td><td>▼ -2.50 -0.17</td></tr> </table>	CLOSE	NET	%	JAPAN (NIKKEI 225)	32,333.46	▲ 106.49 0.33	HONG KONG (HANG SENG)	18,482.86	▼ -1.17 -0.01	TAIWAN (WEIGHTED)	16,719.82	▲ 96.17 0.58	THAILAND (SET INDEX)	1,576.67	▲ 7.86 0.50	S.KOREA (KSE COMPOSITE)	2,561.22	▲ 9.06 0.35	SINGAPORE (STRAITS TIMES)	3,220.22	▼ -2.87 -0.09	SYDNEY (ALL ORDINARIES)	7,297.70	▲ 87.20 1.21	MALAYSIA (KLCSE COMPOSITE)	1,451.94	▼ -2.50 -0.17	AUGUST 29, 2023 <table border="1"> <tr><th>CLOSE</th><th>NET</th></tr> <tr><td>Dow Jones</td><td>34,852.670 ▲ 292.690</td></tr> <tr><td>NASDAQ</td><td>13,943.757 ▲ 238.626</td></tr> <tr><td>S&P 500</td><td>4,497.630 ▲ 64.320</td></tr> <tr><td>FTSE 100</td><td>7,464.990 ▲ 126.410</td></tr> <tr><td>Euro Stoxx50</td><td>3,986.520 ▲ 30.410</td></tr> </table>	CLOSE	NET	Dow Jones	34,852.670 ▲ 292.690	NASDAQ	13,943.757 ▲ 238.626	S&P 500	4,497.630 ▲ 64.320	FTSE 100	7,464.990 ▲ 126.410	Euro Stoxx50	3,986.520 ▲ 30.410	FX OPEN P56.680 HIGH P56.600 LOW P56.790 CLOSE P56.725 W.AVE. P56.702 VOL. \$1,230.06 M SOURCE: BAP	AUGUST 30, 2023 <table border="1"> <tr><th>LATEST BID (0900GMT)</th><th>PREVIOUS</th></tr> <tr><td>JAPAN (YEN)</td><td>146.330 ▲ 146.570</td></tr> <tr><td>HONG KONG (HK DOLLAR)</td><td>7.847 ▲ 7.846</td></tr> <tr><td>TAIWAN (NT DOLLAR)</td><td>31.827 ▲ 31.874</td></tr> <tr><td>THAILAND (BAHT)</td><td>35.080 ▲ 35.150</td></tr> <tr><td>S. KOREA (WON)</td><td>1,323.720 ▲ 1,323.680</td></tr> <tr><td>SINGAPORE (DOLLAR)</td><td>1.352 ▲ 1.355</td></tr> <tr><td>INDONESIA (RUPIAH)</td><td>15,235 ▲ 15,255</td></tr> <tr><td>MALAYSIA (RINGGIT)</td><td>4.637 ▲ 4.643</td></tr> </table>	LATEST BID (0900GMT)	PREVIOUS	JAPAN (YEN)	146.330 ▲ 146.570	HONG KONG (HK DOLLAR)	7.847 ▲ 7.846	TAIWAN (NT DOLLAR)	31.827 ▲ 31.874	THAILAND (BAHT)	35.080 ▲ 35.150	S. KOREA (WON)	1,323.720 ▲ 1,323.680	SINGAPORE (DOLLAR)	1.352 ▲ 1.355	INDONESIA (RUPIAH)	15,235 ▲ 15,255	MALAYSIA (RINGGIT)	4.637 ▲ 4.643	AUGUST 30, 2023 <table border="1"> <tr><th>CLOSE</th><th>PREVIOUS</th></tr> <tr><td>US\$/UK POUND</td><td>1.2652 ▲ 1.2604</td></tr> <tr><td>US\$/EURO</td><td>1.0884 ▲ 1.0805</td></tr> <tr><td>US\$/AUST DOLLAR</td><td>0.6465 ▲ 0.6440</td></tr> <tr><td>CANADA DOLLAR/US\$</td><td>1.3562 ▲ 1.3609</td></tr> <tr><td>SWISS FRANC/US\$</td><td>0.8796 ▼ 0.8844</td></tr> </table>	CLOSE	PREVIOUS	US\$/UK POUND	1.2652 ▲ 1.2604	US\$/EURO	1.0884 ▲ 1.0805	US\$/AUST DOLLAR	0.6465 ▲ 0.6440	CANADA DOLLAR/US\$	1.3562 ▲ 1.3609	SWISS FRANC/US\$	0.8796 ▼ 0.8844	DUBAI CRUDE OIL FUTURES PRICE ON NEAREST MONTH OF DELIVERY \$86.10/BBL \$0.24 30 DAYS TO AUGUST 29, 2023
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VOL. XXXVII • ISSUE 26 THURSDAY • AUGUST 31, 2023 • www.bworldonline.com S1/1-12 • 2 SECTIONS, 16 PAGES

