

STOCK MARKET	ASIAN MARKETS	WORLD MARKETS	PESO-DOLLAR RATES	ASIAN MONIES-US\$ RATE	WORLD CURRENCIES	DUBAI CRUDE OIL																																																																					
PSEi OPEN: 6,211.75 HIGH: 6,258.50 LOW: 6,193.91 CLOSE: 6,225.00 VOL: 0.437 B VAL(P): 3,409 B ▲ 10.32 pts. 0.16% 30 DAYS TO SEPTEMBER 5, 2023	SEPTEMBER 5, 2023 <table border="1"> <tr><th>CLOSE</th><th>NET</th><th>%</th></tr> <tr><td>JAPAN (NIKKEI 225)</td><td>33,036.76</td><td>▲ 97.58 0.30</td></tr> <tr><td>HONG KONG (HANG SENG)</td><td>18,456.91</td><td>▲ -387.25 -2.06</td></tr> <tr><td>TAIWAN (TAIEX)</td><td>16,791.61</td><td>▲ 1.92 0.01</td></tr> <tr><td>THAILAND (SET INDEX)</td><td>1,547.57</td><td>▲ -1.11 -0.07</td></tr> <tr><td>S.KOREA (KOSPI)</td><td>2,582.18</td><td>▲ -2.37 -0.09</td></tr> <tr><td>SINGAPORE (STRAITS TIMES)</td><td>3,229.02</td><td>▲ -9.95 -0.31</td></tr> <tr><td>SYDNEY (ALL ORDINARIES)</td><td>7,314.30</td><td>▲ -4.50 -0.06</td></tr> <tr><td>MALAYSIA (KLSE COMPOSITE)</td><td>1,454.83</td><td>▲ -7.89 -0.54</td></tr> </table>	CLOSE	NET	%	JAPAN (NIKKEI 225)	33,036.76	▲ 97.58 0.30	HONG KONG (HANG SENG)	18,456.91	▲ -387.25 -2.06	TAIWAN (TAIEX)	16,791.61	▲ 1.92 0.01	THAILAND (SET INDEX)	1,547.57	▲ -1.11 -0.07	S.KOREA (KOSPI)	2,582.18	▲ -2.37 -0.09	SINGAPORE (STRAITS TIMES)	3,229.02	▲ -9.95 -0.31	SYDNEY (ALL ORDINARIES)	7,314.30	▲ -4.50 -0.06	MALAYSIA (KLSE COMPOSITE)	1,454.83	▲ -7.89 -0.54	SEPTEMBER 4, 2023 <table border="1"> <tr><th>CLOSE</th><th>NET</th></tr> <tr><td>Dow Jones</td><td>▲ 115.800</td></tr> <tr><td>NASDAQ</td><td>▲ -3.154</td></tr> <tr><td>S&P 500</td><td>▲ 8.110</td></tr> <tr><td>FTSE 100</td><td>▲ -11.780</td></tr> <tr><td>Euro Stoxx50</td><td>▲ -0.090</td></tr> </table>	CLOSE	NET	Dow Jones	▲ 115.800	NASDAQ	▲ -3.154	S&P 500	▲ 8.110	FTSE 100	▲ -11.780	Euro Stoxx50	▲ -0.090	FX OPEN P56.700 HIGH P56.680 LOW P56.900 CLOSE P56.800 W.AVE. P56.788 VOL. \$1,522.80 M SOURCE: BAP 18.00 cts 30 DAYS TO SEPTEMBER 5, 2023	SEPTEMBER 5, 2023 <table border="1"> <tr><th>LATEST BID (0900GMT)</th><th>PREVIOUS</th></tr> <tr><td>JAPAN (YEN)</td><td>147.030</td></tr> <tr><td>HONG KONG (HK DOLLAR)</td><td>7.839</td></tr> <tr><td>TAIWAN (NT DOLLAR)</td><td>31.914</td></tr> <tr><td>THAILAND (BAHT)</td><td>35.440</td></tr> <tr><td>S. KOREA (WON)</td><td>1,333.950</td></tr> <tr><td>SINGAPORE (DOLLAR)</td><td>1.360</td></tr> <tr><td>INDONESIA (RUPIAH)</td><td>15,260</td></tr> <tr><td>MALAYSIA (RINGGIT)</td><td>4.660</td></tr> </table>	LATEST BID (0900GMT)	PREVIOUS	JAPAN (YEN)	147.030	HONG KONG (HK DOLLAR)	7.839	TAIWAN (NT DOLLAR)	31.914	THAILAND (BAHT)	35.440	S. KOREA (WON)	1,333.950	SINGAPORE (DOLLAR)	1.360	INDONESIA (RUPIAH)	15,260	MALAYSIA (RINGGIT)	4.660	SEPTEMBER 5, 2023 <table border="1"> <tr><th>CLOSE</th><th>PREVIOUS</th></tr> <tr><td>US\$/UK POUND</td><td>1.2545</td></tr> <tr><td>US\$/EURO</td><td>1.0752</td></tr> <tr><td>US\$/AUSTRALIAN DOLLAR</td><td>0.6379</td></tr> <tr><td>CANADA DOLLAR/US\$</td><td>1.3653</td></tr> <tr><td>SWISS FRANC/US\$</td><td>0.8875</td></tr> </table>	CLOSE	PREVIOUS	US\$/UK POUND	1.2545	US\$/EURO	1.0752	US\$/AUSTRALIAN DOLLAR	0.6379	CANADA DOLLAR/US\$	1.3653	SWISS FRANC/US\$	0.8875	DUBAI CRUDE OIL FUTURES PRICE ON NEAREST MONTH OF DELIVERY \$89.58/BBL ▲ \$1.93 30 DAYS TO SEPTEMBER 4, 2023
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PHILIPPINE STOCK EXCHANGE'S 10 MOST ACTIVE STOCKS BY VALUE TURNOVER • SEPTEMBER 5, 2023 (PSEi snapshot on S1/4; article on S2/2)

