

STOCK MARKET	ASIAN MARKETS	WORLD MARKETS	PESO-DOLLAR RATES	ASIAN MONIES-US\$ RATE	WORLD CURRENCIES	DUBAI CRUDE OIL																																																																					
<b>PSEi</b> OPEN: 6,291.95 HIGH: 6,291.95 LOW: 6,175.25 CLOSE: 6,175.25 VOL.: 1.356 B VAL(P): 9,752 B 120.04 pts. 1.9% 30 DAYS TO AUGUST 31, 2023	<b>AUGUST 31, 2023</b> <table border="1"> <tr><th>CLOSE</th><th>NET</th><th>%</th></tr> <tr><td>JAPAN (NIKKEI 225)</td><td>32,619.34</td><td>▲ 285.88 0.88</td></tr> <tr><td>HONG KONG (HANG SENG)</td><td>18,382.06</td><td>▼ -100.80 -0.55</td></tr> <tr><td>TAIWAN (WEIGHTED)</td><td>16,634.51</td><td>▼ -85.31 -0.51</td></tr> <tr><td>THAILAND (SET INDEX)</td><td>1,569.70</td><td>▼ -6.97 -0.44</td></tr> <tr><td>S. KOREA (KSE COMPOSITE)</td><td>2,556.27</td><td>▼ -4.95 -0.19</td></tr> <tr><td>SINGAPORE (STRAITS TIMES)</td><td>3,235.04</td><td>▲ 14.82 0.46</td></tr> <tr><td>SYDNEY (ALL ORDINARIES)</td><td>7,305.30</td><td>▲ 7.60 0.10</td></tr> <tr><td>MALAYSIA (KLSX COMPOSITE)*</td><td>1,451.94</td><td>▼ -2.50 -0.17</td></tr> </table>	CLOSE	NET	%	JAPAN (NIKKEI 225)	32,619.34	▲ 285.88 0.88	HONG KONG (HANG SENG)	18,382.06	▼ -100.80 -0.55	TAIWAN (WEIGHTED)	16,634.51	▼ -85.31 -0.51	THAILAND (SET INDEX)	1,569.70	▼ -6.97 -0.44	S. KOREA (KSE COMPOSITE)	2,556.27	▼ -4.95 -0.19	SINGAPORE (STRAITS TIMES)	3,235.04	▲ 14.82 0.46	SYDNEY (ALL ORDINARIES)	7,305.30	▲ 7.60 0.10	MALAYSIA (KLSX COMPOSITE)*	1,451.94	▼ -2.50 -0.17	<b>AUGUST 30, 2023</b> <table border="1"> <tr><th>CLOSE</th><th>NET</th></tr> <tr><td>Dow Jones</td><td>34,890.240 ▲ 37.570</td></tr> <tr><td>NASDAQ</td><td>14,019.311 ▲ 75.554</td></tr> <tr><td>S&amp;P 500</td><td>4,514.870 ▲ 17.240</td></tr> <tr><td>FTSE 100</td><td>7,473.670 ▲ 8.680</td></tr> <tr><td>Euro Stoxx50</td><td>3,976.500 ▼ -10.020</td></tr> </table>	CLOSE	NET	Dow Jones	34,890.240 ▲ 37.570	NASDAQ	14,019.311 ▲ 75.554	S&P 500	4,514.870 ▲ 17.240	FTSE 100	7,473.670 ▲ 8.680	Euro Stoxx50	3,976.500 ▼ -10.020	<b>FX</b> OPEN P56.700 HIGH P56.570 LOW P56.740 CLOSE P56.595 W.AVE. P56.651 VOL. \$1,481.80 M SOURCE: BAP 13.00 ctyvs 30 DAYS TO AUGUST 31, 2023	<b>AUGUST 31, 2023</b> <table border="1"> <tr><th>LATEST BID (0900GMT)</th><th>PREVIOUS</th></tr> <tr><td>JAPAN (YEN)</td><td>145.850 ▲ 146.330</td></tr> <tr><td>HONG KONG (HK DOLLAR)</td><td>7.844 ▲ 7.847</td></tr> <tr><td>TAIWAN (NT DOLLAR)</td><td>31.879 ▲ 31.827</td></tr> <tr><td>THAILAND (BAHT)</td><td>34.920 ▲ 35.080</td></tr> <tr><td>S. KOREA (WON)</td><td>1,323.170 ▲ 1,323.720</td></tr> <tr><td>SINGAPORE (DOLLAR)</td><td>1.351 ▲ 1.352</td></tr> <tr><td>INDONESIA (RUPIAH)</td><td>15,225 ▲ 15,235</td></tr> <tr><td>MALAYSIA (RINGGIT)</td><td>4.637 ▲ 4.637</td></tr> </table>	LATEST BID (0900GMT)	PREVIOUS	JAPAN (YEN)	145.850 ▲ 146.330	HONG KONG (HK DOLLAR)	7.844 ▲ 7.847	TAIWAN (NT DOLLAR)	31.879 ▲ 31.827	THAILAND (BAHT)	34.920 ▲ 35.080	S. KOREA (WON)	1,323.170 ▲ 1,323.720	SINGAPORE (DOLLAR)	1.351 ▲ 1.352	INDONESIA (RUPIAH)	15,225 ▲ 15,235	MALAYSIA (RINGGIT)	4.637 ▲ 4.637	<b>AUGUST 31, 2023</b> <table border="1"> <tr><th>CLOSE</th><th>PREVIOUS</th></tr> <tr><td>US\$/UK POUND</td><td>1.2678 ▲ 1.2652</td></tr> <tr><td>US\$/EURO</td><td>1.0873 ▼ 1.0884</td></tr> <tr><td>US\$/AUSTRALIAN DOLLAR</td><td>0.6469 ▲ 0.6465</td></tr> <tr><td>CANADA DOLLAR/US\$</td><td>1.3540 ▼ 1.3562</td></tr> <tr><td>SWISS FRANC/US\$</td><td>0.8816 ▲ 0.8796</td></tr> </table>	CLOSE	PREVIOUS	US\$/UK POUND	1.2678 ▲ 1.2652	US\$/EURO	1.0873 ▼ 1.0884	US\$/AUSTRALIAN DOLLAR	0.6469 ▲ 0.6465	CANADA DOLLAR/US\$	1.3540 ▼ 1.3562	SWISS FRANC/US\$	0.8816 ▲ 0.8796	<b>FUTURES PRICE ON NEAREST MONTH OF DELIVERY</b> <b>\$86.79/BBL</b> ▲ 30 DAYS TO AUGUST 30, 2023
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PHILIPPINE STOCK EXCHANGE'S 10 MOST ACTIVE STOCKS BY VALUE TURNOVER • AUGUST 31, 2023 (PSEi snapshot on S1/5; article on S2/2)

