

STOCK MARKET	ASIAN MARKETS	WORLD MARKETS	PESO-DOLLAR RATES	ASIAN MONIES-US\$ RATE	WORLD CURRENCIES	DUBAI CRUDE OIL
SEPTEMBER 28, 2023 PSEI OPEN: 6,365.65 HIGH: 6,412.94 LOW: 6,335.47 CLOSE: 6,385.52 VOL.: 0.778 B VAL(P): 5,170 B 10.84 pts. 0.17% 30 DAYS TO SEPTEMBER 28, 2023	SEPTEMBER 28, 2023 JAPAN (NIKKEI 225) 31,872.52 ▼ -499.38 -1.54 HONG KONG (HANG SENG) 17,373.03 ▼ -238.84 -1.36 TAIWAN (WEIGHTED) 16,353.74 ▲ 43.38 0.27 THAILAND (SET INDEX) 1,482.99 ▼ -14.16 -0.95 S.KOREA (KSE COMPOSITE)* 2,465.07 ▲ 2.10 0.09 SINGAPORE (STRAITS TIMES) 3,205.66 ▲ 5.63 0.18 SYDNEY (ALL ORDINARIES) 7,024.80 ▼ -5.50 -0.08 MALAYSIA (KLSE COMPOSITE)* 1,440.11 ▼ -5.44 -0.38 <small>* CLOSING PRICE AS OF SEPTEMBER 27, 2023</small>	SEPTEMBER 27, 2023 DOW JONES 33,550.270 ▼ -68.610 NASDAQ 13,092.849 ▲ 29.239 S&P 500 4,274.510 ▲ 0.980 FTSE 100 7,593.220 ▼ -32.500 EURO STOXX50 3,900.750 ▼ -1.710	FX OPEN P56.888 HIGH P56.888 LOW P56.980 CLOSE P56.980 W.AVE. P56.961 VOL. \$980.60 M SOURCE : BAP 3.00 CTVS 30 DAYS TO SEPTEMBER 28, 2023	SEPTEMBER 28, 2023 LATEST BID (0900GMT) JAPAN (YEN) 149.310 ▼ 149.120 HONG KONG (HK DOLLAR) 7.826 ▼ 7.821 TAIWAN (NT DOLLAR) 32.243 ▼ 32.218 THAILAND (BAHT) 36.790 ▼ 36.540 S. KOREA (WON) 1,355.830 ▼ 1,351.240 SINGAPORE (DOLLAR) 1.371 ▼ 1.370 INDONESIA (RUPIAH) 15,515 ▼ 15,515 MALAYSIA (RINGGIT) 4.706 ▼ 4.704	SEPTEMBER 28, 2023 US\$/UK POUND 1.2187 ▲ 1.2143 US\$/EURO 1.0526 ▼ 1.0554 US\$/AUSTRALIAN DOLLAR 0.6374 ▼ 0.6378 CANADA DOLLAR/US\$ 1.3499 ▼ 1.3526 SWISS FRANC/US\$ 0.9176 ▲ 0.9168	SEPTEMBER 28, 2023 FUTURES PRICE ON NEAREST MONTH OF DELIVERY \$95.45/BBL ▲ \$2.35 30 DAYS TO SEPTEMBER 27, 2023

VOL. XXXVII • ISSUE 47 **FRIDAY • SEPTEMBER 29, 2023 • www.bworldonline.com** S1/1-4 • 3 SECTIONS, 34 PAGES

PHILIPPINE STOCK EXCHANGE'S 10 MOST ACTIVE STOCKS BY VALUE TURNOVER • SEPTEMBER 28, 2023 (PSEi snapshot on S1/6; article on S2/2)

BDO	AP	BPI	AC	SM	SMPH	AEV	ICT	TEL	RLC
P141.400	P35.700	P111.000	P630.000	P846.500	P31.000	P50.150	P208.000	P1,228.000	P15.200
Value P644,859,308	Value P357,756,240	Value P280,831,734	Value P258,514,335	Value P198,943,320	Value P197,034,300	Value P166,613,130	Value P165,282,190	Value P163,279,140	Value P157,635,826
-P0.100 ▼ -0.071%	P1.200 ▲ 3.478%	-P1.000 ▼ -0.893%	P4.000 ▲ 0.639%	-P3.500 ▼ -0.412%	P0.000 — 0.000%	P1.950 ▲ 4.046%	-P0.600 ▼ -0.288%	P38.000 ▲ 3.193%	P0.240 ▲ 1.604%

BSP to lower RRR 'when time is right'

THE BANGKO SENTRAL ng Pilipinas (BSP) is looking to further reduce banks' reserve requirement ratio (RRR) when the time is right, possibly as early as 2024, its governor said on Thursday.

