

STOCK MARKET	ASIAN MARKETS	WORLD MARKETS	PESO-DOLLAR RATES	ASIAN MONIES-US\$ RATE	WORLD CURRENCIES	DUBAI CRUDE OIL
PSEi OPEN: 6,334.00 HIGH: 6,339.29 LOW: 6,304.53 CLOSE: 6,304.53 VOL: 0.591 B VAL(P): 3.857 B 16.71 PTS. 0.26% 30 DAYS TO OCTOBER 2, 2023	OCTOBER 2, 2023 JAPAN (NIKKEI 225) 31,759.88 ▼ -97.74 -0.31 HONG KONG (HANG SENG) 17,809.66 ▲ 436.63 2.51 TAIWAN (WEIGHTED) 16,557.31 ▲ 203.57 1.24 THAILAND (SET INDEX) 1,468.23 ▼ -3.20 -0.22 S.KOREA (KSE COMPOSITE) HOLIDAY SINGAPORE (STRAITS TIMES) 3,211.40 ▼ -6.01 -0.19 SYDNEY (ALL ORDINARIES) 7,033.20 ▼ -15.40 -0.22 MALAYSIA (KLSE COMPOSITE) 1,418.76 ▼ -5.41 -0.38 <small>* CLOSING PRICE AS OF SEPTEMBER 29, 2023</small>	SEPTEMBER 29, 2023 DOW JONES 33,507.500 ▼ -158.840 NASDAQ 13,219.322 ▲ 18.046 S&P 500 4,288.050 ▼ -11.650 FTSE 100 7,608.080 ▲ 6.230 EURO STOXX50 3,919.860 ▲ 2.830	FX OPEN P56.700 HIGH P56.670 LOW P56.800 CLOSE P56.775 W.AVE. P56.728 VOL. \$1,152.82 M SOURCE : BAP 20.00 CTS 30 DAYS TO OCTOBER 2, 2023	OCTOBER 2, 2023 LATEST BID (0900GMT) PREVIOUS JAPAN (YEN) 149.690 ▼ 149.350 HONG KONG (HK DOLLAR) 7.833 ▼ 7.831 TAIWAN (NT DOLLAR) 32.233 ▼ 32.230 THAILAND (BAHT) 36.930 ▼ 36.510 S. KOREA (WON) 1,354.460 ▼ 1,352.310 SINGAPORE (DOLLAR) 1.370 ▼ 1.365 INDONESIA (RUPIAH) 15,525 ▼ 15,450 MALAYSIA (RINGGIT) 4.712 ▼ 4.694	OCTOBER 2, 2023 US\$/UK POUND 1.2176 ▼ 1.2197 US\$/EURO 1.0545 ▼ 1.0570 US\$/AUSTRALIAN DOLLAR 0.6400 ▼ 0.6434 CANADA DOLLAR/US\$ 1.3604 ▼ 1.3577 SWISS FRANC/US\$ 0.9121 ▼ 0.9149	FUTURES PRICE ON NEAREST MONTH OF DELIVERY \$96.12/BBL 07.00 04.20 01.40 08.60 05.80 03.00 30 DAYS TO SEPTEMBER 29, 2023

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

SM	P841.000	UBP	P61.800	BLOOM	P9.850	JFC	P227.800	ALI	P29.500	NIKL	P5.850	BDO	P141.400	URC	P120.000	SMPH	P29.850	MBT	P53.700
Value	P774,293,230	Value	P299,137,615	Value	P230,365,873	Value	P190,336,154	Value	P171,980,605	Value	P160,534,154	Value	P140,169,311	Value	P128,031,662	Value	P96,782,840	Value	P86,396,258
	-P2.500 ▼ -0.296%		-P2.700 ▼ -4.186%		-P0.250 ▼ -2.475%		-P1.600 ▼ -0.697%		P0.050 ▲ 0.170%		-P0.270 ▼ -4.412%		-P0.500 ▼ -0.352%		P1.100 ▲ 0.925%		-P0.450 ▼ -1.485%		-P0.300 ▼ -0.556%

Manufacturing PMI expands in Sept.

By Luisa Maria Jacinta C. Jocsen Reporter

MANUFACTURING ACTIVITY in the Philippines expanded in September, driven by resilient domestic demand and growth in new orders, S&P Global said.