AC	P616.000	SMPH	P29.200	ALI	P27.150	BDO	P139.300	BPI	P110.000	TEL	P1,150.000	SM	P833.000	ICT	P207.200	URC	P111.700	RCR	P4.860
Value	P2,245,437,205	Value	P760,452,980	Value	P550,830,065	Value	P531,517,241	Value	P517,652,204	Value	P487,087,255	Value	P449,995,555	Value	P437,704,004	Value	P352,769,648	Value	P312,008,494
PO.000	— 0.000%	-P0.950	▼ -3.151%	-P1.550	▼ -5.401%	-P3.700	▼ -2.587%	P2.100	▲ 1.946%	-P53.000	▼ -4.406%	-P11.000	▼ -1.303%	-P5.600	▼ -2.632%	-P7.300	▼ -6.134%	-P0.410	▼ -7.780%

# Budget deficit shrinks 45% in July

## Inflation likely settled within 4.8%-5.6% in Aug.

HEADLINE INFLATION likely settled within the range of 4.8% to 5.6% in August amid a sharp increase in rice and fuel prices, the Bangko Sentral ng Pilipinas (BSP) said on Thursday.

If realized, August inflation would exceed the central bank's 2-4% target band for the 17th straight month.

It would also be faster than the 4.7% print in July, which would end six straight months of slowing inflation.

The Philippine Statistics Authority (PSA) will release August consumer price index (CPI) data on Sept. 5.

"Higher prices of rice and other agricultural commodities due to weather disturbances, sharp rise in fuel prices as well as increased transport costs owing to higher train fares and toll rates, and the peso depreciation are the primary sources of upward price

pressures in August," the BSP said.

