

STOCK MARKET	ASIAN MARKETS	WORLD MARKETS	PESO-DOLLAR RATES	ASIAN MONIES-US\$ RATE	WORLD CURRENCIES	DUBAI CRUDE OIL																																																																																																			
<b>PSEI</b> OPEN: 6,195.37 HIGH: 6,217.74 LOW: 6,183.74 CLOSE: 6,214.68 VOL.: 2,300 B VAL(P): 11,322 B 33.62 pts. 0.54% 30 DAYS TO SEPTEMBER 4, 2023	<b>SEPTEMBER 4, 2023</b> <table border="1"> <tr><th></th><th>CLOSE</th><th>NET</th><th>%</th></tr> <tr><td>JAPAN (NIKKEI 225)</td><td>32,939.18</td><td>▲ 228.56</td><td>0.70</td></tr> <tr><td>HONG KONG (HANG SENG)</td><td>18,844.16</td><td>▲ 462.10</td><td>2.51</td></tr> <tr><td>TAIWAN (TAIEX)</td><td>16,789.69</td><td>▲ 144.75</td><td>0.87</td></tr> <tr><td>THAILAND (SET INDEX)</td><td>1,549.21</td><td>▼ -12.30</td><td>-0.79</td></tr> <tr><td>S. KOREA (KOSPI COMPOSITE)</td><td>2,584.55</td><td>▲ 20.84</td><td>0.81</td></tr> <tr><td>SINGAPORE (STRAITS TIMES)</td><td>3,237.63</td><td>▲ 4.33</td><td>0.13</td></tr> <tr><td>SYDNEY (ALL ORDINARIES)</td><td>7,318.80</td><td>▲ 40.50</td><td>0.56</td></tr> <tr><td>MALAYSIA (KLC COMPOSITE)</td><td>1,462.72</td><td>▼ -0.71</td><td>-0.05</td></tr> </table>		CLOSE	NET	%	JAPAN (NIKKEI 225)	32,939.18	▲ 228.56	0.70	HONG KONG (HANG SENG)	18,844.16	▲ 462.10	2.51	TAIWAN (TAIEX)	16,789.69	▲ 144.75	0.87	THAILAND (SET INDEX)	1,549.21	▼ -12.30	-0.79	S. KOREA (KOSPI COMPOSITE)	2,584.55	▲ 20.84	0.81	SINGAPORE (STRAITS TIMES)	3,237.63	▲ 4.33	0.13	SYDNEY (ALL ORDINARIES)	7,318.80	▲ 40.50	0.56	MALAYSIA (KLC COMPOSITE)	1,462.72	▼ -0.71	-0.05	<b>SEPTEMBER 1, 2023</b> <table border="1"> <tr><th></th><th>CLOSE</th><th>NET</th></tr> <tr><td>Dow Jones</td><td>34,857.710</td><td>▲ 115.800</td></tr> <tr><td>NASDAQ</td><td>14,031.815</td><td>▼ -3.154</td></tr> <tr><td>S&amp;P 500</td><td>4,515.770</td><td>▲ 8.110</td></tr> <tr><td>FTSE 100</td><td>7,464.540</td><td>▲ 25.410</td></tr> <tr><td>Euro Stoxx50</td><td>3,967.720</td><td>▲ 4.330</td></tr> </table>		CLOSE	NET	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	<b>FX</b> OPEN P56.650 HIGH P56.490 LOW P56.660 CLOSE P56.620 W.AVE. P56.569 VOL. \$1,587.05 M SOURCE: BAP 2.50 CTVS 30 DAYS TO SEPTEMBER 4, 2023	<b>SEPTEMBER 4, 2023</b> <table border="1"> <tr><th></th><th>LATEST BID (0900GMT)</th><th>PREVIOUS</th></tr> <tr><td>JAPAN (YEN)</td><td>146.400</td><td>146.230</td></tr> <tr><td>HONG KONG (HK DOLLAR)</td><td>7.835</td><td>7.845</td></tr> <tr><td>TAIWAN (NT DOLLAR)</td><td>31.892</td><td>31.863</td></tr> <tr><td>THAILAND (BAHT)</td><td>35.200</td><td>35.040</td></tr> <tr><td>S. KOREA (WON)</td><td>1,319.540</td><td>1,317.550</td></tr> <tr><td>SINGAPORE (DOLLAR)</td><td>1.354</td><td>1.354</td></tr> <tr><td>INDONESIA (RUPIAH)</td><td>15,235</td><td>15,235</td></tr> <tr><td>MALAYSIA (RINGGIT)</td><td>4.652</td><td>4.645</td></tr> </table>		LATEST BID (0900GMT)	PREVIOUS	JAPAN (YEN)	146.400	146.230	HONG KONG (HK DOLLAR)	7.835	7.845	TAIWAN (NT DOLLAR)	31.892	31.863	THAILAND (BAHT)	35.200	35.040	S. KOREA (WON)	1,319.540	1,317.550	SINGAPORE (DOLLAR)	1.354	1.354	INDONESIA (RUPIAH)	15,235	15,235	MALAYSIA (RINGGIT)	4.652	4.645	<b>SEPTEMBER 4, 2023</b> <table border="1"> <tr><th></th><th>CLOSE</th><th>PREVIOUS</th></tr> <tr><td>US\$/UK POUND</td><td>1.2635</td><td>▲ 1.2588</td></tr> <tr><td>US\$/EURO</td><td>1.0799</td><td>▲ 1.0773</td></tr> <tr><td>US\$/AUSTRALIAN DOLLAR</td><td>0.6463</td><td>▲ 0.6450</td></tr> <tr><td>CANADA DOLLAR/US\$</td><td>1.3601</td><td>▲ 1.3594</td></tr> <tr><td>SWISS FRANC/US\$</td><td>0.8841</td><td>▼ 0.8856</td></tr> </table>		CLOSE	PREVIOUS	US\$/UK POUND	1.2635	▲ 1.2588	US\$/EURO	1.0799	▲ 1.0773	US\$/AUSTRALIAN DOLLAR	0.6463	▲ 0.6450	CANADA DOLLAR/US\$	1.3601	▲ 1.3594	SWISS FRANC/US\$	0.8841	▼ 0.8856	<b>DUBAI CRUDE OIL</b> FUTURES PRICE ON NEAREST MONTH OF DELIVERY <b>\$87.65/BBL</b> 30 DAYS TO AUGUST 31, 2023 \$0.86
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PHILIPPINE STOCK EXCHANGE'S 10 MOST ACTIVE STOCKS BY VALUE TURNOVER • SEPTEMBER 4, 2023 (PSEI snapshot on S1/2; article on S2/2)