The S&P Global Philippines Manufacturing Purchasing Managers' Index (PMI) rose to 50.6 in September, a turnaround from the 49.7 contraction in August, reflecting an improvement in the health of the manufacturing sector. "September PMI data signaled renewed growth across the Filipi-

no manufacturing sector as new orders emerged out of contraction territory, thereby supporting a quicker expansion in output and a fresh rise in staffing levels," Maryam Baluch, economist at S&P Global Market Intelligence, said in a statement. A PMI reading above the 50 mark denotes improvement in

operating conditions, while a reading below 50 signals deterioration. However, Ms. Baluch noted the pace of growth is still "historically subdued," indicating the sector remains weak. "Moreover, latest data suggested that growth was supported by the domestic market as export

sales fell for the first time in nine months," she added. In September, the Philippines had the second-highest PMI reading among Southeast Asian countries with available data. It was just behind Indonesia (52.3) but ahead of Myanmar (50.1). Meanwhile, Vietnam (49.7), Thailand (47.8) and Malaysia (46.8)

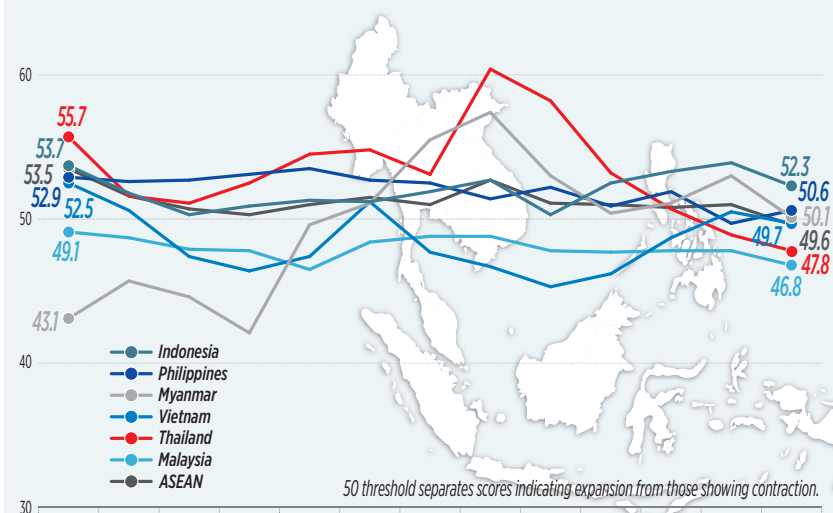
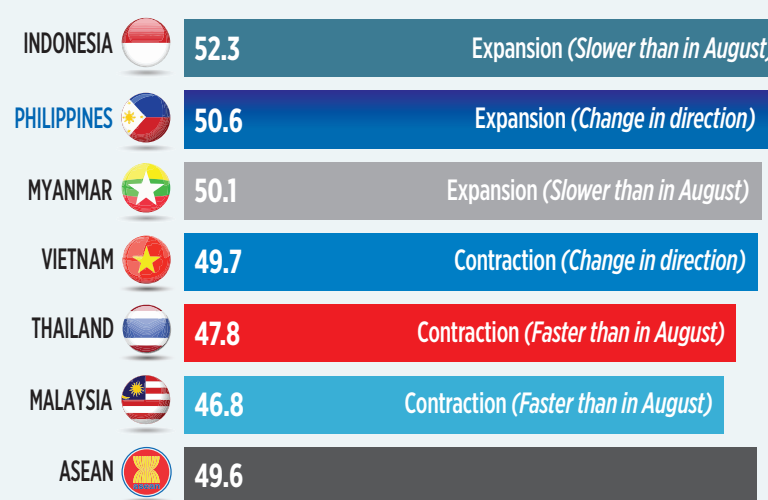
all recorded contractions in September. The headline PMI measures manufacturing conditions through the weighted average of five indices: new orders (30%), output (25%), employment (20%), suppliers' delivery times (15%), and stocks of purchases (10%). *Manufacturing, SI/9*

World Bank expects Philippine growth to be fastest in SE Asia

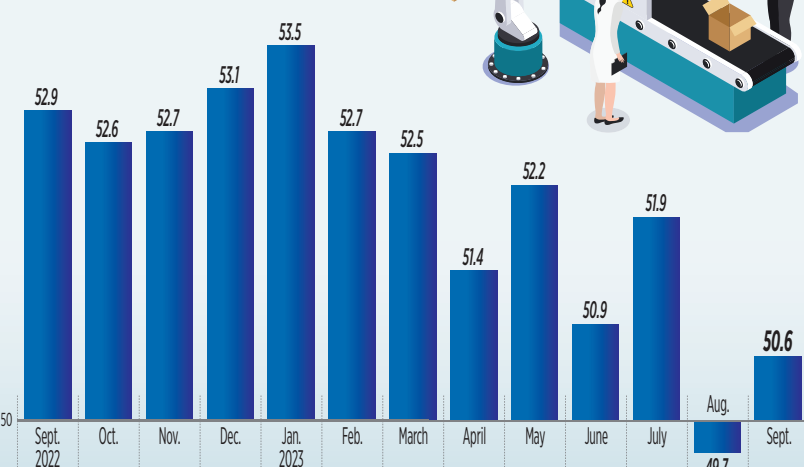
THE WORLD BANK expects the Philippines to be the fastest-growing economy in Southeast Asia this year, despite trimming its gross domestic product (GDP) growth projection due to persistent inflation and global headwinds. In its East Asia and the Pacific Economic Update released on Monday, the World Bank cut its GDP growth forecast for the Philippines to 5.6%, from the 6% projection given in June. The latest forecast is the same as the GDP outlook it gave in April. Aadya Mattoo, World Bank Chief Economist for East Asia and the Pacific, said the global economic slowdown is a major concern for countries like the Philippines. "The Philippines, like other countries in the region, depends on the rest of the world for exports (of) goods and especially services. A lot of Filipinos work abroad and send remittances back. All those factors are tied to the state of the global economy," Mr. Mattoo said during a briefing on Monday.

