

STOCK MARKET	ASIAN MARKETS	WORLD MARKETS	PESO-DOLLAR RATES	ASIAN MONIES-US\$ RATE	WORLD CURRENCIES	DUBAI CRUDE OIL
<b>PSEi</b> OPEN: 6,223.75 HIGH: 6,223.75 LOW: 6,170.07 CLOSE: 6,183.07 VOL.: 0.322 B VAL(P): 3.853 B	<b>SEPTEMBER 7, 2023</b> JAPAN (NIKKEI 225) 32,991.08 ▼ -249.94 -0.75 HONG KONG (HANG SENG) 18,202.07 ▼ -247.91 -1.34 TAIWAN (WEIGHTED) 16,619.14 ▼ -119.02 -0.71 THAILAND (SET INDEX) 1,552.75 ▲ 3.97 0.26 S. KOREA (KSE COMPOSITE) 2,548.26 ▼ -15.08 -0.59 SINGAPORE (STRAITS TIMES) 3,224.39 ▲ 1.51 0.05 SYDNEY (ALL ORDINARIES) 7,171.00 ▼ -86.10 -1.19 MALAYSIA (KLSE COMPOSITE) 1,460.07 ▼ -0.55 -0.04	<b>SEPTEMBER 6, 2023</b> DOW JONES 34,443.190 ▼ -198.780 NASDAQ 13,872.471 ▼ -148.481 S&P 500 4,465.480 ▼ -31.350 FTSE 100 7,426.140 ▼ -11.790 EURO STOXX50 3,938.340 ▼ -25.950	<b>FX</b> OPEN P56.850 HIGH P56.770 LOW P56.970 CLOSE P56.790 W.AVE. P56.849 VOL. \$1,445.20 M SOURCE: BAP	<b>SEPTEMBER 7, 2023 LATEST BID (0900GMT)</b> JAPAN (YEN) 147.450 ▲ 0.000 HONG KONG (HK DOLLAR) 7.839 ▲ 0.000 TAIWAN (NT DOLLAR) 32.042 ▲ 0.000 THAILAND (BAHT) 35.460 ▲ 0.000 S. KOREA (WON) 1,336.140 ▲ 0.000 SINGAPORE (DOLLAR) 1.365 ▲ 0.000 INDONESIA (RUPIAH) 15,320 ▲ 0.000 MALAYSIA (RINGGIT) 4.677 ▲ 0.000	<b>SEPTEMBER 7, 2023</b> US\$/UK POUND 1.2481 ▼ 1.2555 US\$/EURO 1.0714 ▼ 1.0726 US\$/AUST DOLLAR 0.6389 ▼ 0.6385 CANADA DOLLAR/US\$ 1.3642 ▼ 1.3656 SWISS FRANC/US\$ 0.8915 ▲ 0.8899	<b>DUBAI CRUDE OIL</b> FUTURES PRICE ON NEAREST MONTH OF DELIVERY <b>\$90.60/bbl</b> ▲ \$1.40 30 DAYS TO SEPTEMBER 6, 2023

VOL. XXXVII • ISSUE 32 **FRIDAY • SEPTEMBER 8, 2023 • www.bworldonline.com** S1/1-12 • 2 SECTIONS, 16 PAGES

PHILIPPINE STOCK EXCHANGE'S 10 MOST ACTIVE STOCKS BY VALUE TURNOVER • SEPTEMBER 7, 2023 (PSEi snapshot on S1/4; article on S2/2)

Symbol	Value	% Change
BDO	P134,200	-2.542%
JFC	P234,200	-1.818%
BLOOM	P11,380	0.176%
BPI	P105,000	0.000%
ALI	P27,350	-3.527%
GTAP	P580,000	0.870%
SMPH	P29,850	0.168%
SM	P824,000	-3.738%
AC	P618,000	-0.323%
ACEN	P4,990	-1.188%

## BSP sees within-target inflation by Q1

INFLATION is now likely to land within the Bangko Sentral ng Pilipinas' (BSP) target by the first quarter of 2024, not the fourth quarter of this year, BSP Governor Eli M. Remolona, Jr. said.

"We're not quite clear about the fourth quarter (of 2023) yet. We're still looking at the way our tightening measures have been working their way through the economy on the demand side. We're not sure about the fourth quarter because if there are further supply shocks, then the numbers will be different," Mr. Remolona said in an interview with *BusinessWorld* Editor-in-Chief Wilfredo G. Reyes on Sept. 4, a day before the government reported a faster-than-expected 5.3% inflation for August.

*BusinessWorld's* one-on-one interview with Mr. Remolona will be streamed on *BusinessWorld* and *The Philippine Star's* Facebook page,

es, as well as the BusinessWorldTV YouTube page, at 11 a.m. today (Sept. 8).

"My best guess is it will be the first quarter of 2024, before we get into the (2-4%) target range," Mr. Remolona said.

The BSP will likely upwardly revise its full-year forecast of 5.6% for 2023 at the next policy meeting on Sept. 21, he said.

