

STOCK MARKET	ASIAN MARKETS	WORLD MARKETS	PESO-DOLLAR RATES	ASIAN MONIES-US\$ RATE	WORLD CURRENCIES	DUBAI CRUDE OIL
PSEi OPEN: 6,266.00 HIGH: 6,289.67 LOW: 6,178.60 CLOSE: 6,178.60 VOL: 0.677 B VAL(P): 5,434 B 119.60 pts. 1.89% 30 DAYS TO OCTOBER 5, 2023	OCTOBER 5, 2023 JAPAN (NIKKEI 225) 31,075.36 ▲ 548.48 1.80 HONG KONG (HANG SENG) 17,213.87 ▲ 18.03 0.10 TAIWAN (WEIGHTED) 16,453.52 ▲ 180.14 1.11 THAILAND (SET INDEX) 1,446.85 ▼ -4.40 -0.30 S.KOREA (KSE COMPOSITE) 2,403.60 ▼ -2.09 -0.09 SINGAPORE (STRAITS TIMES) 3,158.28 ▲ 10.89 0.35 SYDNEY (ALL ORDINARIES) 6,925.50 ▲ 35.30 0.51 MALAYSIA (KLSE COMPOSITE) 1,415.60 ▼ -0.24 -0.02	OCTOBER 4, 2023 Dow Jones 33,129.550 ▲ 127.170 NASDAQ 13,236.010 ▲ 176.544 S&P 500 4,263.750 ▲ 34.300 FTSE 100 7,412.450 ▼ -57.710 Euro Stoxx50 3,850.660 ▼ -1.570	FX OPEN P56.600 HIGH P56.590 LOW P56.695 CLOSE P56.670 W.AVE. P56.632 VOL. \$1,230.85 M 4.00 cTVS 30 DAYS TO OCTOBER 5, 2023 SOURCE: BAP	OCTOBER 5, 2023 LATEST BID (0900GMT) JAPAN (YEN) 148.840 ▲ 149.070 HONG KONG (HK DOLLAR) 7.829 ▲ 7.831 TAIWAN (NT DOLLAR) 32.273 ▲ 32.319 THAILAND (BAHT) 36.960 ▲ 37.070 S. KOREA (WON) 1,351.540 ▲ 1,356.030 SINGAPORE (DOLLAR) 1.371 ▲ 1.372 INDONESIA (RUPIAH) 15,610 ▲ 15,625 MALAYSIA (RINGGIT) 4.725 ▲ 4.729	OCTOBER 5, 2023 US\$/UK POUND 1.2152 ▲ 1.2124 US\$/EURO 1.0512 ▲ 1.0490 US\$/AUSTRALIAN DOLLAR 0.6336 ▲ 0.6322 CANADA DOLLAR/US\$ 1.3775 ▲ 1.3696 SWISS FRANC/US\$ 0.9169 ▼ 0.9188	FUTURES PRICE ON NEAREST MONTH OF DELIVERY \$90.67/BBL \$0.43 30 DAYS TO OCTOBER 4, 2023

VOL. XXXVII • ISSUE 52 **FRIDAY • OCTOBER 6, 2023 • www.bworldonline.com** S1/1-14 • 2 SECTIONS, 22 PAGES

PHILIPPINE STOCK EXCHANGE'S 10 MOST ACTIVE STOCKS BY VALUE TURNOVER • OCTOBER 5, 2023 (PSEi snapshot on S1/2; article on S2/2)

BDO	SM	SMPH	ALI	URC	BPI	ICT	JFC	TEL	AC
P138.700	P814.000	P29.600	P28.600	P115.000	P107.000	P203.000	P220.000	P1,170.000	P605.000
Value P551,945,895	Value P469,077,580	Value P403,574,945	Value P389,632,220	Value P321,050,696	Value P269,756,829	Value P213,227,492	Value P197,025,226	Value P169,172,435	Value P165,280,265
-P1.300 ▼ -0.929%	-P12.500 ▼ -1.512%	-P1.350 ▼ -4.362%	-P0.100 ▼ -0.348%	-P5.000 ▼ -4.167%	-P3.000 ▼ -2.727%	-P3.800 ▼ -1.838%	-P3.200 ▼ -1.434%	-P25.000 ▼ -2.092%	-P12.000 ▼ -1.945%

Inflation soars to 6.1% in Sept.

By Keisha B. Ta-asan
Reporter

INFLATION quickened for a second straight month in September due to a double-digit increase in rice prices, putting pressure on the Bangko Sentral ng Pilipinas (BSP) to resume monetary tightening.

"I think a hike in November is possible but we're still analyzing the (inflation) data," BSP Governor Eli M. Remolona, Jr. said in a Viber message.