World Bank Senior Economist for East Asia and the Pacific Ergys Islamaj said Philippine economic growth this year will moderate from the 7.6% GDP expansion in 2022 due to elevated inflation, tighter financial conditions, and a weak external environment. "High inflation, tight fiscal and monetary policies, budget execution delays, and subdued global growth dampened the Philippines' growth momentum," the World Bank said. The Philippine economy expanded by 4.3% in the second quarter, its slowest growth in over two years. For the first half, economic growth averaged 5.3%, below the government's 6-7% target. Despite the lower growth projection, the World Bank expects the Philippines to post the fastest expansion among Southeast Asian countries this year. At 5.6%, this is also above the 5% GDP growth average for East Asia and the Pacific. *World Bank, SI/9*

MANUFACTURING PURCHASING MANAGERS' INDEX (PMI) OF SELECT ASEAN ECONOMIES, SEPTEMBER 2023



Philippines' Manufacturing PMI 50 = no change from previous month



Source: S&P Global's ASEAN Manufacturing PMI (Data as of Oct. 2, 2023) BusinessWorld Research: Andrea C. Abestano BusinessWorld Graphics: Bong R. Fortin

NG debt hits record P14.35T as of end-Aug.

THE NATIONAL GOVERNMENT'S (NG) outstanding debt reached a record P14.35 trillion as of end-August, mainly due to the peso depreciation against the US dollar, the Bureau of the Treasury (BTr) said on Monday. Outstanding debt inched up by 0.7% from P14.24 trillion as of end-July, data from the BTr showed. "The P105.28 billion or 0.7% increment from the previous month's level was primarily due to the peso depreciating from P54.834 to P56.651 against the US dollar over the reference period," the BTr said in a statement. The debt stock rose by 10.2% year on year from P13.02 trillion as of end-August 2022. Year to date, outstanding debt went up by 6.9% from P13.42 trillion as of end-December 2022. More than two-thirds or 68.2% of the NG's debt portfolio came from domestic sources, while the rest were from foreign borrowings. As of end-August, domestic debt increased by 9.5% to P9.79 trillion from P8.94 trillion a year ago. However, domestic borrowings slipped by 0.2% from P9.81 trillion in July, due to "large retail bond maturities."

"New domestic debt issued during the month totaled P229.29 billion with debt redemption of P253.43 billion, resulting in a net repayment of P24.14 billion," the BTr said. "This was partially offset by the P2.9-billion incremental value caused by peso depreciation on foreign currency-denominated domestic securities," it added. Data from the Treasury showed that the peso closed at P56.651 versus the greenback as of end-August, depreciating by 3.2% from P54.834 as of end-July. In the eight months to August, the domestic debt mix consisted almost entirely of government securities. On the other hand, external debt stood at P4.56 trillion at the end of August, up by 11.8% from P4.08 trillion in the same month a year ago. Month on month, it rose by 2.9% from P4.43 trillion as of end-July. "Peso depreciation against the US dollar caused a P146.85-billion upward revaluation of US dollar-denominated debt in August, although partially offset by the P22.11-billion downward revaluation of the third-currency debt component," the BTr said. "Net availment of foreign loans also added P1.78 billion to the reference month's external debt stock," it added. Broken down, foreign debt consisted of P2.07 trillion in loans and P2.48 trillion in global bonds. As of end August, the NG's overall guaranteed obligations inched up by 0.9% to P366.58 billion from P363.4 billion as of end-July. *NG debt, SI/9*

ASEAN financial integration to boost Philippine growth

FINANCIAL INTEGRATION in the Association of Southeast Asian Nations (ASEAN) region could boost economic growth in the Philippines by about 3.5 percentage points (ppts), the International Monetary Fund (IMF) said. In a September 2023 working paper, the IMF Asia and Pacific Department economists said boosting trade and financial integration among ASEAN-5 members may enhance the region's resilience against global headwinds. "While all countries have potential gains from financial integration, Indonesia, and the Philippines, which have the lowest level of financial development, would gain more with an average growth impact of about 3.5 ppts," it said. The ASEAN-5 region includes the Philippines, Indonesia, Malaysia, Singapore and Thailand. Financial integration is where financial markets in regional or global economies are closely linked together.

According to the IMF, the region has made little progress on financial integration due to regulatory and institutional constraints. The IMF said digitalization can support regional integration as this could help firms, especially small and medium enterprises, take part in global value chains. "Further, digitalization can also help countries raise the value chain by the production of more sophisticated products," the IMF said. However, the Philippines still has room to improve on its digital competitiveness compared with the rest of its ASEAN neighbors. "Indonesia and the Philippines have room to improve on various dimensions including IT (information technology) integration, training and education, talent, and regulatory framework," the IMF said. *ASEAN, SI/9*