

STOCK MARKET	ASIAN MARKETS	WORLD MARKETS	PESO-DOLLAR RATES	ASIAN MONIES-US\$ RATE	WORLD CURRENCIES	DUBAI CRUDE OIL
PSEi OPEN: 6,215.55 HIGH: 6,220.25 LOW: 6,179.88 CLOSE: 6,181.06 VOL.: 2.113 B VAL(P): 11,509 B 5.81 PTS. 0.09% 30 DAYS TO SEPTEMBER 1, 2023	SEPTEMBER 1, 2023 JAPAN (NIKKEI 225) 32,710.62 ▲ 91.28 0.28 HONG KONG (HANG SENG) * 18,382.06 ▼ -100.80 -0.55 TAIWAN (TAIEX) 16,644.94 ▲ 10.43 0.06 THAILAND (SET INDEX) 1,561.51 ▼ -4.43 -0.28 S. KOREA (KOSPI) 2,563.71 ▲ 7.44 0.29 SINGAPORE (STRAITS TIMES) * 3,233.30 ▲ 13.08 0.41 SYDNEY (ALL ORDINARIES) 7,278.30 ▼ -27.00 -0.37 MALAYSIA (KLSE COMPOSITE) 1,463.43 ▲ 11.49 0.79 <small>* CLOSING PRICE AS OF AUGUST 31, 2023</small>	SEPTEMBER 1, 2023 DOW JONES 34,857.710 ▲ 115.800 NASDAQ 14,031.815 ▼ -3.154 S&P 500 4,515.770 ▲ 8.110 FTSE 100 7,464.540 ▲ 25.410 EURO STOXX50 3,967.720 ▲ 4.330	FX 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 CTVS 30 DAYS TO AUGUST 31, 2023	SEPTEMBER 1, 2023 LATEST BID (0900GMT) PREVIOUS JAPAN (YEN) 146.230 ▼ 145.850 HONG KONG (HK DOLLAR) 7.845 ▼ 7.844 TAIWAN (NT DOLLAR) 31.863 ▼ 31.879 THAILAND (BAHT) 35.040 ▼ 34.920 S. KOREA (WON) 1,317.550 ▲ 1,323.170 SINGAPORE (DOLLAR) 1.354 ▼ 1.351 INDONESIA (RUPIAH) 15,235 ▼ 15,225 MALAYSIA (RINGGIT) 4.645 ▼ 4.637	SEPTEMBER 1, 2023 CLOSE PREVIOUS US\$/UK POUND 1.2588 ▼ 1.2678 US\$/EURO 1.0773 ▼ 1.0873 US\$/AUSTRALIAN DOLLAR 0.6450 ▼ 0.6469 CANADA DOLLAR/US\$ 1.3594 ▼ 1.3540 SWISS FRANC/US\$ 0.8856 ▲ 0.8816	FUTURES PRICE ON NEAREST MONTH OF DELIVERY \$87.65/BBL 30 DAYS TO AUGUST 31, 2023

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PHILIPPINE STOCK EXCHANGE'S 10 MOST ACTIVE STOCKS BY VALUE TURNOVER • SEPTEMBER 1, 2023 (PSEi snapshot on S1/2; article on S2/2)

MPI	P5.170	SMPH	P29.900	BDO	P140.100	BPI	P107.000	CNVRG	P8.000	JFC	P240.000	AC	P609.000	ICT	P206.000	ALI	P28.050	GTCAP	P572.500
Value	P2,864,734,410	Value	P384,508,535	Value	P339,610,713	Value	P177,414,920	Value	P125,731,048	Value	P125,414,754	Value	P110,079,310	Value	P106,031,000	Value	P103,465,695	Value	P96,739,250
P0.120	▲ 2.376%	P0.700	▲ 2.397%	P0.800	▲ 0.574%	-P3.000	▼ -2.727%	P0.230	▲ 2.960%	P3.000	▲ 1.266%	-P7.000	▼ -1.136%	-P1.200	▼ -0.579%	P0.900	▲ 3.315%	P0.000	— 0.000%

Inflation uptick seen in Aug. — poll

By Keisha B. Ta-asan Reporter

HEADLINE INFLATION may have seen an uptick in August, ending six months of steady decline due to rising prices of fuel and key food items. A *BusinessWorld* poll of 18 analysts yielded a

median estimate of 4.9% for August inflation, settling within the 4.8% to 5.6% forecast by the Bangko Sentral ng Pilipinas (BSP).

If realized, this would be faster than the 4.7% in July, but slower than the 6.3% print in August 2022. It would also mark the 17th straight month of inflation exceeding the BSP's 2-4% target.

August inflation data will be released on Sept. 5 (Tuesday).

Moody's Analytics economist Sarah Tan said inflation likely inched up from July, reversing the downtrend seen in the last six months.

"For starters, prices of palay and rice have risen as local and global farmgate prices soared due to lower domestic harvests and rising import costs," Ms. Tan said in an e-mail.

