

STOCK MARKET	ASIAN MARKETS	WORLD MARKETS	PESO-DOLLAR RATES	ASIAN MONIES-US\$ RATE	WORLD CURRENCIES	DUBAI CRUDE OIL																																																																					
<b>PSEi</b> SEPTEMBER 13, 2023 OPEN: 6,235.82 HIGH: 6,239.40 LOW: 6,149.18 CLOSE: 6,149.18 VOL.: 0.741 B VAL(P): 4,734 B 81.02 pts, 1.3% 30 DAYS TO SEPTEMBER 13, 2023	<b>SEPTEMBER 13, 2023</b> <table border="1"> <tr><th>CLOSE</th><th>NET</th><th>%</th></tr> <tr><td>JAPAN (NIKKEI 225)</td><td>32,706.52</td><td>-69.85 -0.21</td></tr> <tr><td>HONG KONG (HANG SENG)</td><td>18,009.22</td><td>-16.67 -0.09</td></tr> <tr><td>TAIWAN (WEIGHTED)</td><td>16,581.51</td><td>8.80 0.05</td></tr> <tr><td>THAILAND (SET INDEX)</td><td>1,535.31</td><td>-10.19 -0.66</td></tr> <tr><td>S.KOREA (KSE COMPOSITE)</td><td>2,534.70</td><td>-1.88 -0.07</td></tr> <tr><td>SINGAPORE (STRAITS TIMES)</td><td>3,218.93</td><td>4.47 0.14</td></tr> <tr><td>SYDNEY (ALL ORDINARIES)</td><td>7,153.90</td><td>-53.00 -0.74</td></tr> <tr><td>MALAYSIA (KLSE COMPOSITE)</td><td>1,453.54</td><td>0.15 0.01</td></tr> </table>	CLOSE	NET	%	JAPAN (NIKKEI 225)	32,706.52	-69.85 -0.21	HONG KONG (HANG SENG)	18,009.22	-16.67 -0.09	TAIWAN (WEIGHTED)	16,581.51	8.80 0.05	THAILAND (SET INDEX)	1,535.31	-10.19 -0.66	S.KOREA (KSE COMPOSITE)	2,534.70	-1.88 -0.07	SINGAPORE (STRAITS TIMES)	3,218.93	4.47 0.14	SYDNEY (ALL ORDINARIES)	7,153.90	-53.00 -0.74	MALAYSIA (KLSE COMPOSITE)	1,453.54	0.15 0.01	<b>SEPTEMBER 12, 2023</b> <table border="1"> <tr><th>CLOSE</th><th>NET</th></tr> <tr><td>Dow Jones</td><td>34,645.990 ▼ -17.730</td></tr> <tr><td>NASDAQ</td><td>13,773.615 ▼ -144.279</td></tr> <tr><td>S&amp;P 500</td><td>4,461.900 ▼ -25.560</td></tr> <tr><td>FTSE 100</td><td>7,527.530 ▲ 30.660</td></tr> <tr><td>Euro Stoxx50</td><td>3,964.530 ▼ -1.660</td></tr> </table>	CLOSE	NET	Dow Jones	34,645.990 ▼ -17.730	NASDAQ	13,773.615 ▼ -144.279	S&P 500	4,461.900 ▼ -25.560	FTSE 100	7,527.530 ▲ 30.660	Euro Stoxx50	3,964.530 ▼ -1.660	<b>FX</b> SEPTEMBER 13, 2023 OPEN P56.680 HIGH P56.600 LOW P56.730 CLOSE P56.720 W.AVE. P56.673 VOL. \$1,024.70 M 7.00 CTVS 30 DAYS TO SEPTEMBER 13, 2023 SOURCE : BAP	<b>SEPTEMBER 13, 2023</b> <table border="1"> <tr><th>LATEST BID (0900GMT)</th><th>PREVIOUS</th></tr> <tr><td>JAPAN (YEN)</td><td>147.340 ▼ 146.800</td></tr> <tr><td>HONG KONG (HK DOLLAR)</td><td>7.825 ▲ 7.830</td></tr> <tr><td>TAIWAN (NT DOLLAR)</td><td>31.983 ▲ 32.057</td></tr> <tr><td>THAILAND (BAHT)</td><td>35.740 ▼ 35.620</td></tr> <tr><td>S. KOREA (WON)</td><td>1,328.810 ▼ 1,327.680</td></tr> <tr><td>SINGAPORE (DOLLAR)</td><td>1.361 ▼ 1.362</td></tr> <tr><td>INDONESIA (RUPIAH)</td><td>15,365 ▼ 15,335</td></tr> <tr><td>MALAYSIA (RINGGIT)</td><td>4.677 ▼ 4.675</td></tr> </table>	LATEST BID (0900GMT)	PREVIOUS	JAPAN (YEN)	147.340 ▼ 146.800	HONG KONG (HK DOLLAR)	7.825 ▲ 7.830	TAIWAN (NT DOLLAR)	31.983 ▲ 32.057	THAILAND (BAHT)	35.740 ▼ 35.620	S. KOREA (WON)	1,328.810 ▼ 1,327.680	SINGAPORE (DOLLAR)	1.361 ▼ 1.362	INDONESIA (RUPIAH)	15,365 ▼ 15,335	MALAYSIA (RINGGIT)	4.677 ▼ 4.675	<b>SEPTEMBER 13, 2023</b> <table border="1"> <tr><th>CLOSE</th><th>PREVIOUS</th></tr> <tr><td>US\$/UK POUND</td><td>1.2468 ▼ 1.2469</td></tr> <tr><td>US\$/EURO</td><td>1.0731 ▼ 1.0718</td></tr> <tr><td>US\$/AUSTRALIAN DOLLAR</td><td>0.6410 ▼ 0.6423</td></tr> <tr><td>CANADA DOLLAR/US\$</td><td>1.3556 ▼ 1.3577</td></tr> <tr><td>SWISS FRANC/US\$</td><td>0.8925 ▲ 0.8915</td></tr> </table>	CLOSE	PREVIOUS	US\$/UK POUND	1.2468 ▼ 1.2469	US\$/EURO	1.0731 ▼ 1.0718	US\$/AUSTRALIAN DOLLAR	0.6410 ▼ 0.6423	CANADA DOLLAR/US\$	1.3556 ▼ 1.3577	SWISS FRANC/US\$	0.8925 ▲ 0.8915	<b>FUTURES PRICE ON NEAREST MONTH OF DELIVERY</b> SEPTEMBER 12, 2023 \$92.55/BBL \$0.75 30 DAYS TO SEPTEMBER 12, 2023
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VOL. XXXVII • ISSUE 36 THURSDAY • SEPTEMBER 14, 2023 • www.bworldonline.com S1/1-10 • 2 SECTIONS, 14 PAGES