PHILIPPINE STOCK EXCHANGE'S 10 MOST ACTIVE STOCKS BY VALUE TURNOVER • AUGUST 30, 2023 (PSEI snapshot on S1/5; article on S2/2)

MPI	P5.120	SMPH	P30.150	ICT	P212.800	BDO	P143.000	BPI	P107.900	AC	P616.000	ABSP	P2.000	GTAP	P569.000	SM	P844.000	ALI	P28.700
Value	P362,572,052	Value	P297,276,210	Value	P263,266,692	Value	P251,975,015	Value	P248,989,822	Value	P240,707,890	Value	P211,561,670	Value	P173,888,210	Value	P167,183,880	Value	P156,373,080
PO.000	— 0.000%	PO.150	▼ -0.495%	PO.800	▼ -0.375%	P1.400	▲ 0.989%	PO.000	— 0.000%	P1.000	▲ 0.163%	PO.610	▼ -23.372%	P14.000	▲ 2.523%	P31.500	▲ 3.877%	PO.200	▲ 0.702%

Electronics exports seen to fall flat

Inflationary pressures remain elevated in PHL

INFLATIONARY PRESSURES in the Philippines remain one of the highest in Asia as food prices continue to rise, according to Nomura Global Markets Research.

Nomura Global Markets Research in a note dated Aug. 30 said the Philippines recorded the second-highest aggregate score of 103.3 in its ranking of inflationary pressures in Asia.

Singapore faces the highest inflationary pressures with a score of 104.

In Nomura's scorecard, the Philippines is the only emerging market in Asia that still faces elevated risks to inflation.

"(This is) because of the (country's) higher vulnerability to supply-side inflationary shocks that have spilled over more broadly and will likely unwind only gradually, in our view," Nomura said.

Headline inflation slowed for a sixth straight month to 4.7% in July but marked the 16th straight month it exceeded the central bank's 2-4% target.

Inflation averaged 6.8% in the first seven months of the year, still above the central bank's revised 5.6% full-year forecast.

Nomura noted inflationary pressures were most under control in Indonesia (96.5) and Thailand (96.8).

"Philippines appears most exposed to higher food prices, especially rice (which has an 8.9% weighting in its consumer price index basket). Higher food prices could result in higher headline inflation and a wider current account deficit, as it resorts to importation," Nomura said.

Rice inflation rose to 4.2% in July from 3.6% in June.

According to Nomura, the bar for all Asian central banks to resume rate hikes is "quite high."

The BSP earlier this month extended its policy hold for a third straight meeting, keeping the benchmark interest rate at a near 16-year high of 6.25%.

"However, we expect the BSP to leave policy rates unchanged, taking comfort from the sharp drop in core inflation momentum and also due to the weakening growth outlook," it said.