MPI	P5.160	BLOOM	P10.960	AC	P625.000	SM	P820.000	SMPH	P30.450	BPI	P105.800	GTAP	P572.000	TEL	P1,190.000	ALI	P28.600	ICT	P206.000
Value	P9,011,335,350	Value	P258,560,782	Value	P145,837,620	Value	P140,582,860	Value	P134,313,985	Value	P127,469,085	Value	P110,198,365	Value	P102,665,765	Value	P57,588,625	Value	P57,047,902
-P0.010	-0.193%	-P0.040	-0.364%	P16.000	▲ 2.627%	P0.000	— 0.000%	P0.550	▲ 1.839%	-P1.200	-1.21%	-P0.500	-0.087%	P14.000	▲ 1.190%	P0.550	▲ 1.961%	P0.000	— 0.000%

# Rice retailers set to receive subsidies

By Kyle Aristophere T. Atienza  
Reporter

THE GOVERNMENT will extend financial assistance to retailers affected by price ceilings on rice,

President Ferdinand R. Marcos, Jr. said on Monday. The goal is to compensate rice retailers who are expected to lose income due to the price ceilings on regular and well-milled rice, he said in a speech before flying to Indonesia for a

summit of Southeast Asian leaders. The President said the Agriculture and Trade agencies are now preparing the list of rice retailers and their associations, as well as identify the amount of assistance needed