PHILIPPINE STOCK EXCHANGE'S 10 MOST ACTIVE STOCKS BY VALUE TURNOVER • SEPTEMBER 13, 2023 (PSEi snapshot on S1/3; article on S2/2)

BDO	P130.000	BPI	P107.800	SM	P801.000	TEL	P1,147.000	SMPH	P29.800	AC	P621.000	MER	P361.000	ICT	P207.000	CNVRG	P8.760	GTCAP	P591.000
Value	P426,587,811	Value	P417,055,914	Value	P391,643,975	Value	P350,526,815	Value	P269,032,420	Value	P265,142,785	Value	P197,337,116	Value	P195,848,174	Value	P183,673,291	Value	P137,387,585
	-P2.600 ▼ -1.961%		P0.300 ▲ 0.279%		-P19.000 ▼ -2.317%		-P25.000 ▼ -2.133%		-P0.550 ▼ -1.812%		-P4.000 ▼ -0.640%		P3.200 ▲ 0.894%		-P2.000 ▼ -0.957%		P0.490 ▲ 5.925%		P1.000 ▲ 0.169%

# Credit growth further slows in July

By Keisha B. Ta-asan  
Reporter

CREDIT GROWTH slowed for a fourth straight month in July, as high interest rates took its toll, Bangko Sentral ng Pilipinas (BSP) data showed.

Data from the BSP showed outstanding loans of universal

and commercial banks, net of reverse repurchase (RRP) placements with the central bank, rose by 7.7% to P11 trillion in July, from P10.21 trillion a year earlier.

The 7.7% bank lending growth in July was slower than 7.8% in June, and the 11.9% expansion in July 2022. It was also the weakest increase since April.

China Banking Corp. Chief Economist Domini S. Velasquez

said the slower credit growth reflects the cumulative impact of the aggressive monetary policy tightening of the central bank.

The BSP hiked borrowing costs by 425 basis points from May 2022 to March 2023 to curb inflation, bringing the key policy rate to a near 16-year high of 6.25%.

"This is compounded by a slowdown of economic activities,

with spending moderating from the highs of revenge spending post-pandemic," Ms. Velasquez said.

Philippine gross domestic product (GDP) expanded by a slower-than-expected 4.3% in the second quarter, as household consumption growth slowed. For the first six months, GDP growth averaged 5.3%, still below the government's 6-7% target this year.

Security Bank Corp. Chief Economist Robert Dan J. Roces said consumers and businesses are more cautious in borrowing as inflation remains elevated and interest rates remain high.

Inflation eased to 4.7% in July but marked the 16<sup>th</sup> straight month that inflation exceeded the BSP's 2-4% target band. For the first seven months, inflation averaged 6.8%.

"Additionally, anticipation of future monetary policy shifts by the BSP, with the stance of a hawkish hold, could influence borrowing decisions," Mr. Roces said.