In August alone, oil companies raised pump prices by P5.90 per liter for gasoline, P9.90 per liter for diesel and P10 per liter for kerosene.

Higher fares at the Light Rail Transit Lines 1 and 2 took effect on Aug. 2. The minimum boarding fee was increased from P11 to P13.29, while distance fare was hiked to P1.21 from P1 per kilometer.

The peso closed at P56.595 on Thursday, depreciating by 3% or P1.715 from the P54.88 finish on July 31. Year to date, the peso depreciated by 1.5% or P0.84 from its P55.755 close on Dec. 29.

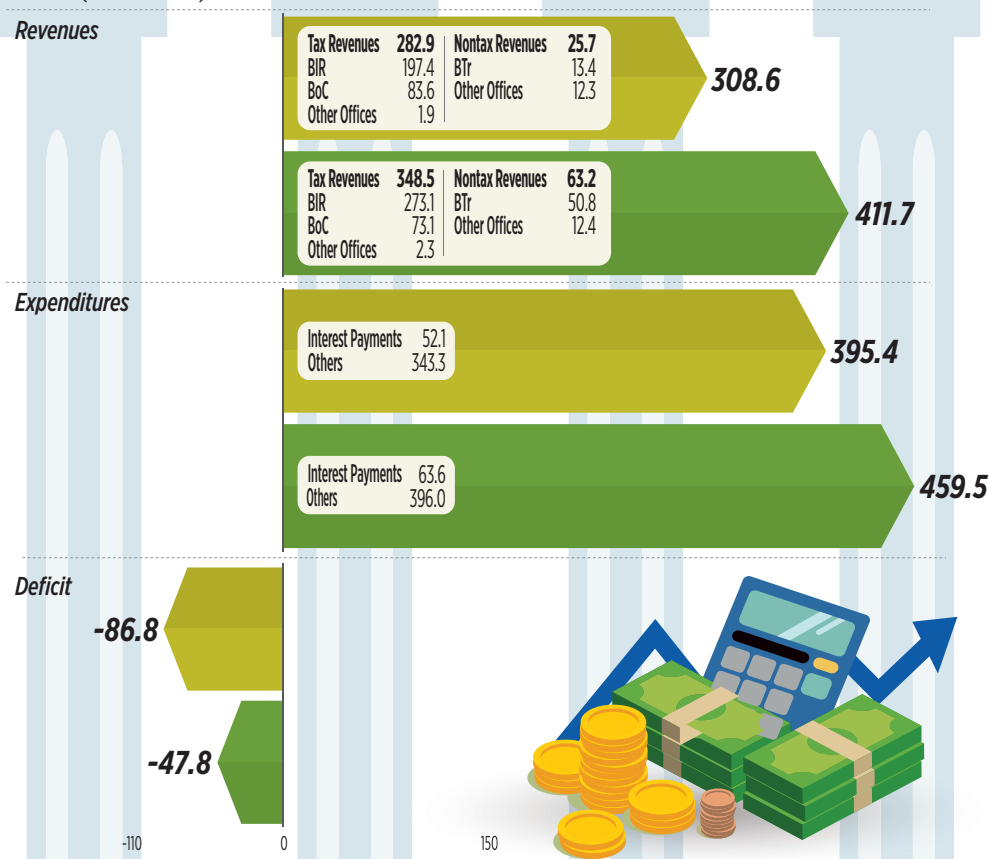
"Meanwhile, lower electricity rates from major providers could contribute to downward price pressures for the month," the central bank said.