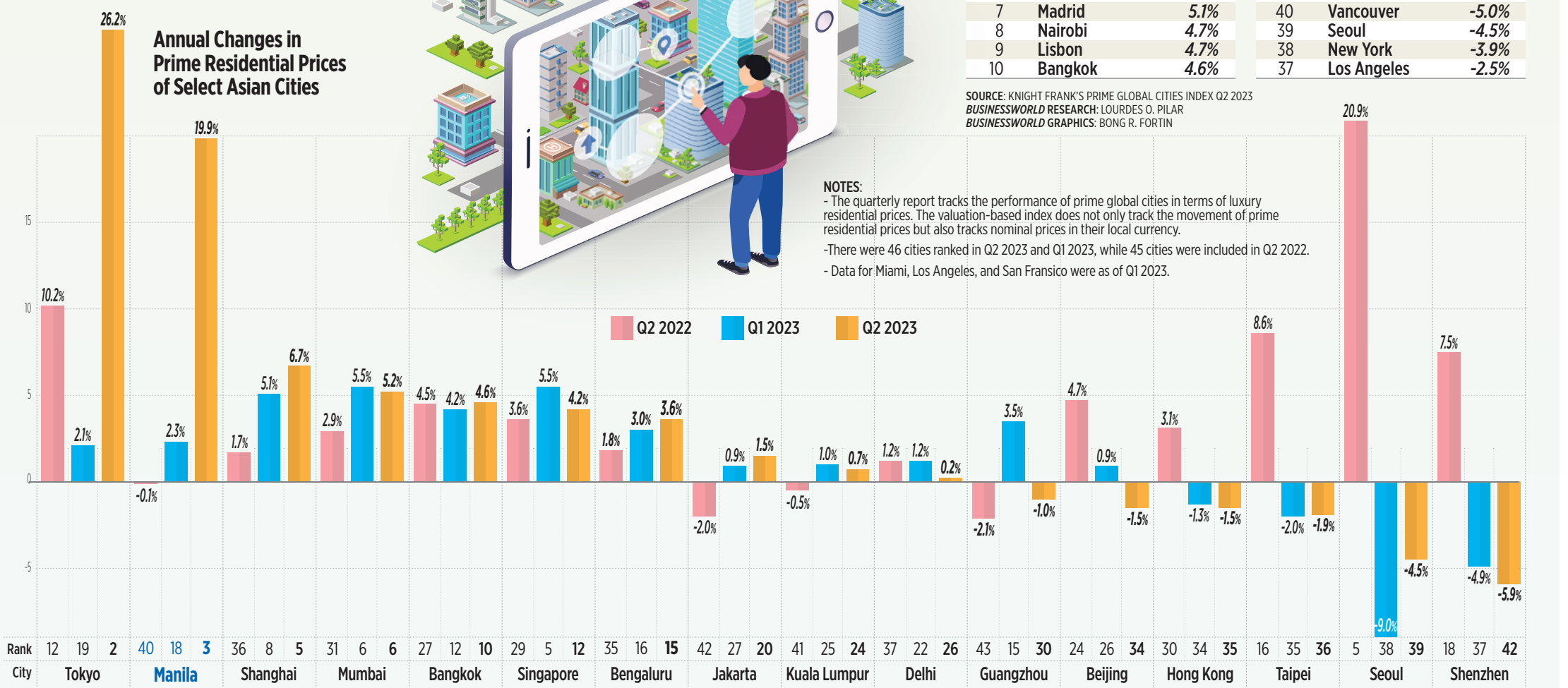
to compensate them for their losses. An executive order setting a nationwide price ceiling on rice will take effect today, Sept. 5. The order mandates a maximum price of P41 per kilo for regular milled rice and P45 for

well-milled rice, as part of government efforts to protect consumers amid a surge in the food staple's retail prices. "We'll have to consider how authorities can first afford to do this and how they will fund the subsidy," ING Bank N.V. Manila

Senior Economist Nicholas Antonio T. Mapa said in a Viber message. He said the government needs to ensure that there will be "a clear method for all retailers to enjoy the support and not just a few." *Subsidies, S1/9*

## MANILA RANKS 3<sup>RD</sup> IN 46-CITY PRIME GLOBAL CITIES INDEX

Manila's prime residential prices increased by 19.9% year on year in the second quarter of 2023, according to the latest edition of the Prime Global Cities Index by real estate consultancy firm Knight Frank. The capital city placed third out of 46 cities in the index after Dubai and Tokyo.



## PHL external debt service up 160% as of end-May

THE PHILIPPINES' debt service burden on its external debt more than doubled as of end-May amid high global interest rates. Data from the Bangko Sentral ng Pilipinas (BSP) showed the Philippines' debt service burden on its external debt increased by 160% to \$6.5 billion from \$2.5 billion a year ago. The debt service burden refers to the amount of money a country needs to pay back to its foreign creditors. It includes both the principal and interest payments on its external debt. BSP data showed principal payments climbed by 164.3% to \$3.7 billion from \$1.4 billion a year ago.

Interest payments jumped by 145% to \$2.7 billion in the first five months of the year from \$1.1 billion a year earlier. Principal external debt service is mostly fixed medium- to long-term credits, while interest payments are on fixed and revolving short-term credits of banks and nonbanks. "Increased bond issuance by the National Government, which is part of the borrowing program, may have pushed up the principal payments to \$3.7 billion," ING Bank N.V. Manila Senior Economist Nicholas Antonio T. Mapa said in an e-mail. He said the recent spike in global interest rates is the likely reason behind the 145% increase in interest payments.