Symbol	Value	Change	Symbol	Value	Change	Symbol	Value	Change	Symbol	Value	Change	Symbol	Value	Change
BPI	P104,200	▲	AC	P628,000	▲	BDO	P138,600	▼	BLOOM	P11,040	▲	GTCAP	P575,000	▲
Value	P362,746,819	-P1.600	Value	P302,902,875	P3.000	Value	P199,084,987	-P0.900	Value	P183,575,808	▲ 0.730%	Value	P172,257,995	▲ 0.524%
	-1.512%			0.480%			-0.645%							

Inflation accelerates to 5.3% in Aug.

By **Keisha B. Taasan**
Reporter

HEADLINE INFLATION accelerated for the first time in seven months in August, amid a spike in the prices of rice, vegetables and

fuel, the Philippine Statistics Authority (PSA) said on Tuesday.

Preliminary data from the PSA showed the consumer price index (CPI) quickened to 5.3% in August from 4.7% in July, but slower than the 6.3% clip a year ago.

This was above the 4.9% median estimate in a *BusinessWorld*

poll conducted last week. However, it settled within the Bangko Sentral ng Pilipinas' (BSP) 4.8-5.6% forecast range for the month.

August also marked the 17th consecutive month that inflation surpassed the BSP's 2-4% target range.

At 5.3%, last month's inflation print was the fastest in two

months, or since the 5.4% in June. Stripping out seasonality factors, month-on-month inflation inched up 1.1% in August.

For the first eight months of 2023, inflation averaged 6.6%, still above the BSP's 5.6% full-year projection.

Core inflation, which excludes volatile prices of food and

fuel, further eased to 6.1% year on year in August. This was lower than the 6.7% seen in July, but above the 4.6% in August last year.