*Inflation, S1/9*

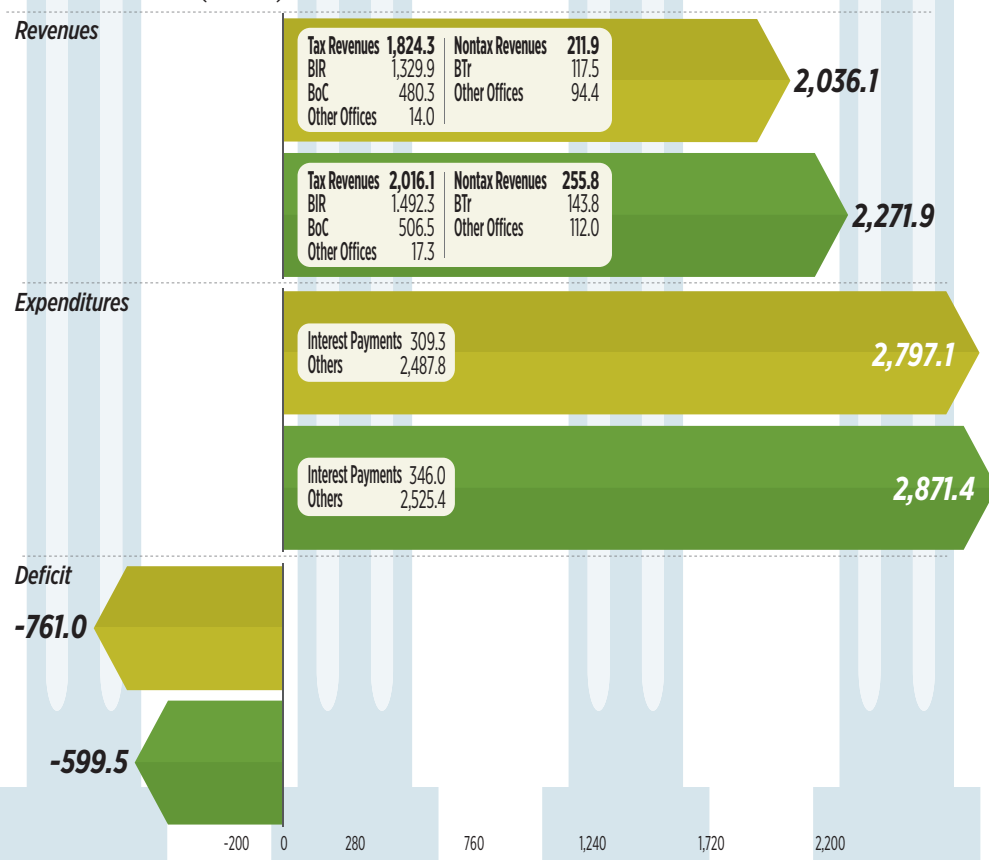
## NATIONAL GOVERNMENT FISCAL PERFORMANCE

(in billion pesos)

JULY (PRELIMINARY)



JANUARY-JULY (ACTUAL)



SOURCE: BUREAU OF THE TREASURY (PRELIMINARY DATA AS OF AUG. 31, 2023)  
BUSINESSWORLD RESEARCH: ABIGAIL MARIE P. YRAOLA BUSINESSWORLD GRAPHICS: BONG R. FORTIN

By Luisa Maria Jacinta C. Jocson Reporter

THE NATIONAL Government's (NG) budget deficit shrank by 44.89% in July, amid double-digit growth in revenues and expenditures, the Bureau of the Treasury (BTr) said.

Data from the BTr showed the fiscal gap narrowed by 44.89% to P47.8 billion in July from P86.8 billion in the same month a year ago.

"The NG's budget deficit for July declined from a year ago on the back of 33.4% higher growth in revenue collection versus the 16.22% increase in government expenditures," the BTr said.

In July, revenue collection rose to P411.7 billion from P308.6 billion in the same month a year ago.

Tax revenues increased by 23.18% to P348.5 billion in July, despite a double-digit decline in Customs collection.

The Bureau of Customs' (BoC) collection declined by 12.61% year on year to P73.1 billion, but this was offset by the 38.37% increase in Bureau of Internal Revenue (BIR) collection to P273.1 billion.

Nontax revenues more than doubled to P63.2 billion in July from P25.7 billion in the same month a year ago. This was mainly due to the surge in BTr revenues to P50.8 billion in July from P13.4 billion a year ago. Revenues from other offices inched up by 0.58% to P12.4 billion.

Meanwhile, state spending went up by 16.22% to P459.5 billion during the month from P395.4 billion a year ago.

The BTr said the increase in expenditures was mainly due to higher disbursements by the Social Welfare, Health and Agriculture departments.

"Spending in July also expanded on the back of significant infrastructure outlays of the Department of Public Works and Highways for its road network development program and the Department of Transportation for rail transport projects," it added.

Primary expenditures, which refer to spending net of interest payments, rose by 15.35% to P396 billion in July.

Interest payments jumped by 22% to P63.6 billion during the month.

ING Bank NV. Manila Senior Economist Nicholas Antonio T. Mapa said that July was a "strong month" for both revenues and spending.