"For 2023, (yes), it's off the table. Maybe the soonest would be 2024," BSP Governor Eli M. Remolona, Jr. told reporters late on Thursday when asked when the central bank would consider RRR cuts.

"When the time is right, we will try to lower the RRR even more, but the time is not yet right," he said.

The RRR is the portion of reserves that banks must hold onto rather than lending out.

In June, the BSP slashed the ratio for big banks and non-bank financial institutions with quasi-banking functions by 250 basis points (bps) to 9.5%. The BSP has brought down the RRR for big banks

to a single-digit level this year from a high of 20% in 2018.

"I think it's not low enough, 9.5% puts us among the highest in Asia, among our neighbors," Mr. Remolona said.

Asked about the possible terminal rate, Mr. Remolona said that the central bank is still studying this.

"The reason we had such a high reserve requirement is when we were still very old school it was a way to control money supply, no-

body does that anymore... Right now, it's just a distortion in financial intermediation, it drives a wedge between lending rates and deposit rates unnecessarily," he added.

Last week, the Monetary Board extended its hawkish policy pause for a fourth straight meeting, keeping the key interest rate at 6.25% — the highest in nearly 16 years.

The BSP has raised borrowing costs by 425 bps from May

2022 to March 2023 to tame inflation.

Meanwhile, Mr. Remolona said the high interest rates do not appear to have impacted economic growth so far this year.

"In our estimate, it hasn't yet affected GDP growth, but what we try to do is balance supply and demand. In our own models, the outcome is 0%, which means we are just at the right level," he said.

The Philippine economy grew by a weaker-than-expected 4.3% in the second quarter, its slowest growth in more than two years, reflecting the impact of weaker consumption and government underspending.

For the first half of the year, GDP growth averaged by 5.3%, below the government's 6-7% full-year target. — **Luisa Maria Jacinta C. Jocson**

PHL to expand by 5% this year — ANZ

ANZ RESEARCH slashed its Philippine gross domestic product (GDP) growth forecast to 5% this year as economic activity is "losing steam much faster than anticipated."

"We have revised down our 2023 full-year GDP growth forecast to 5% from 5.8%. The second-quarter 2023 outcome was weaker than anticipated and prospects are subdued," it said in its latest Asia Economic Outlook.

The ANZ's growth forecast is way below the government's 6-7% growth target for this year.

This comes after Philippine GDP growth slowed to 4.3% in the second quarter from 6.4% in the first quarter and 7.5% in the same period in 2022. In the first half, GDP expansion averaged 5.3%.

"Private consumption growth should continue to moderate on the back of slower growth in remittances and an uninspiring pattern of job creation," ANZ said.

Household spending, which accounts for three-fourths of GDP, grew by 5.5% in the second quarter. This was the slowest pace of private consumption growth since the 4.8% contraction in the first quarter of 2021.

Based on ANZ's forecasts, private consumption is expected to jump by 5.3% this year, easing from 8.3% seen in 2022.

ANZ noted that most of the new jobs being created are in agriculture and sales, which typically have low wages.

"More importantly, the flow of funds data suggests households are dissaving. The only tangible support to household consumption has been credit. Consumption credit has been rising in double digits and is also reflected in sturdy auto sales and consumer goods imports," it said.