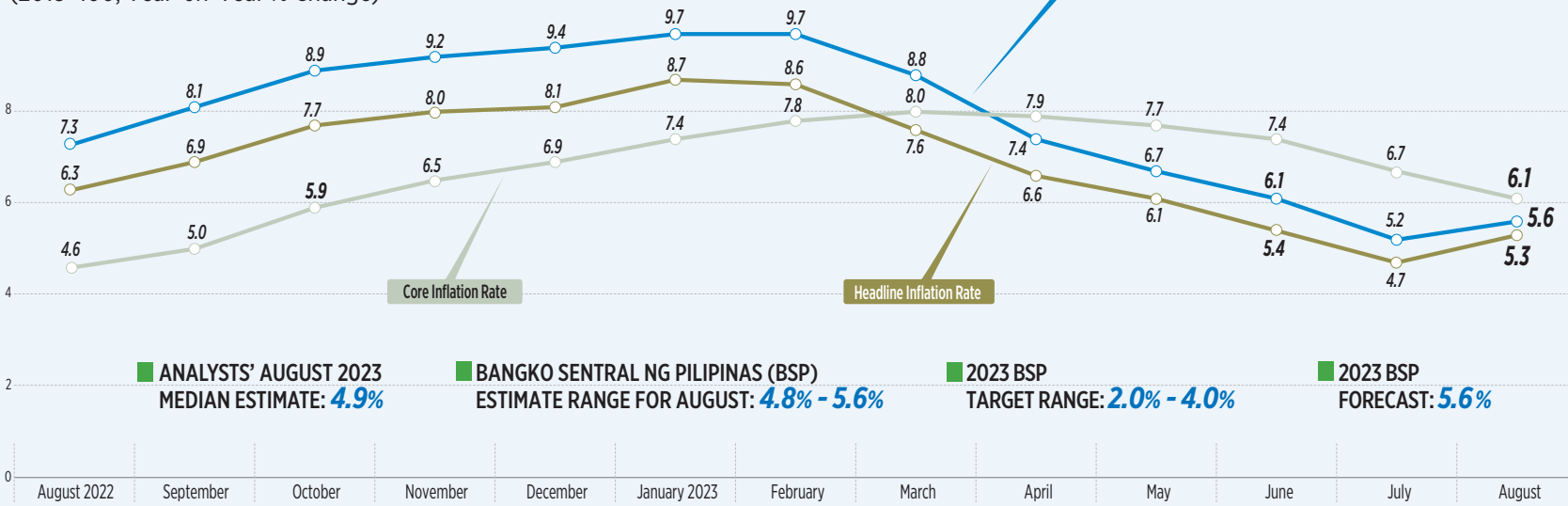
"Higher prices for oil and key agricultural commodities drove inflation during the month," the BSP said in a statement.

National Statistician Claire Dennis S. Mapa said inflation was mainly driven by the faster annual increase in the heavily weighted index for food and non-alcoholic beverages to 8.1% in August from 6.3% in the previous month.

Inflation, S1/9

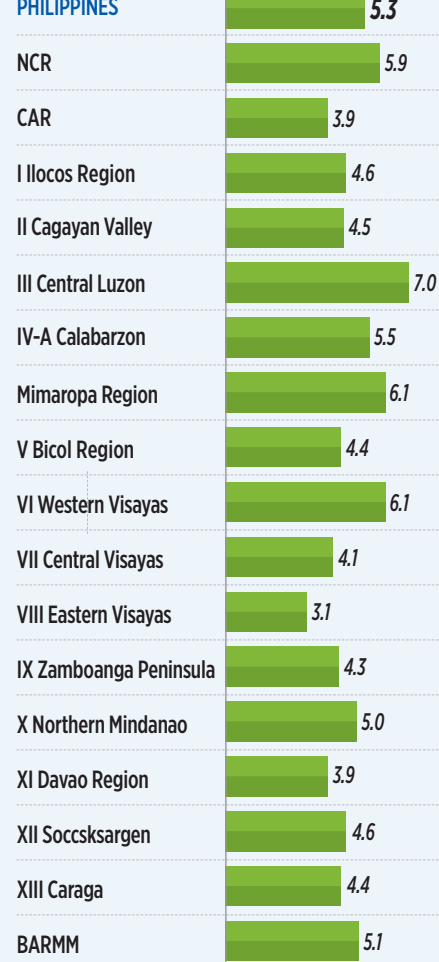
INFLATION RATES IN THE PHILIPPINES

(2018=100, Year-on-Year % Change)



