

STOCK MARKET	ASIAN MARKETS	WORLD MARKETS	PESO-DOLLAR RATES	ASIAN MONIES-US\$ RATE	WORLD CURRENCIES	DUBAI CRUDE OIL																																																																					
PSEi OPEN: 6,096.88 HIGH: 6,142.79 LOW: 6,086.78 CLOSE: 6,142.79 VOL.: 1.093 B VAL(P): 4.362 B 48.08 PTS. 0.78% 30 DAYS TO SEPTEMBER 22, 2023	SEPTEMBER 22, 2023 <table border="1"> <tr><th>CLOSE</th><th>NET</th><th>%</th></tr> <tr><td>JAPAN (NIKKEI 225)</td><td>32,402.41</td><td>-168.62 -0.52</td></tr> <tr><td>HONG KONG (HANG SENG)</td><td>18,057.45</td><td>▲402.04 2.28</td></tr> <tr><td>TAIWAN (WEIGHTED)</td><td>16,344.48</td><td>▲27.81 0.17</td></tr> <tr><td>THAILAND (SET INDEX)</td><td>1,522.59</td><td>▲8.33 0.55</td></tr> <tr><td>S.KOREA (KSE COMPOSITE)</td><td>2,508.13</td><td>▲-6.84 -0.27</td></tr> <tr><td>SINGAPORE (STRAITS TIMES)</td><td>3,204.82</td><td>▲2.01 0.06</td></tr> <tr><td>SYDNEY (ALL ORDINARIES)</td><td>7,068.80</td><td>▲3.60 0.05</td></tr> <tr><td>MALAYSIA (KLSE COMPOSITE)</td><td>1,450.23</td><td>▲2.02 0.14</td></tr> </table>	CLOSE	NET	%	JAPAN (NIKKEI 225)	32,402.41	-168.62 -0.52	HONG KONG (HANG SENG)	18,057.45	▲402.04 2.28	TAIWAN (WEIGHTED)	16,344.48	▲27.81 0.17	THAILAND (SET INDEX)	1,522.59	▲8.33 0.55	S.KOREA (KSE COMPOSITE)	2,508.13	▲-6.84 -0.27	SINGAPORE (STRAITS TIMES)	3,204.82	▲2.01 0.06	SYDNEY (ALL ORDINARIES)	7,068.80	▲3.60 0.05	MALAYSIA (KLSE COMPOSITE)	1,450.23	▲2.02 0.14	SEPTEMBER 22, 2023 <table border="1"> <tr><th>CLOSE</th><th>NET</th></tr> <tr><td>Dow Jones</td><td>33,963,840 ▼ -106,580</td></tr> <tr><td>NASDAQ</td><td>13,211,807 ▼ -12,178</td></tr> <tr><td>S&P 500</td><td>4,320,060 ▼ -9,940</td></tr> <tr><td>FTSE 100</td><td>7,683,910 ▼ 5,290</td></tr> <tr><td>Euro Stoxx50</td><td>3,947,220 ▼ -8,430</td></tr> </table>	CLOSE	NET	Dow Jones	33,963,840 ▼ -106,580	NASDAQ	13,211,807 ▼ -12,178	S&P 500	4,320,060 ▼ -9,940	FTSE 100	7,683,910 ▼ 5,290	Euro Stoxx50	3,947,220 ▼ -8,430	FX OPEN P56.850 HIGH P56.765 LOW P56.900 CLOSE P56.795 W.AVE. P56.837 VOL. \$994.31 M 6.00 CTS 30 DAYS TO SEPTEMBER 22, 2023 SOURCE : BAP	SEPTEMBER 22, 2023 <table border="1"> <tr><th>LATEST BID (0900GMT)</th><th>PREVIOUS</th></tr> <tr><td>JAPAN (YEN)</td><td>148.370 ▼ 148.180</td></tr> <tr><td>HONG KONG (HK DOLLAR)</td><td>7.820 ▼ 7.820</td></tr> <tr><td>TAIWAN (NT DOLLAR)</td><td>32.138 ▼ 32.120</td></tr> <tr><td>THAILAND (BAHT)</td><td>36.030 ▼ 36.140</td></tr> <tr><td>S. KOREA (WON)</td><td>1,334.030 ▼ 1,340.100</td></tr> <tr><td>SINGAPORE (DOLLAR)</td><td>1.364 ▼ 1.368</td></tr> <tr><td>INDONESIA (RUPIAH)</td><td>15,370 ▼ 15,370</td></tr> <tr><td>MALAYSIA (RINGGIT)</td><td>4.685 ▼ 4.687</td></tr> </table>	LATEST BID (0900GMT)	PREVIOUS	JAPAN (YEN)	148.370 ▼ 148.180	HONG KONG (HK DOLLAR)	7.820 ▼ 7.820	TAIWAN (NT DOLLAR)	32.138 ▼ 32.120	THAILAND (BAHT)	36.030 ▼ 36.140	S. KOREA (WON)	1,334.030 ▼ 1,340.100	SINGAPORE (DOLLAR)	1.364 ▼ 1.368	INDONESIA (RUPIAH)	15,370 ▼ 15,370	MALAYSIA (RINGGIT)	4.685 ▼ 4.687	SEPTEMBER 22, 2023 <table border="1"> <tr><th>CLOSE</th><th>PREVIOUS</th></tr> <tr><td>US\$/UK POUND</td><td>1.2238 ▼ 1.2303</td></tr> <tr><td>US\$/EURO</td><td>1.0652 ▼ 1.0659</td></tr> <tr><td>US\$/AUSTRALIAN DOLLAR</td><td>0.6441 ▼ 0.6406</td></tr> <tr><td>CANADA DOLLAR/US\$</td><td>1.3483 ▼ 1.3492</td></tr> <tr><td>SWISS FRANC/US\$</td><td>0.9069 ▼ 0.9068</td></tr> </table>	CLOSE	PREVIOUS	US\$/UK POUND	1.2238 ▼ 1.2303	US\$/EURO	1.0652 ▼ 1.0659	US\$/AUSTRALIAN DOLLAR	0.6441 ▼ 0.6406	CANADA DOLLAR/US\$	1.3483 ▼ 1.3492	SWISS FRANC/US\$	0.9069 ▼ 0.9068	SEPTEMBER 22, 2023 FUTURES PRICE ON NEAREST MONTH OF DELIVERY \$93.24 /BBL 30 DAYS TO SEPTEMBER 22, 2023 ▼ \$2.31
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VOL. XXXVII • ISSUE 43 MONDAY • SEPTEMBER 25, 2023 • www.bworldonline.com SI/1-8 • 5 SECTIONS, 26 PAGES