Rice is a staple food in the Philippines, accounting for a significant com-

ponent in the country's food inflation. Rice accounts for about 8.9% of the country's consumer price index (CPI) basket.

Based on data from the Department of Agriculture (DA), the average price of a kilogram of local well-milled rice ranged from P47 to P56 as of Aug. 30, higher than the P41-P49 range as of Aug. 1.

"Adding to the pain, Super Typhoon Saola (local name: Goring) swept through much of the Northern provinces in late August and damaged agricultural produce such as rice and corn," Ms. Tan said.

According to the DA, agricultural damage caused by Super Typhoon Goring was estimated at P898.4 million as of Sept. 2, with rice losses amounting to P751.5 mil-

lion, while corn damage stood at P139.2 million.

"Sequential typhoons since the end of July pushed up food prices. Imported rice was also significantly higher due to India's exports curbs and reported hoarding in Thailand," China Banking Corp. Chief Economist Domini S. Velasquez said in an e-mail.

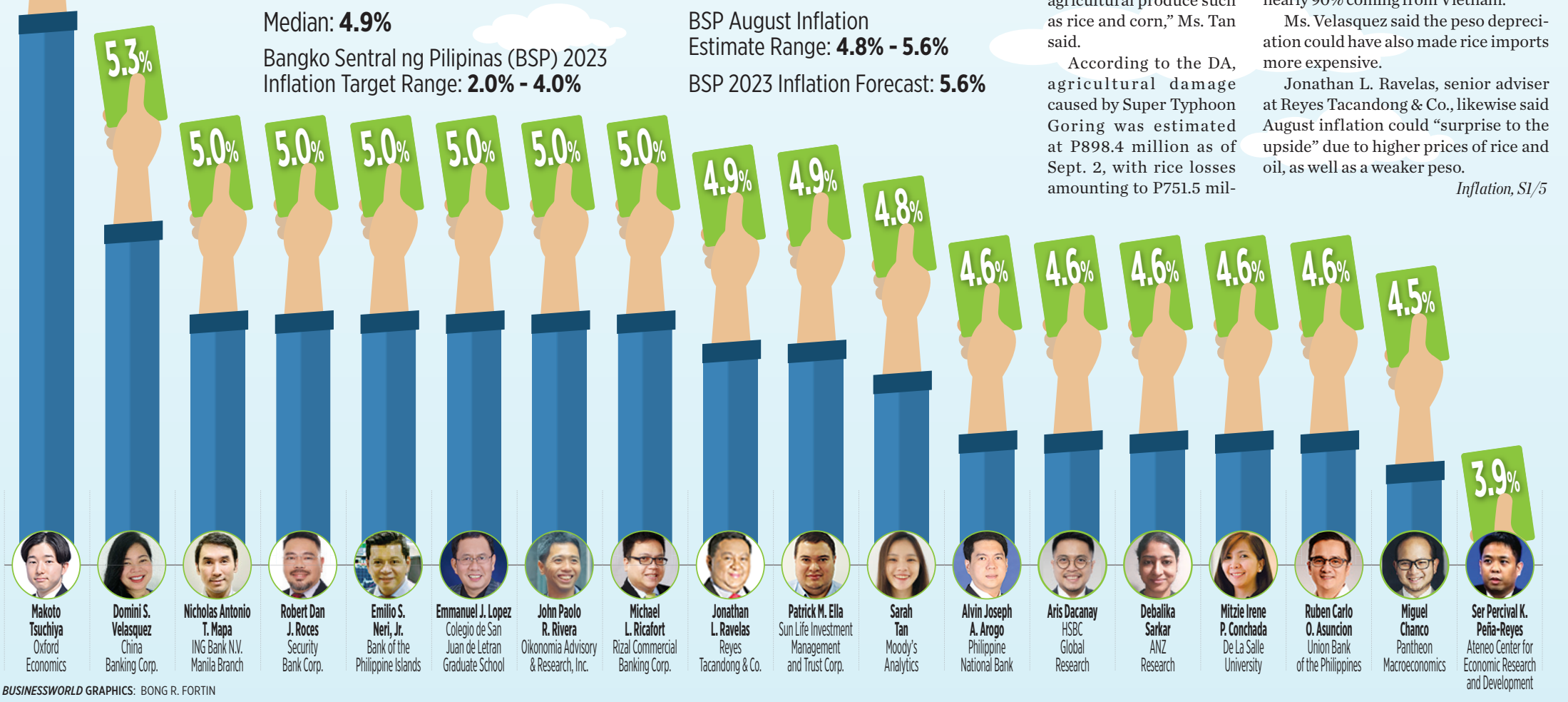
Global rice prices have jumped since India on July 20 banned the export of non-basmati white rice to curb the spike in local prices. The Philippines is one of the world's biggest rice importers, with nearly 90% coming from Vietnam.

Ms. Velasquez said the peso depreciation could have also made rice imports more expensive.