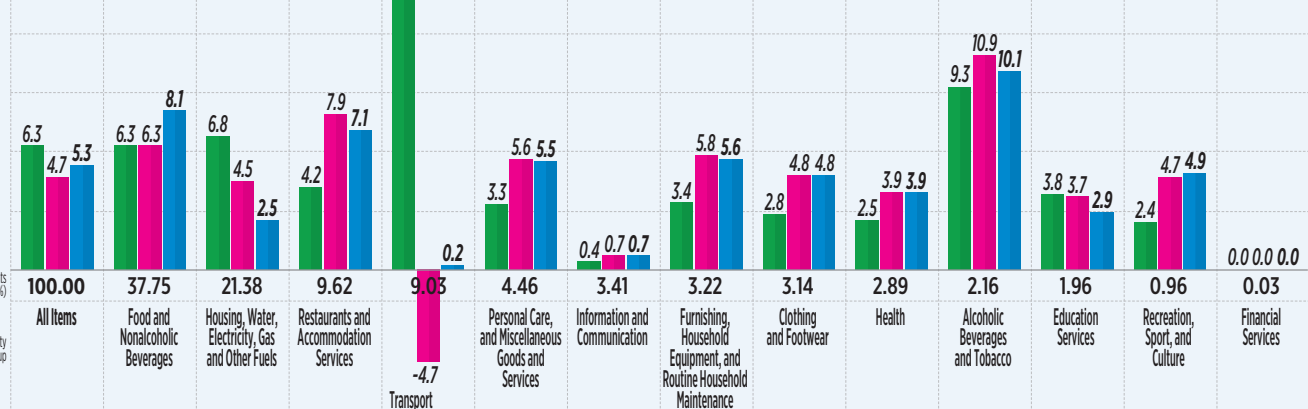
HEADLINE INFLATION RATES, BY REGION (August 2023)

(2018=100, Year-on-Year % Change)



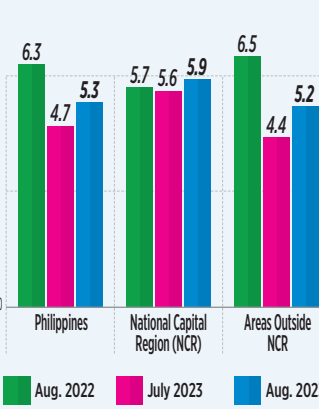
HEADLINE INFLATION RATES, BY COMMODITY GROUP

(2018=100, Year-on-Year % Change)



HEADLINE INFLATION RATES, BY AREA

(2018=100, Year-on-Year % Change)



SOURCE: PHILIPPINE STATISTICS AUTHORITY (PRELIMINARY DATA AS OF SEPT. 5, 2023)
BUSINESSWORLD RESEARCH: BERNADETTE THERESA M. GADON
BUSINESSWORLD GRAPHICS: BONG R. FORTIN

Panel OK's bill lowering tax on stock transactions

By **Beatriz Marie D. Cruz**
Reporter

THE HOUSE Committee on Ways and Means on Tuesday approved a bill that seeks to deepen Philippine capital markets by lowering the tax on stock transactions.

Albay Rep. Jose Ma. Clemente S. Salceda, who also chairs the committee, said the proposed Capital Markets Efficiency Promotion Act is "part of a broader effort to make the country's capital markets deeper, more liquid, and more competitive."

The unnumbered substitute bill seeks to reduce the stock transaction tax to 0.1% from the current 0.6%.

According to Mr. Salceda, the Philippines' 0.6% stock transaction tax is the highest among Association of Southeast Asian Nations (ASEAN) members.

"Vietnam and Indonesia only impose 0.1% while other neighboring countries exempt the sale of shares of stock. This keeps the Philippine bond and equity markets small relative to our regional peers," he said.