PHILIPPINE STOCK EXCHANGE'S 10 MOST ACTIVE STOCKS BY VALUE TURNOVER • SEPTEMBER 22, 2023 (PSEi snapshot on SI/6; article on SI/2)

SMPH	P30.200	CNPF	P29.750	BLOOM	P10.600	AP	P30.750	BDO	P131.000	MER	P371.000	GLO	P1,778.000	BPI	P108.500	MONDE	P9.170	ICT	P203.800
Value	P346,949,695	Value	P283,732,830	Value	P274,777,254	Value	P254,976,545	Value	P224,111,306	Value	P209,019,632	Value	P190,546,620	Value	P187,040,725	Value	P158,952,449	Value	P107,267,142
PO.250	▲ 0.835%	-P1.250	▼ -4.032%	-P0.400	▼ -3.636%	P0.750	▲ 2.500%	P0.000	— 0.000%	P7.200	▲ 1.979%	P3.000	▲ 0.169%	P1.500	▲ 1.402%	P0.360	▲ 4.086%	P1.000	▲ 0.493%

Budget deficit widens in August

By Luisa Maria Jacinta C. Jacson Reporter

THE NATIONAL Government's (NG) budget deficit widened to P133 billion in August as revenues declined, data from the Department of Finance (DoF) showed. The fiscal gap ballooned to P133 billion in August from P72 billion a year ago.

Month on month, the budget deficit nearly tripled from the P47.8-billion gap in July. "This is due to the 6.6% contraction in government receipts alongside a 10% growth in expenditures," DoF Secretary Benjamin E. Diokno said in a press briefing on Friday. In August, government revenues dropped by 6.58% to P310.6 billion from P332.4 billion in the same month a year ago.

Tax revenues decreased by an annual 5.82% to P291.7 billion, as collections by the Bureau of Internal Revenue (BIR) slid by 6.73% to P213.5 billion and the Bureau of Customs' (BoC) revenue fell by 4.92% to P75 billion. Meanwhile, nontax revenues slipped by 17.05% to P18.8 billion, mainly due to the 29.41% decline in revenues from other offices to P12.6 billion. On the other hand, the Bureau of the Treasury's

(BTr) revenue jumped by 27.8% to P6.3 billion. Mr. Diokno said that the slump in revenue collection in August was due to the suspension of work due to heavy rains. "I think their collection days were reduced because of the inclement weather... They will make it up for the following months," he said. "For nontax (revenues), it might be the same because if there's no office, there's no collec-

tion. For the BoC, if you can't go to the shipments, you can't collect." Mr. Diokno noted the decline in Customs collections was mainly due to easing oil prices. The agency's monthly collections have been lower year on year since June. "Number one, the price of oil is declining and then it turns out consumption of oil has also gone down. So, both in terms of quantity and price, it has gone down... but I'm not concerned about the