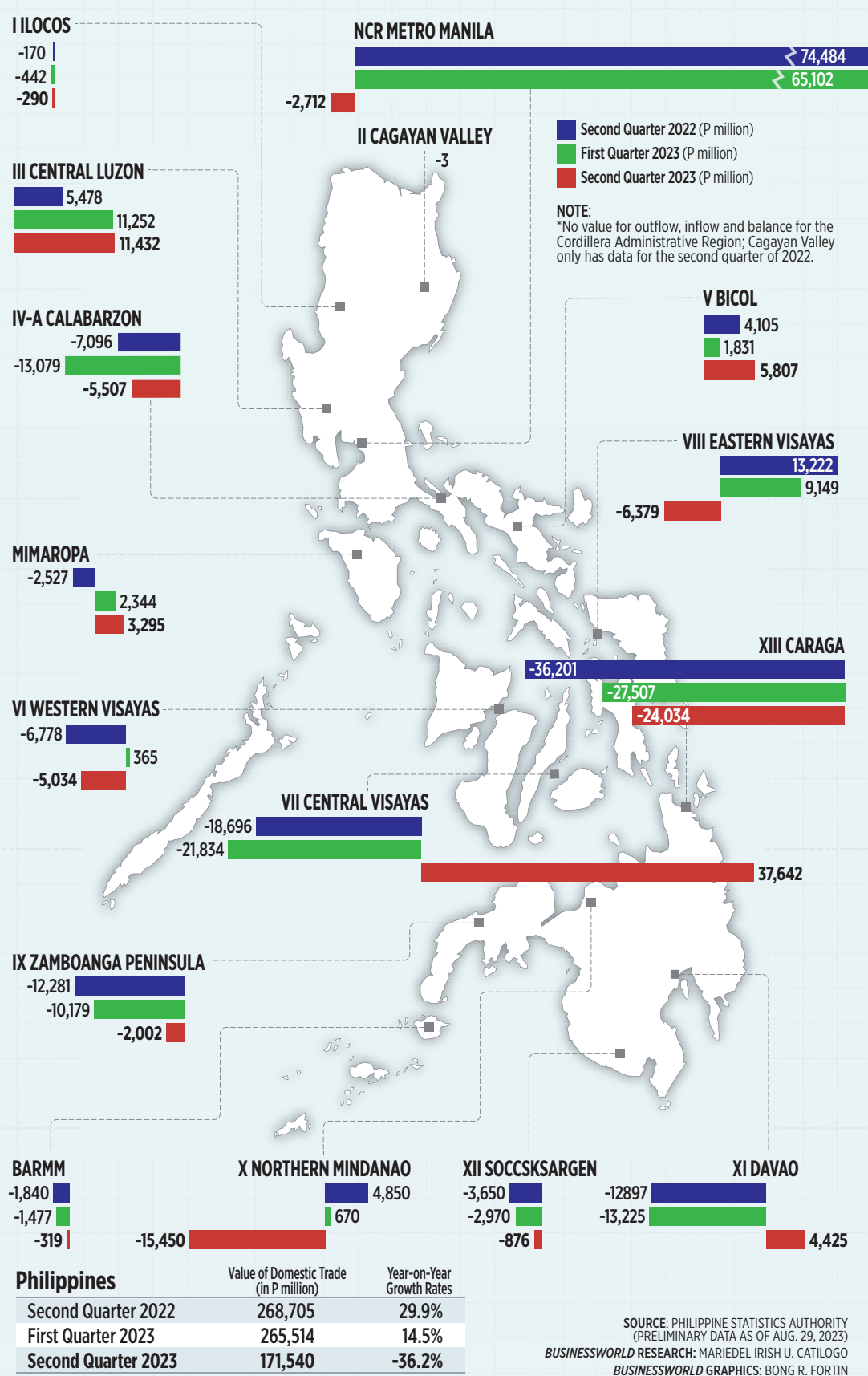
Nomura expects the BSP to cut rates starting March 2024.

Pressures, S1/3

DOMESTIC TRADE IN THE REGIONS: WHICH HAVE (UN)FAVORABLE TRADE BALANCES?

The country's domestic trade activity fell by 36.2% to P171.54 billion in the second quarter, according to data from the Philippine Statistics Authority.

(Read related story "Domestic trade growth declines in 2nd quarter" on S1/3)



THE SEMICONDUCTOR and Electronics Industries in the Philippines Foundation, Inc. (SEIPI) said on Wednesday it now expects electronics exports to be flat after seeing a sharp decline in the first semester.

"We have revised our growth forecast from 5% for the year to flat, zero because realistically we're down 7% (in the first six months). But we see a recovery in the third and fourth quarters. So that's why we're aiming for at least flat," SEIPI President Danilo C. Lachica told reporters on Wednesday.

SEIPI data showed total electronics exports dropped by 7% to \$21.19 billion in the January-to-June period from \$22.78 billion in the same period in 2022.

Six sectors showed a decline in exports in the first half. This was led by automotive electronics which plunged 70.4% to \$18.7 million, followed by office equipment (-44%), electronic data processing (-32.2%), telecommunication (-25.8%), semiconductor components/devices (-4.4%), and control and instrumentation (-0.9%).

On the other hand, some sectors recorded an improvement in exports, such as communication/radar (23.4%), medical/industrial instrumentation (20.1%), and consumer electronics (17.4%).

Mr. Lachica attributed the exports decline mainly due to geopolitical tensions, such as the US-China trade war. "In the last quarter or so, we've been clobbered in terms of our electronics exports. In fact, at one point, we were 15% down compared to last year," he said, noting that exports recovered in June.

Data from SEIPI showed that total electronics exports rose by 11.8% to \$4.25 billion in the month of June.

Four sectors reported year-on-year growth led by medical/industrial instrumentation (34.9%), semiconductor components/devices (22.3%), communication/radar (19.6%), and consumer electronics (8.4%).

On the other hand, five sectors posted declines in June, namely automotive electronics (-54%), office equipment (-36.4%), telecommunication (-29.9%), electronic data processing (-29.2%), and control and instrumentation (-12.5%).

Electronics, S1/3

Gov't to borrow P180B from local mart in Sept.

THE NATIONAL Government (NG) plans to borrow P180 billion from the domestic market in September, the Bureau of the Treasury (BTr) said on Wednesday.