The lawmaker noted the Philippine Stock Exchange (PSE) has only 283 listed companies, while other stock exchanges in the region have between 425 and 963 listed companies.

"An outright reduction from 0.6% to 0.1% may foster a conducive environment for investments and help domestic corporations raise capital. This will simplify the tax system as the distinction on the tax on trading of domestic shares whether in the local or foreign stock exchange will be removed," Mr. Salceda said.

PSE President and Chief Executive Officer Ramon S. Monzon said the trading volume would have to increase over three times to compensate for the loss in revenues from the reduction in the stock transaction tax.

"I think we are very confident that this could be met because the increase in volume will not only increase transaction tax, it will increase income tax on the fees charged on stock trading. It will increase taxes on the earnings of brokers and on the earnings of the clearing and other organizations that have to do with the market," he told the committee.

Tax, S1/9

NEDA considers temporary cut in rice tariffs

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

THE NATIONAL Economic and Development Authority (NEDA) is looking into a temporary reduction in tariffs for rice to help lower domestic prices.

"To partially counterbalance the rise in global prices and alleviate the impact on consumers and households, we may implement a temporary and calibrated reduction in tariffs," NEDA Secretary Arsenio M. Balisacan said in a statement on Tuesday.

Mr. Balisacan made the statement after data showed August inflation accelerated to 5.3% due to the spike in rice and fuel prices. In particular, rice inflation quickened to 8.7% in August from 4.2% in July.

A nationwide price ceiling on rice took effect on Tuesday, as part of the government's effort to address rising prices of the national staple amid reports of hoarding and price manipulation by cartels.

Price monitoring data from the Department of Agriculture (DA) showed that as of Sept. 4, the retail price of local well-milled rice ranged from P48 to P56 per kilogram, while regular milled rice ranged from P52 to P55 per kilogram.

Executive Order (EO) No. 39 set the price cap on rice at P45 per kilogram for well-milled rice and P41 for regular milled rice.

"To manage upward pressures in rice prices, price controls on rice through EO No. 39 serves as a short-term measure against non-competitive practices by some market players. Price controls, when carefully calibrated and closely implemented, are effective in the near term," Finance Secretary Benjamin E. Diokno said in a Viber message.

Mr. Diokno noted that if price controls are allowed to be implemented longer than necessary, it would trigger unwanted consequences.

Tariffs, S1/9

Full impact of tightening has not yet 'run its full course' — FSCC

THE FULL IMPACT of the Bangko Sentral ng Pilipinas' (BSP) aggressive monetary tightening since last year has not yet "run its full course," the Financial Stability Coordination Council (FSCC) said in a statement on Tuesday.

The interagency body said global growth prospects are more positive compared with several months ago, although pressures from advanced economies are still evident.

"The Council's Systemic Risk Review highlighted that the

growth prospects of the Philippines' major trading partners are expected to diverge. As market rates have swung from a lower-for-longer to a high-for-now environment, its full impact may not have yet run its full course," it said.

To tame inflation, the BSP hiked benchmark interest rates by 425 basis points (bps) from May 2022 to March 2023. This brought the key policy rate to 6.25%, its highest level in nearly 16 years.

BSP Governor and FSCC Chairman Eli M. Remolona, Jr. said authorities must continue to be vigilant against risks even if there are no immediate signs of sector-wide pressures among corporates.

"While the high-level indicators are notable, there are many developments that we should still monitor," he said. "This is where systemic risk surveillance is critical because we need to assess if and how changing conditions in the global and regional markets

mesh with our own domestic situation."

According to the FSCC, the interagency body has approved a broad range of actions to enhance the resiliency of the Philippine financial system to combat systemic risks.

These actions cover communication to the capital and contingent markets, as well as using the right tools and better data to manage possible contagion risks more effectively. — **Keisha B. Taasan**



CORPORATE NEWS
Ayala Land board names new CEO-president S1/4

LAUNCHPAD
Embrace personalization, innovation in 'ber' months, expert tells small business S1/5

BANKING & FINANCE
Peso sinks to three-week low on faster-than-expected inflation S2/3



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