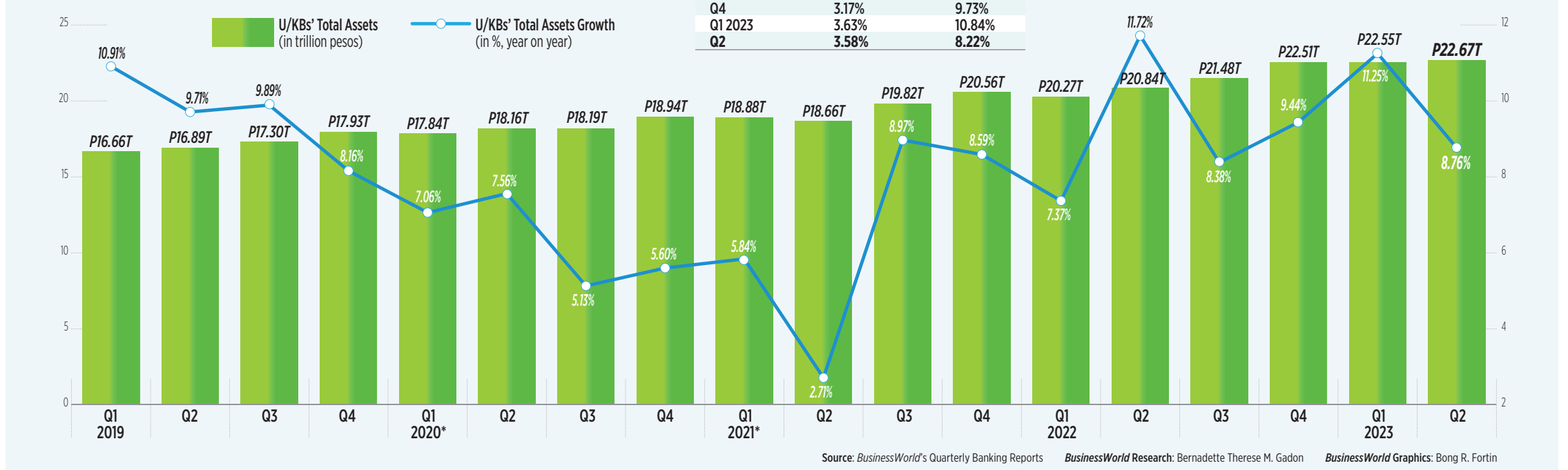
collection of Customs. They're still way ahead, year to date, if you can see," he said. Meanwhile, state spending rose by 9.66% to P443.6 billion in August from P404.5 billion a year earlier. Primary expenditures, or spending net of interest payments, went up by 7.27% to P400.9 billion in August. Interest payments climbed by 38.65% to P42.7 billion. Deficit, SI/7

BIG BANKS' ASSET AND LOAN GROWTH EASES IN Q2

The growth of total assets of the country's universal and commercial banks (U/KBs) grew by 8.76% year on year to P22.67 trillion in the second quarter this year. This was slower compared with the 11.25% and 11.72% in the previous quarter and the second quarter in 2022, respectively. The U/KBs' total loans inched up by 8.22% year on year to P11.24 trillion in the April-to-June period. This expansion was slower than 12.61% in the same period last year.

NOTES:
* Five of the big banks were excluded in the first quarter of 2020 due to unavailability of data at the time of collection. One during the third quarter of 2020 and first quarter of 2021, four in the second quarter of 2021, and two in the third quarter of 2021 were also unavailable.
** The current method distinguishes bad loans without deductions (gross nonperforming loans) and bad loans minus specific allowance for credit losses (net nonperforming loans). Previously, banks presented bad loan data that already excluded loans that were already fully provisioned as of the last examination by the Bangko Sentral ng Pilipinas.

Period	Gross Nonperforming Loans Ratio (Q1 2019-Q1 2023)**	U/KBs' Total Loans Growth (% year on year)
Q1 2019	1.53%	12.38%
Q2	1.58%	10.25%
Q3	1.66%	9.10%
Q4	1.88%	9.30%
Q1 2020*	1.93%	9.73%
Q2	2.02%	5.37%
Q3*	3.57%	-0.74%
Q4	3.68%	-3.96%
Q1 2021*	4.12%	-5.98%
Q2*	4.67%	-5.60%
Q3*	4.49%	3.24%
Q4	3.95%	5.93%
Q1 2022	4.03%	6.21%
Q2	3.75%	12.61%
Q3	2.91%	9.74%
Q4	3.17%	9.73%
Q1 2023	3.63%	10.84%
Q2	3.58%	8.22%