The BSP has kept policy rates unchanged for a third meeting in August. However, stubborn inflation has increased pressure on the central bank to maintain its hawkish stance.

Credit, S1/9

## Banks' bad loan ratio steady in July

THE BANKING INDUSTRY'S nonperforming loan (NPL) ratio remained steady in July despite high borrowing costs and elevated inflation.

Based on data from the Bangko Sentral ng Pilipinas (BSP), the Philippine banking sector's gross NPL ratio stood at 3.43% as of end-July, unchanged from end-June. It is also lower compared with the 3.57% NPL ratio in July 2022.

The July ratio was the lowest in three months or since 3.41% in April. The NPL ratio was on the rise in the first five months of the year to 3.46% as of end-May but declined to 3.43% in June.

Bad loans rose by 4.5% to P439.328 billion as of July from P420.255 billion a year earlier. It also inched up by 0.68% from P436.371 billion seen as of end-June.

Meanwhile, banks' total loan portfolio increased by 8.8% to P12.81 trillion as of end-July from P11.77 trillion a year ago. It was also up by 0.6% from P12.73 trillion at end-June.

Loans are considered nonperforming once they remain unpaid for at least 90 days after the due date. They are deemed as risk assets given borrowers are unlikely to settle such loans.

"We're pleased to see that despite slower economic growth in the second quarter, still elevated inflation, and sustained rapid expansion in consumer credit growth, that overall industry bad loan ratios continue to be muted," Bank of the Philippine Islands Lead Economist Emilio S. Neri, Jr. said.

Bad loan ratio, S1/9

## Board approves P33 hike in daily wages in Central Visayas

A REGIONAL wage board has approved a P33 hike in the daily minimum wages of private sector workers in Central Visayas, the Department of Labor and Employment (DoLE) said on Wednesday.

The Regional Tripartite Wages and Productivity Board (RTWPB) in Region VII issued a wage order on Sept. 5 that will provide a 7.6% to 8.6% increase in the region's daily minimum wages. The pay hike will take effect in the Central Visayas Region on Oct. 1.

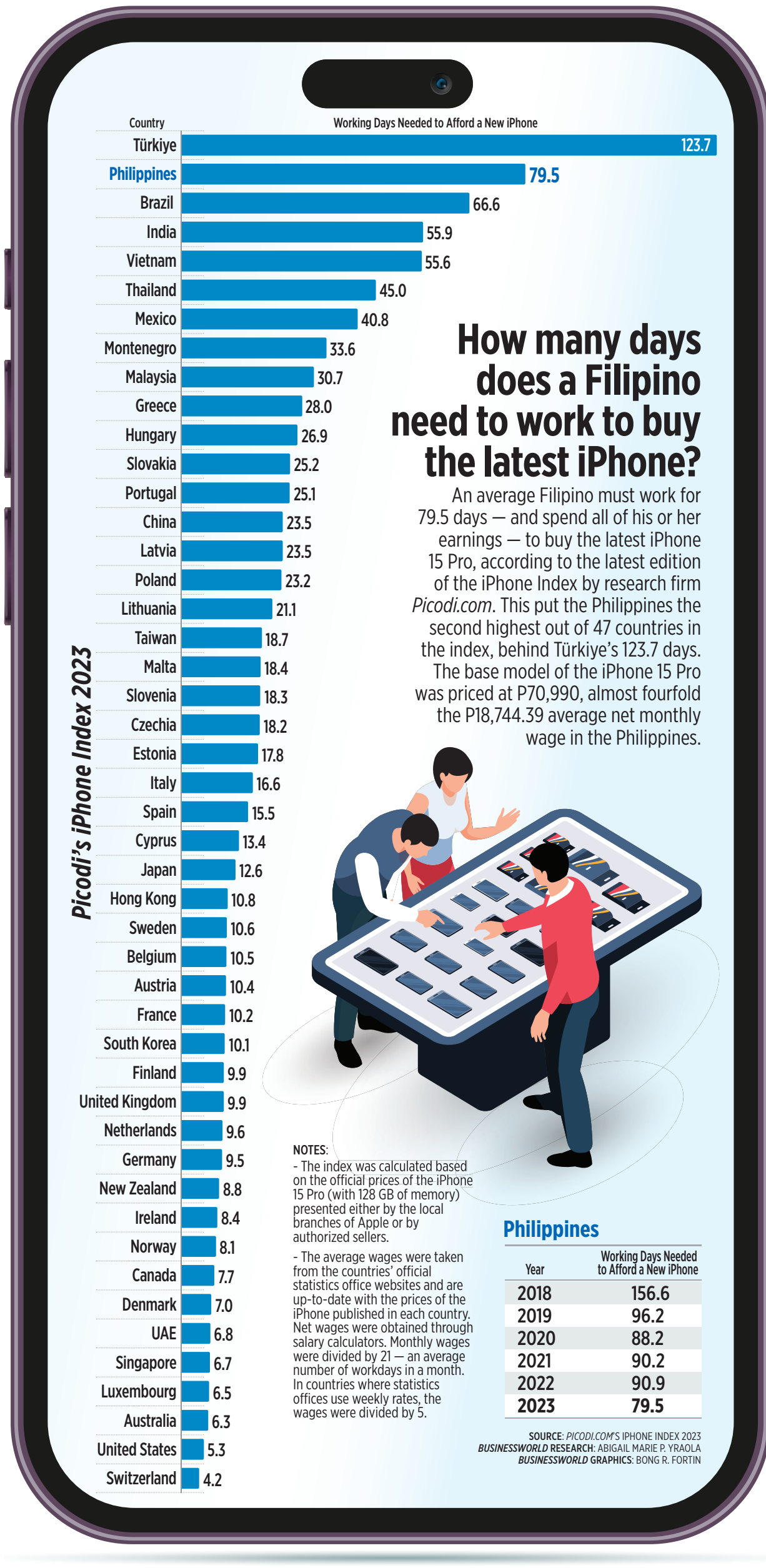
DoLE said in a statement that around 346,946 minimum wage workers will directly benefit from the wage increase, while 399,572 employees earning above minimum wage will also benefit as companies are expected to correct the wage distortion.