Jonathan L. Ravelas, senior adviser at Reyes Tacandong & Co., likewise said August inflation could "surprise to the upside" due to higher prices of rice and oil, as well as a weaker peso.

Inflation, S1/5

ANALYSTS' AUGUST INFLATION RATE ESTIMATES



BusinessWorld's anniversary report is out

BUSINESSWORLD celebrates its 36th anniversary with a special report that examines how Philippine companies are reinventing themselves to maximize profit and take advantage of opportunities from an economic reopening after a global coronavirus pandemic.

How has recovery unfolded in specific industries so far? What have companies learned and what have they changed to become more competitive? These are just some of the questions that the report titled "Risks and rebounds: Reframing business realities" will try to answer.



OECD trims PHL growth forecast for this year

THE Organisation for Economic Co-operation and Development (OECD) trimmed its gross domestic product (GDP) growth forecast for the Philippines for this year.

In its latest Economic Outlook for Southeast Asia, China, and India update, the OECD said it now expects Philippine GDP to expand by 5.6% this year, slightly lower than the 5.7% projection in March. This is below the government's 6-7% GDP growth target for this year.

The OECD kept its 2024 growth projection at 6.1%, which is still below the government's 6.5-8% target.

"A key growth driver in the second half of 2023 will be a strong rebound in government spending, from its 7.1% contraction in the recent quarter, executed through catch-up plans and frontloading of programs and projects," the OECD said.

"Fiscal stimulus activities are also being implemented which should fuel activities of both the public and private sectors," it added.

The Philippine economy grew by 4.3% in the second quarter, slower than the 6.4% growth in the first quarter and 7.5% in the second quarter of 2022. In the first half, GDP growth averaged 5.3%.

The OECD said elevated inflation and higher borrowing costs dragged private consumption and investments in the second quarter. The slowdown was also amplified by the contraction in government spending, it added.

For the rest of the year, the OECD said that domestic demand is expected to drive growth, "supported by labor market expansion,

personal income tax cuts, stable inflows of remittances and the steady recovery of tourism."

"On the supply side, the services sector will continue its steady upward trajectory and will remain a reliable source of economic activity, boosting GDP growth, due to the improved outlook of tourism as well as rapid growth of the business process outsourcing industry," it added.

FULL STORY



With fiscal consolidation "underway," the OECD expects the Philippines' budget deficit to narrow from this year to 2025.

On the other hand, the OECD said that trade prospects in the next few months may be bleak. — **Luisa Maria Jacinta C. Jocson**

NEDA says rice price ceiling is only a 'temporary measure'

By Luisa Maria Jacinta C. Jocson and Kyle Aristophere T. Atienza Reporters

THE PRICE CEILINGS for rice will only be temporary, the National Economic and Development Authority (NEDA) said on Sunday.

"We are confident that the imposition of a price ceiling is only a temporary measure. We expect the rice harvest to commence soon and anticipate that other initiatives will produce the desired result," the NEDA said in a statement on Sunday.

President Ferdinand R. Marcos, Jr. on Friday issued Executive Order (EO) No. 39, which imposes a price ceiling of P41 per kilogram for regular milled rice and P45 per kilogram for well-milled rice.

His office has said illegal price manipulation practices, such as hoarding by "opportunistic traders" and collusion among cartels amid the lean season as well as external factors have caused the "alarming" spike in retail prices of rice.

The NEDA defended the EO, saying it will immediately reduce rice prices and penalize hoarding.

"The imposition of a price ceiling on rice is not a standalone initiative. Law enforcement authorities continue their valiant efforts to crack down on individuals who hoard, excessively profit from, smuggle, or participate in rice cartels," the NEDA said.

The price ceilings will take effect on Sept. 5 and remain in place until these are lifted by the President.

Latest data from the Department of Agriculture (DA) showed that as of Aug. 30, the retail price of a kilogram of local well-milled rice rose to P47-P56 from P42 a year ago. Regular milled rice ranged from P42-P55, higher than the P38 average a year ago.

"With the upcoming harvest season starting in September and additional import orders already secured, there will also be enough rice for the rest of the year," the NEDA said.

It noted that rice prices have sharply increased in the last few weeks, which it said is inconsistent with the supply and demand situation.

This implies that some are manipulating the expected impact of El Niño Southern Oscillation (ENSO) to depict a shortage at this time," the NEDA said.

The state weather agency said a moderate El Niño is present in the tropical Pacific, and this may strengthen into moderate to strong towards the latter part of the year. It will also likely persist until the first quarter of 2024.

El Niño increases the likelihood of below-normal rainfall conditions, which could bring dry spells and droughts that could adversely impact climate-sensitive sectors such as water resources, agriculture, energy, health, and public safety.

IMPACT ON FARMERS

Meanwhile, economists have warned that imposing price caps on rice could limit the supply of the food staple and force traders to go underground.

Rice, S1/5



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