The September borrowing plan is 20% lower than the P225-billion program for August. However, it is a tad higher than the actual P179.17 billion raised by the government this month.

According to the BTr, the government plans to borrow P60 billion from T-bills, and P120 billion via T-bonds in September.

Broken down, the government will offer P5 billion worth of 91-day, 182-day, and 364-day T-bills on Sept. 4, 11, 18 and 25.

For the long-term tenors, the BTr will offer P30 billion in three-year T-bonds on Sept. 5 and P30 billion in seven-year T-bonds on Sept. 12.

It will auction off P30 billion in 10-year T-bonds on Sept. 19, and P30 billion in three-year bonds on Sept. 26.

ING Bank N.V. Manila Senior Economist Nicholas Antonio T. Mapa said the September borrowing plan is still in line with the overall program.

"Rates will still likely take their cue from global bond movements and the outlook for domestic inflation," he said in a Viber message.

Headline inflation slowed for a sixth straight month to 4.7% in July from 5.4% in June. For the seven-month period, inflation averaged 6.8%, still above the central bank's 5.6% forecast.

The Philippine Statistics Authority will release the consumer price index data for August on Sept. 5.

"BTr appears to have a strong cash position and with inflation moderating we could see rates edge lower due to domestic factors. This, however, can always be superseded by global developments should US Treasury yields rise if US data prints on the upside," Mr. Mapa said.

Yields in the secondary market and benchmark US Treasury will likely continue to ease in September amid expectations of a pause at the US Federal Reserve's next meeting, Rizal Commercial Banking Corp. Chief Economist Michael L. Ricafort said in a Viber message.

Reuters reported Treasury yields slid to three-week lows on Tuesday but were stable in Asian hours. The two-year yield, which typically moves in step with interest rate expectations, was up 3.3 basis points at 4.923%, easing away from the three-week low of 4.871% it touched on Tuesday.

Markets are pricing in an 89% chance of the Fed standing pat at its meeting next month, the CME FedWatch tool showed, and are now pricing in a 50% chance of another pause at the November meeting compared with a 38% chance a day earlier.

The government's gross domestic borrowing program this year is set at P1.654 trillion, composed of P54.1 billion in T-bills and P1.6 trillion in fixed-rate T-bonds.

The government borrows from local and external sources to help fund a budget deficit capped at 6.1% of the gross domestic product this year. — AMCS with Reuters

Maharlika fund allowed to invest in JVs, infrastructure projects

THE MAHARLIKA Investment Corp. (MIC), which will manage the country's first sovereign wealth fund, can invest in joint ventures (JVs), infrastructure projects, and sustainable development programs, as well as extend loans.

Under the implementing rules and regulations of Republic Act No. 11954 or the Maharlika Investment Fund (MIF) law, the MIC can invest in joint ventures or co-investments, mergers and acquisitions; and mutual and exchange-traded funds invested in underlying assets.

The MIC can also invest in real estate and infrastructure projects. However, investments in infrastructure projects should be "directed towards the fulfill-

ment of national priorities such as the national infrastructure program of the Department of Public Works and Highways and other infrastructure agencies, the inclusive innovation industry strategy of the Department of Trade and Industry, and the public investment programs of the National Economic and Development Authority."

Investments in real estate should also be limited to "high-impact projects, those contained in the Strategic Investment Priority Plan, as well as other projects that are approved by the appropriate approving body to ensure that these are in line with the socioeconomic development program of the government."

The MIC can also pour funds into health, education, research and innovation projects, as well as sustainable development programs.

It can extend "loans and guarantees to, or participation into joint ventures or consortiums with Filipino and foreign investors, whether in the majority or minority position in commercial, industrial, mining, agricultural, housing, energy, and other enterprises, which may be necessary or contributory to the economic development of the country, or important to the public interest."

The board of directors must also make sure that allowable investments are in line with the "principle of sustainability."

The MIC is also authorized to invest in cash, foreign currencies, metals, and other tradable commodities; fixed-income instruments issued by sovereigns, quasi-sovereigns and supranationals; domestic and foreign corporate bonds; listed or unlisted equities, whether common, preferred, or hybrids; and Islamic investments, such as Sukuk bonds.

BOARD OF DIRECTORS
Meanwhile, the list of nominees for the MIC's president and chief executive officer (CEO), regular directors, and independent directors must be presented to the President by October.

Maharlika, S1/3



TECHNOLOGY
Cybersecurity should be part of schools' curriculum — Kaspersky S1/4

CORPORATE NEWS
Motorcycle sales seen to reach 1.6M this year S1/4

ARTS & LEISURE
The Big Dome gets bigger S2/4



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