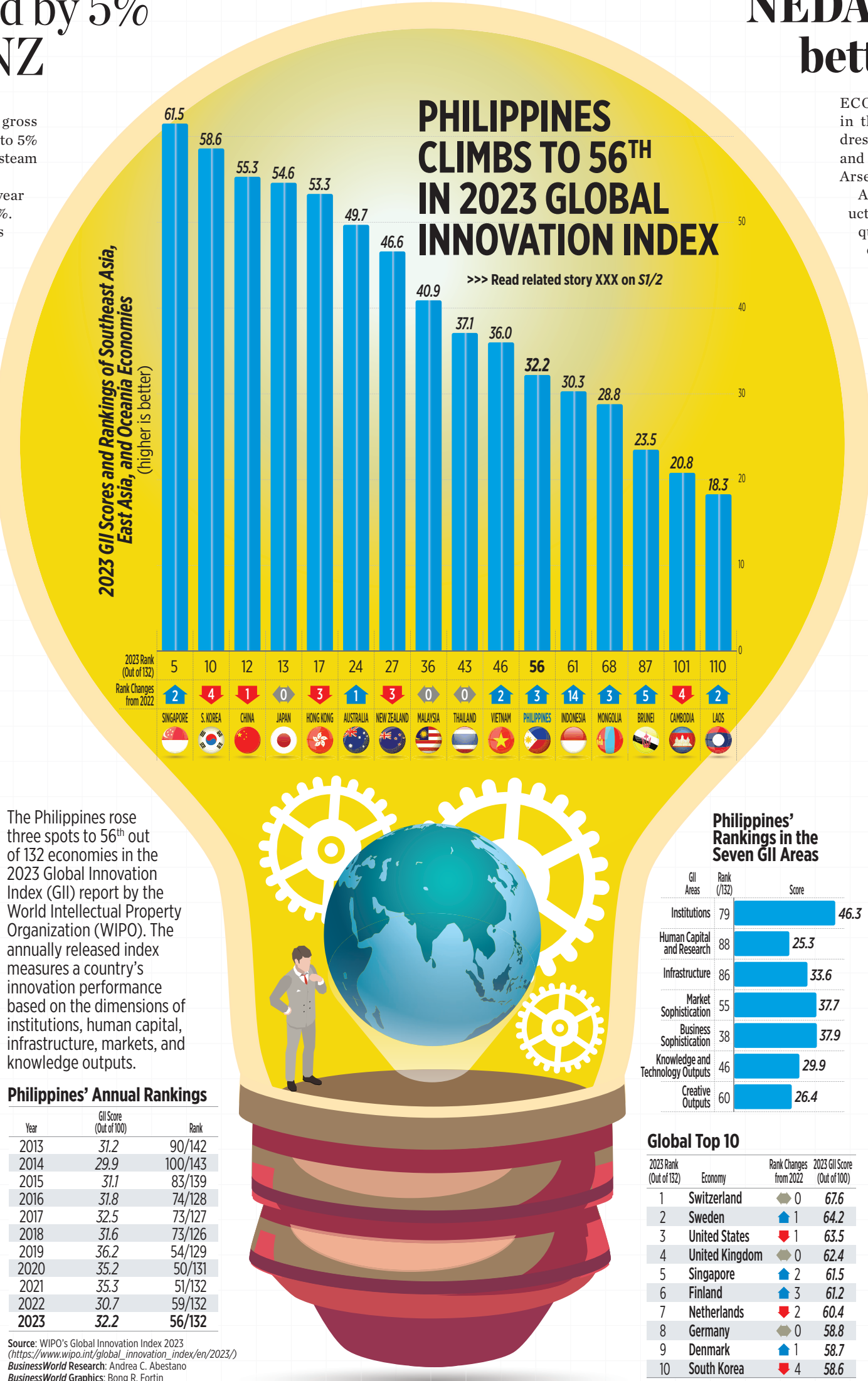
However, credit growth is unlikely to be sustained amid high interest rates and tighter bank lending standards, it added.

The Bangko Sentral ng Pilipinas (BSP) has raised interest rates by 425 basis points (bps) to a near 16-year high of 6.25% to tame inflation.

"Overall, the outlook for household consumption is best reflected in the moderation in consumer confidence," ANZ said.

Many corporates are also not planning to invest and expand this year, ANZ said, citing "insufficient demand" as a key business constraint.

The outlook for exports "remains muddy," it said, giving a 2.5% growth forecast for this year, much slower than the 10.9% growth in 2022.



NEDA chief expects better Q3 growth

ECONOMIC GROWTH likely rebounded in the third quarter as the government addressed underspending, National Economic and Development Authority (NEDA) Secretary Arsenio M. Balisacan said.

Asked if third-quarter gross domestic product (GDP) would be better than the second-quarter print, Mr. Balisacan told reporters on Wednesday: "That's what we're expecting."

Philippine GDP expanded by 4.3% in the April-to-June period, the slowest in two years. This was weaker than the 6.4% growth in the first quarter and 7.5% in the same period last year.

The disappointing second-quarter growth was mainly attributed to weaker consumption and a decline in government spending. Government spending contracted by 7.1% in April to June, a reversal of the 6.2% growth in the first quarter and 10.9% a year ago.

NEDA, S1/7

Analysts warn proposed fuel tax suspension may have serious consequences

By Luisa Maria Jacinta C. Jocson Reporter

THE PROPOSAL to suspend fuel taxes could help tame inflation and provide relief for vulnerable sectors, analysts said, but also warned of its consequences.

"In terms of the impact on inflation, we think the suspension of excise tax on fuel products will help tame consumer price index (CPI) inflation, possibly subtracting about 0.5 ppt (percentage point) from the headline figure," Makoto Tsuchiya, assistant economist at Oxford Economics, said in an e-mail.

Lawmakers earlier proposed the temporary suspension of fuel taxes to address a recent spike in pump prices that is threatening to stoke inflation.

Oil companies reduced pump prices this week by P0.20 per liter of diesel and gasoline, and P0.50 per liter of kerosene. However, these price adjustments still resulted in a year-to-date net increase of P17.30 per liter of gasoline, P13.40 per liter of diesel and P9.44 per liter of kerosene.

Fuel, S1/7