Inflation unexpectedly accelerated for the first time in seven months in August, as food and transport costs rose. The consumer price index (CPI) quickened to 5.3% in August from 4.7% in July, above the 4.9% median estimate in a *BusinessWorld* poll conducted last week.

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

For the first eight months of 2023, inflation averaged 6.6%.  
*Inflation, S1/11*

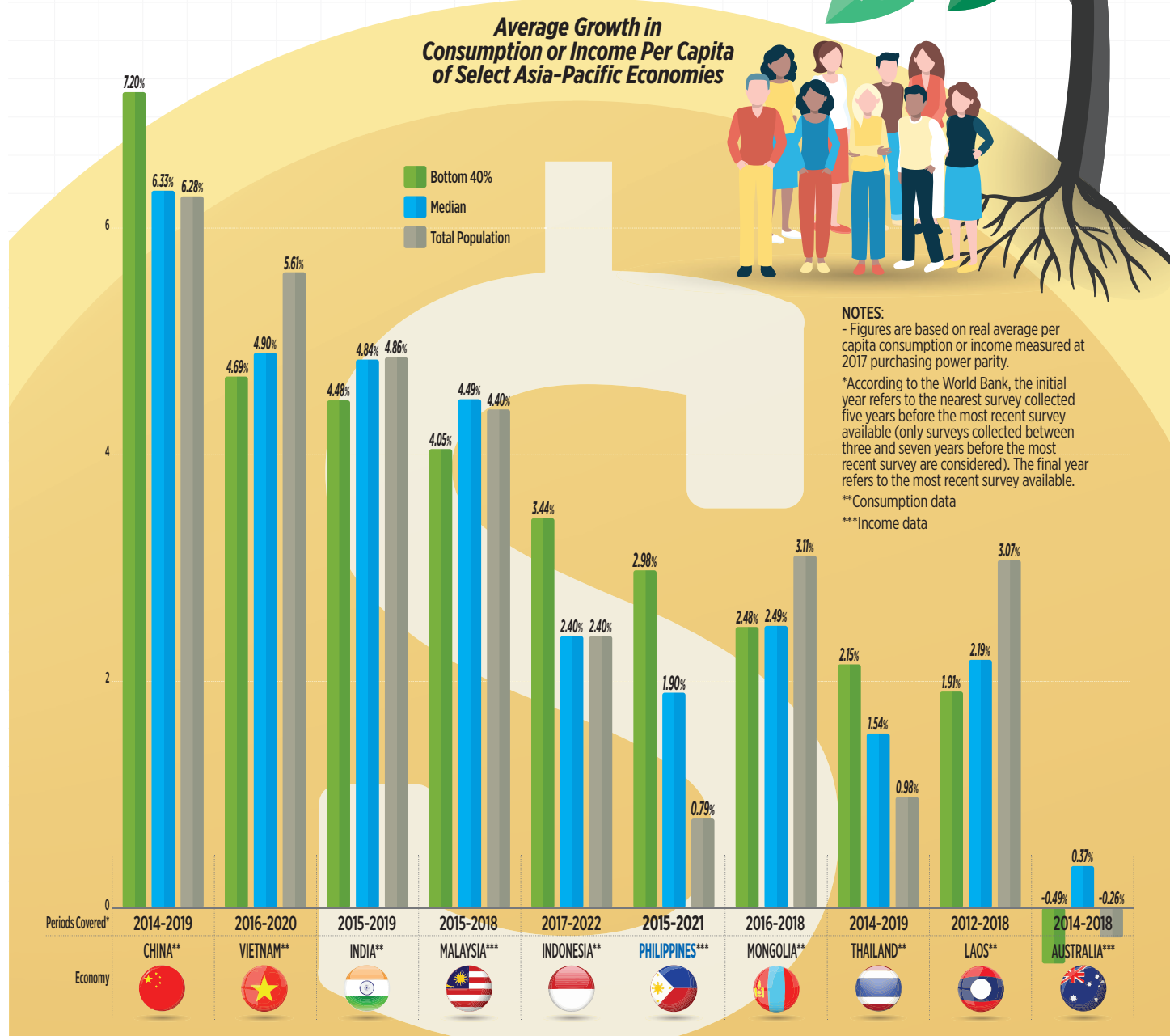
### HOW INCLUSIVE IS GROWTH?

(A Look at Select Economies in the Asia-Pacific)

The income growth of the Philippines' poorest population between 2015 and 2021 averaged 2.98%, based on the latest update of the World Bank's Global Database of Shared Prosperity. This was faster than the country's total population income growth of 0.79% during the five-year period. This infographic shows the annualized average growth rate in per capita consumption or income of the bottom 40%, the median, and the total population over a five-year period in select economies in the Asia-Pacific.