Big banks post slower asset, loan growth in Q2

By Bernadette Therese M. Gadon Researcher

THE PHILIPPINES' largest banks saw asset and loan growth ease in the second quarter, reflecting the impact of high interest rates and a slowing economy. *BusinessWorld's* latest quarterly banking report showed the combined assets of 45 universal and commercial banks (U/KBs) jumped by 8.76% year on year to P22.67 trillion in the April-to-June period from P20.84 trillion in the same period a year ago. The pace was slower than the 11.72% growth in the second quarter last year, and the weakest since 8.38% expansion in the third quarter of 2022. Total loans of the big banks expanded by 8.22% annually to P11.24 trillion in the second quarter. However, this was weaker than the 12.61% growth a year ago. It also marked the slowest expansion of the big lenders' total loans since the 6.21% annual increase in the first quarter of 2022.

The Philippines' gross domestic product expanded by 4.3% in the second quarter, the slowest in over two years, as the growth was partially tempered by high inflation and the lagged effects of interest rate hikes. The Bangko Sentral ng Pilipinas has raised borrowing costs by 425 basis points (bps) from May 2022 to March 2023, bringing the key policy rate to a near 16-year high. In the second quarter, the nonperforming loan (NPL) ratio improved to 3.58% from 3.75% a year ago. Nonperforming asset (NPA) ratio, or the share of NPLs and foreclosed properties to total assets, eased to 1.07% from 1.17% in the same quarter a year ago. Relative to total assets, foreclosed real and other properties stood at 0.27% in the April-to-June period, slightly lower than 0.28% posted last year. Total loan loss reserves expanded by 9.01% annually to P399.13 billion during the April-to-June period. *Banks, SI/7*

PHL to launch dollar RTB offer this week

THE GOVERNMENT is planning to launch US dollar-denominated retail Treasury bonds (RTB) on Tuesday, Finance Secretary Benjamin E. Diokno said. "We will launch the Retail Dollar Bonds 2 on Sept. 26," Mr. Diokno said in a press briefing on Friday. The Philippines' last US-denominated RTB offer was in 2021, when it raised almost \$1.6 billion. Mr. Diokno said there will be a two-week offer for the RTBs. "The minimum is just \$200. And the tax, the government will be the one to pay. It's tax-free, so it's a good invest-

ment," he said in mixed English and Filipino. Mr. Diokno said they may consider increasing the offer size after seeing more interest from the public. "I think initially it's \$1 billion, but the demand for the offering is too big. Maybe we can upsize," he said. The government earlier said it was targeting an offer size of \$2 billion for the retail dollar bond offering. Bureau of the Treasury Deputy Treasurer and Officer-in-Charge Sharon P. Almanza said the dollar retail bonds will either have a tenor of five years or 10 years. *RTB, SI/7*

"We're looking at either five or 10 (year bonds), but most likely on the long five," she added, noting that the offer will also be priced as a Republic of the Philippines (ROP) issuance. Even if the retail dollar bond offer is up-sized, Ms. Almanza said that there will be no need to adjust the government's borrowing plan. "The RTB is considered domestic, although of course its dollar denominated. For the domestic, we're still about to raise 30%, so I don't think we'll be exceeding. If ever, we'll be adjusting the (peso-denominated) Treasury bond issuances," she added. *Policy, SI/7*

Upside risks may prompt BSP to tighten policy in Q4

By Keisha B. Ta-asan Reporter

SUPPLY SHOCKS to inflation and a weaker peso against the dollar may prompt the Bangko Sentral ng Pilipinas (BSP) to resume monetary tightening in the fourth quarter, according to analysts. The future policy decisions of the US Federal Reserve may

also push the BSP to start cutting policy rates in the second half of 2024. Last week, the BSP maintained key interest rates for a fourth straight meeting on Sept. 21 but signaled it might resume tightening later this year if inflation pressures persist. The Monetary Board kept its target reverse repurchase (RRP) rate at 6.25%, the highest in nearly 16 years. Interest rates on the overnight deposit and lending

facilities were also left unchanged at 5.75% and 6.75%, respectively. The Monetary Board hiked interest rates by 425 basis points (bps) from May 2022 to March 2023. Security Bank Corp. Chief Economist Robert Dan J. Roces said a hawkish pause suggests that the BSP will continue to consider multiple factors before adjusting policy rates, such as inflation, the exchange rate, and economic growth. "We think that the question of another hike this year is an in-

creasingly close call, owing to the supply-side nature of the current inflation trend. A weak peso and a Fed hike will be the catalysts," he said in a Viber message. In an interview with Bloomberg TV on Friday morning, BSP Governor Eli M. Remolona, Jr. said a possible rate hike at its next policy review on Nov. 16 may not be the last amid risks to inflation. The Monetary Board's last meeting is on Dec. 14. *Policy, SI/7*