Nonagriculture workers in Class A areas will see their minimum wage increase to P468 from the current P435, while those in Class B will see wages go up to P430 from P397. Workers in Class C areas will receive a minimum wage of P420 from P387.

Meanwhile, workers in agriculture and nonagriculture establishments with less than 10 workers living in Class A areas will receive a daily wage of P458 from the current P425. Workers in Class B areas will get a daily wage of P425 from P392, while those in Class C will receive a minimum wage of P415 from P382.

Class A covers the cities of Carcar, Cebu, Danao, Lapu-Lapu, Mandaue, Naga; including municipalities of Compostela, Consolacion, Cordova, Lilo-an, Minglanilla and San Fernando.

Wages, S1/9



## WTO plans to fix Appellate Body paralysis by 2024

By Norman P. Aquino  
Special Reports Editor

GENEVA — The World Trade Organization (WTO) is on track to fix its dispute settlement process by 2024, its chief economist said, amid criticisms that the global trade body is being stymied by its reliance on the consensus system.

"The WTO has resolved to fix this by 2024," WTO Chief Economist Ralph Ossa told reporters at the launch of the WTO Global Trade Report in Geneva on Tuesday.

Ensuring that the 164-member trade organization has a fully functional dispute settlement system by next year is a "high priority," he added, without providing more details.

The global economy is said to be edging closer to survival-of-the-fittest mode as major economies skirt the post-World War II trading system in favor of a more restrictive and transactional approach to world commerce.

US President Joseph R. Biden, Jr. has kept his predecessor's tariffs on steel, aluminum and about \$200 billion worth of Chinese imports, all illegal under the WTO rules.

He has also kept the paralysis of the seven-member WTO Appellate Body, which stopped functioning in December 2019 after the US blocked the appointment of new members, citing "judicial overreach" among other issues.

This has led to most panel reports being appealed into the void and leaving the disputes unresolved. As a result, members can't enforce WTO obligations through complaints against alleged trade violations.

The Philippines and Thailand did manage to settle their trade dispute over Manila's cigarettes in June last year without the Appellate Body after more than a decade of litigation.

Globalization — and WTO — critics have said the WTO's consensus system needs to be replaced by a new negotiating model that meets 21<sup>st</sup> century problems including climate change, environmental destruction, low labor standards, human rights and corruption. They are also calling for bilateral and plurilateral deals to level the playing field.

Ministers in June committed to work toward reforming the organization to improve its functions through an open, transparent and inclusive process. The WTO's General Council and its subsidiary bodies will conduct the work, review progress and consider decisions on reform to be submitted to the 13<sup>th</sup> Ministerial Conference in Abu Dhabi in February.

The Ministerial Conference is the topmost decision-making body of the WTO.

Ministers also committed to discuss and address challenges and concerns about the WTO's dispute settlement system.

The WTO on Tuesday said geopolitical tensions and recent crises have spurred protectionist policies that are slowly eroding the world's trading system and could ultimately fragment the global economy.

In its annual Global Trade Report, it called for "re-globalization" — a renewed drive toward a broader and more inclusive integration to more economies, people and issues.

The WTO is being hindered by its reliance on the consensus system and getting 164 members to agree on anything is a tall order, said Arthur E. Appleton, a partner at Appleton Luff — International Lawyers and adjunct professor at the Johns Hopkins University School of Advanced International Studies.

WTO, S1/9