#### PHILIPPINES: Average Income Per Capita (at 2017 Purchasing Power Parity)

	2015	2021
Bottom 40% (\$ a day)	\$3.13	\$3.73
Median (\$ a day)	\$5.61	\$6.28
Total Population (\$ a day)	\$8.41	\$8.82



## Dollar reserves slip to \$99.8B as of end-Aug.

THE PHILIPPINES' dollar reserves dipped as of end-August, as the National Government (NG) paid some of its foreign debt obligations and the value of the central bank's gold holdings fell.

Data released by the Bangko Sentral ng Pilipinas (BSP) on Thursday showed gross international reserves (GIR) slipped by 0.14% to \$99.81 billion as of end-August from \$99.95 billion as of end-July.

This was the lowest dollar reserve level since the \$99.39 billion seen in June.

However, the GIR was 2.4% higher than \$97.44 billion as of end-August 2022.

"The month-on-month decrease in the GIR level reflected mainly the NG's payments of its foreign currency debt obligations and the downward adjustments in the value of BSP's gold holdings due to the decrease in the price of gold in the international market," the central bank said.

As of end-August, the dollar reserves were enough to cover 5.9 times the country's short-term external debt based on original maturity and 4.1 times based on residual maturity.

It is also equivalent to 74 months' worth of imports of goods and payments of services and primary income.

Ample foreign exchange buffers protect the country from market volatility and serve as a guarantee for the economy's ability to pay its debts in the event of an economic downturn.

"The slight decrease in the GIR in August 2023 was due to a number of factors, including the payment of maturing foreign currency obligations, some 'hot money' outflows, and the decline in the value of the Philippine peso against the US dollar, among others," Security Bank Corp. Chief Economist Robert Dan J. Rocas said.

Based on BSP data, foreign currency deposits fell by 52.5% to \$648 million at end-August from \$1.367 billion a month earlier and by 63.5% from \$1.777 billion a year ago.

Rizal Commercial Banking Corp. Chief Economist Michael L. Ricafort attributed the decrease in foreign currency holdings "partly due to some foreign exchange operations (possible foreign exchange intervention activities, as an option signaled by local monetary authorities during the month)."

The peso closed at P56.595 on Aug. 31, depreciating by 3% or P1.715 from the P54.88 finish on July 31.  
*Dollar reserves, S1/11*

### BUSINESSWORLD B-SIDE

#### Sari-Sari stores: Balancing community care and business dynamics

IN VARIOUS CITIES and barangays (villages) without proper road infrastructure, sari-sari stores, or small neighborhood shops, have emerged as a crucial lifeline, supporting both the local economy and the daily needs of residents, according to sari-sari store startup Packworks.



In this B-Side episode, Andres Montiel, Packworks' chief data officer, discusses with *BusinessWorld* reporter Revin Mikhael D. Ochave the significant role sari-sari stores play in communities and the national economy.



>>> [spoti.fi/4889lgo](https://spoti.fi/4889lgo)

## PHL to ramp up prosecution of money laundering cases

THE PHILIPPINES is looking to ramp up the prosecution of money laundering and terrorist financing cases, as it aims to exit the Financial Action Task Force's (FATF) "gray list" by January 2024.

"We are moving heaven and earth... to get out of the gray list," Bangko Sentral ng Pilipinas (BSP)

Governor Eli M. Remolona, Jr. said in a Sept. 4 interview with *BusinessWorld* Editor-in-Chief Wilfredo G. Reyes.

Global financial crime watchdog FATF added the Philippines in its gray list of jurisdictions under increased monitoring for "dirty money" risks in June 2021.

As part of its efforts to exit the gray list, Mr. Remolona said the government needs to prosecute more cases of money laundering and terrorist financing.

"Basically, we need more prosecutions. We've done a lot of investigations. We've identified the potential respondents for prosecutions. I think that's

key for getting out of the gray list," he added.

In its last assessment in June, the FATF said the Philippines should continue to work on implementing action plans to address strategic deficiencies in its fight against money laundering.  
*Money, S1/11*

## Manufacturing output climbs to 2-month high

MANUFACTURING OUTPUT climbed to a two-month high in July, propelled by higher production of beverages, petroleum, and food products, the Philippine Statistics Authority reported on Thursday.

Preliminary results of the Monthly Integrated Survey of Selected Industries showed factory output, as measured by the volume of production index (VoPI), rose by 5.7% year on year in July. This was higher than the re-

vised 3.4% in June and 3.6% in July last year. July marked the 13th month of annual VoPI growth.

The 5.7% expansion was the fastest in two months or since 7.1% in May.

On a monthly basis, July's VoPI grew by 3.8% from June's revised 2.9% contraction. Adjusting for seasonality factors, manufacturing output increased month on month by 3%, a turnaround from the 2.1% decline in June.

Year to date, factory output rose by 5.2% in the January-to-July period, lower than the 23.9% growth a year ago.

In a statement, the PSA attributed the July uptick in VoPI to faster growth in three industry divisions: beverages (up by 12.6% from -11.4% in June), coke and refined petroleum products (up by 36.2% from 15.9%), and food products (up by 1.2% from -3.1%).  
*Manufacturing, S1/11*