"This resulted in a narrower budget which would improve overall fiscal metrics. We'll need to see more of this in the coming months with healthy spending complemented by a sustained increase in revenue collections," he said in a Viber message.

*Deficit, S1/9*



**AboitizPower unveils EV transformation fleet program**  
ABOITIZ POWER Corp. (AboitizPower) on Wednesday launched its electric vehicle (EV) fleet transformation program. The company also unveiled new plug-in EVs for its distribution utilities in Visayas and Mindanao, as part of efforts to transition 40% of its fleet to electric by 2030, and 100% by 2040. In photo (from left): AboitizPower Distribution Chief Technology Officer Mark A. Valencia, AboitizPower Head of Corporate Services Jokin P. Aboitiz, Cotabato Light President and Chief Operating Officer (COO) Valentin S. Saludes, AboitizPower Distribution Utilities COO Anton G. Perdices, AboitizPower President and Chief Executive Officer Emmanuel V. Rubio, Davao Light President and COO Rodger S. Velasco and Visayan Electric Co. President and COO Raul C. Lucero

## Net 'hot money' inflows surge to \$962M in July

FOREIGN PORTFOLIO investments registered a net inflow for the second straight month in July, the Bangko Sentral ng Pilipinas (BSP) said on Thursday.

Transactions on short-term foreign investments registered with the BSP through authorized agent banks posted a net inflow of \$962 million in July, a turnaround from the \$103.14-million outflow in the same month in 2022.

The net inflow in July was also significantly higher than the revised \$280,000 net inflow in June.

These foreign investments are also known as "hot money" — called as such due to the ease by which these funds enter and exit an economy.

Based on BSP data, gross inflows hit \$1.58 billion in July, 77.2% up from the \$889.4 million in June. It was also more than

double the \$680.7 million in the same month last year.

The top five investor economies were the United Kingdom, the United States, Singapore, Luxembourg, and Germany, accounting for 85.7% of total foreign portfolio investment inflows.

About \$996 million or 63.2% were invested in peso government securities, while about 36.8% went into Philippine Stock Exchange-listed securities of companies involved in banks, property, food, beverage and tobacco, holding firms, and transportation services.

On the other hand, gross outflows declined by 30.9% to \$614.5 million in July from \$889.1 million a month prior. Year on year, net outflows fell by 21.6% from \$784 million.

*'Hot money,' S1/9*

## Domestic liquidity grows by 5.9% in June — BSP data

GROWTH in money supply further eased in June as high borrowing costs weighed on credit demand.

Data from the Bangko Sentral ng Pilipinas (BSP) showed that domestic liquidity, as measured by M3, expanded by 5.9% to P16.4 trillion in June, slower than the 6.6% growth in May.

On a month-on-month seasonally adjusted basis, M3 increased by 0.2%.

Rizal Commercial Banking Corp. Chief Economist Michael L. Ricafort said the June domestic liquidity growth was among the slowest in nearly two years or since July 2021.

He attributed this to the "restrictive monetary policy measures" as the BSP sought to mop up excess liquidity from the financial markets to curb inflation and stabilize the peso.

The Monetary Board raised borrowing costs by 425 basis points (bps) from May 2022 to March 2023, bringing the key interest rate to a near 16-year high of 6.25%.

Based on BSP data, domestic claims jumped by an annual 10.1% in June, slightly slower than 11.4% in May.

Claims on the private sector rose by 7.9% in June, easing from the 9.4% growth a month ago. The growth was driven by continued expansion in bank lending to nonfinancial private corporations and households.

Meanwhile, net claims on the central government rose by 17.2% in June, a tad slower from 18.3% in May, on the sustained borrowings by the National Government.

Net foreign assets (NFA) in peso terms slid by 2.8% in June, reversing the 2.7% expansion in May.

"The BSP's NFA position declined by 0.6% in June after increasing by 4.2% in the previous month. Meanwhile, the NFA of banks declined on account of higher bills payable," the central bank said.

The BSP added that it will continue to ensure domestic liquidity conditions are consistent with price and financial stability.

"For the coming months, M3 growth could remain tempered as long as inflationary pressures remain and monetary policy remains restrictive to bring down inflation further to BSP's targets," Mr. Ricafort said. — **K.B.Ta-asan**