Central banks across the world have tightened monetary policy to curb inflation. "Higher external debt service burden may be attributed to higher prices/inflation that increased government expenditures, increased budget deficits and foreign borrowings," Rizal Commercial Banking Corp. Chief Economist Michael L. Ricafort said, adding that the weaker peso could also be a factor. Headline inflation eased to 6.1% in May from 6.6% in April and brought the five-month average to 7.5%. May also marked the 14<sup>th</sup> straight month inflation breached the BSP's 2-4% target. *Debt, S1/9*

### FUEL PRICE TRACKER

(week-on-week change)

Fuel Type	Aug. 22	Aug. 29	Sept. 5
<b>GASOLINE</b>	P1.10	P0.30	P0.50
<b>DIESEL</b>	P0.20	P0.70	P1.20
<b>KEROSENE</b>	P0.70	P0.80	P1.10

• Sept. 5, 12:01 a.m. — Caltex Philippines  
 • Sept. 5, 6 a.m. — Petron Corp.; Phoenix Petroleum; Pilipinas Shell Petroleum Corp.; PTT Philippines Corp.; Seacol Philippines, Inc.  
 • Sept. 5, 8:07 a.m. — Cleanfuel (Shaw Autogas, Inc.)

## BSP shifts to variable rate repo auction

THE BANGKO Sentral ng Pilipinas (BSP) will shift to a variable rate format in the auction for the overnight reverse repurchase (RRP) facility starting Friday (Sept. 8), as well as introduce a formal operational target called the "Overnight (ON) RRP Rate." Similar to the existing BSP securities facility or the BSP bill auction, the variable rate format for the RRP will have a pre-determined offer volume. BSP Governor Eli M. Remolona, Jr. in a statement on Monday said an operational target is a market-determined, short-term interest rate that a central bank can "guide" on a daily basis to reflect the current monetary policy stance. "For the BSP, the shift to variable rate RRP auction format will yield a market-determined rate for overnight funds, the ON RRP Rate, that conveys the results of the daily RRP auctions," he said. The BSP chief noted that the ON RRP Rate is an appropriate operational target due to the regularity of RRP auctions and market players' familiarity with the instrument. Earlier in June, the BSP created the overnight rate as the benchmark for determining short-term interest rates amid the phase-out of the London Interbank Offered Rate (LIBOR). *Auction, S1/9*

Meanwhile, Mr. Remolona said that in the shift to a variable rate auction format, the BSP's monetary policy rate would now be called the "Target RRP Rate." He said the BSP would signal its monetary policy stance through the Target RRP Rate. The rate will also be set after each policy review of the Monetary Board, similar to the central bank's prevailing practices. The RRP facility will also remain as the BSP's primary monetary policy instrument, Mr. Remolona said. "The ON RRP Rate is expected to move closely around the Target RRP Rate. Deviations of the ON RRP Rate from the Target RRP Rate will reflect changes in liquidity conditions from time to time, or when deviations from the liquidity forecasts occur," he said. Still, the ON RRP Rate should revert and move in accordance with the policy rate over time, as the RRP auction size is adjusted based on observed demand, he said. "As the market familiarizes itself with the operational target, the ON RRP Rate will carry useful information on liquidity conditions and how they relate to the prevailing stance of monetary policy," Mr. Remolona said. *Auction, S1/9*

## Maharlika investments need to be monitored — analysts

By Luisa Maria Jacinta C. Jocson Reporter

THE MAHARLIKA Investment Corp. (MIC) must ensure that investments made by the country's first wealth fund would generate returns higher than investments made by existing government financial institutions, analysts said. This as the implementing rules and regulations (IRR) allow the Maharlika Investment Fund (MIF) to make wide-ranging investments in infrastructure projects, fixed-income

instruments, domestic and foreign corporate bonds, and listed or unlisted equities, among others. "To justify the existence of the MIF, the government must prove that the returns on their investments are greater than the returns if these resources were invested in our government social investments or by our own government financial institutions," Ateneo de Manila University economics professor Leonardo A. Lanzona said in an e-mail. "In other words, these investments are characterized by very high opportunity costs,

especially because most of the government funds are based on its borrowings. Failure to achieve high returns will only result in even greater taxes or debt for the country," he added. Any investments to be made by the Maharlika fund should also be carefully scrutinized to prevent the government from incurring losses and more debt. Former Bangko Sentral ng Pilipinas (BSP) Deputy Governor Diwa C. Guinigundo said Congress has created a "strategic, super investment corporation that can do almost anything even against its own good." *Maharlika, S1/9*