Preliminary data from the Philippine Statistics Authority (PSA) showed headline inflation accelerated to 6.1% in September from 5.3% in August but slowed from 6.9% in September 2022.

The September print was above the 5.4% median in a *BusinessWorld* poll conducted last week, and also at the upper end of the BSP's 5.3-6.1% forecast.

The latest consumer price index (CPI) was also the fastest in five months or since the 6.6% in April 2023, and matched the 6.1% logged in May.

September marked the 18th straight month that inflation breached the BSP's 2-4% target this year.

On a monthly basis, headline inflation inched up by 1.2% in September from 1.1% in August.

This brought nine-month average inflation to 6.6%, higher than 5.1% a year ago and still

above the BSP's recently revised 5.8% forecast for 2023.

The government's imposition of a price cap on rice starting Sept. 5 appeared to have failed to tame overall inflation in September.

The heavily weighted food and non-alcoholic beverages index rose to a seven-month high of 9.7% in September from 8.1% in August. Food inflation alone soared to 10% from 8.2% a month ago.

Rice inflation surged to 17.9% in September from 8.7% in August. This is the highest print since March 2009, when rice inflation rose to 22.9%. Rice has the biggest weight in the overall CPI basket at 8.87%.

National Statistician Claire Dennis S. Mapa said at a briefing that rice prices may have increased as many retailers appeared unable to comply with the price ceiling of P41 for regular milled and P45 for well-milled rice.

"The PSA was able to collect (data on) 2,601 regular milled rice varieties in September and we saw that only 640 of these varieties were priced at P41 or below. For well-milled rice, the total number of varieties that we got was 3,498, and 687 or about 20% followed the P45 cap or less," he said in mixed English and Filipino.

In September, he said the average price of regular milled rice rose to P47.50 per kilogram from P43.30 in August. The average price of well-milled rice also went up to P52.70 per kilogram from an average of P47.63 a month earlier.

ING Bank N.V. Manila Senior Economist Nicholas Antonio T. Mapa said in an e-mail that he expected rice inflation to be "modest" due to the price cap.

"However, it appears that price caps were largely ineffective in keeping a cap on the all-important rice price," he said.

President Ferdinand R. Marcos, Jr. on Wednesday announced the lifting of the ceiling on domestic rice prices.

Bank of the Philippine Islands (BPI) Lead Economist Emilio S. Neri, Jr. said the contribution of rice to headline inflation doubled to 1.6% in September, accounting for the majority of the jump in inflation.

"The upcoming harvest season for rice may help in stabilizing the price of the commodity. However, local production can only cover around 85% of rice consumption and the country needs to import the rest from abroad," he said.

Mr. Neri noted that global rice prices have not shown any signs of slowing down so far.

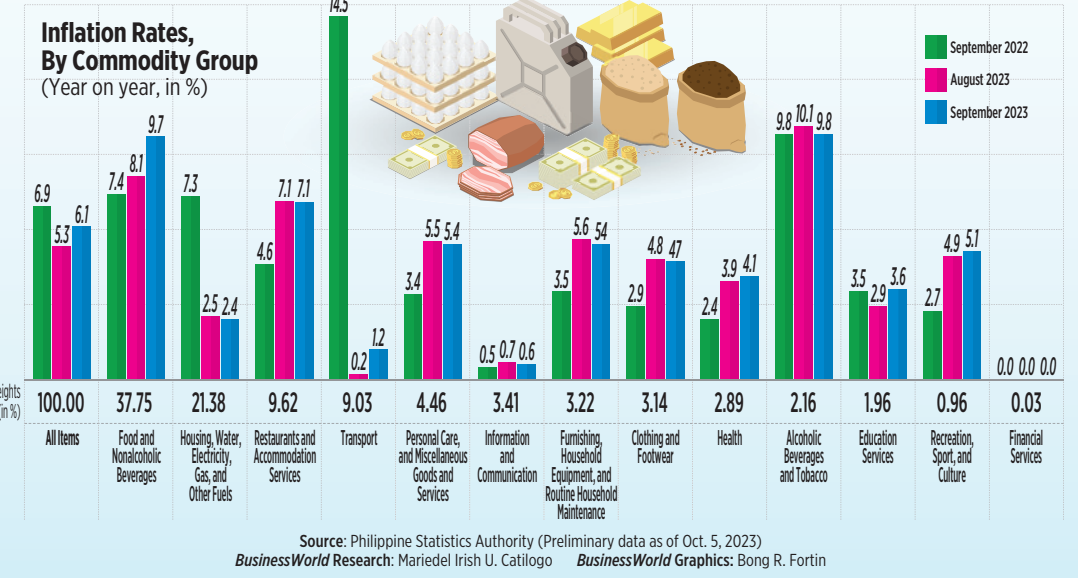
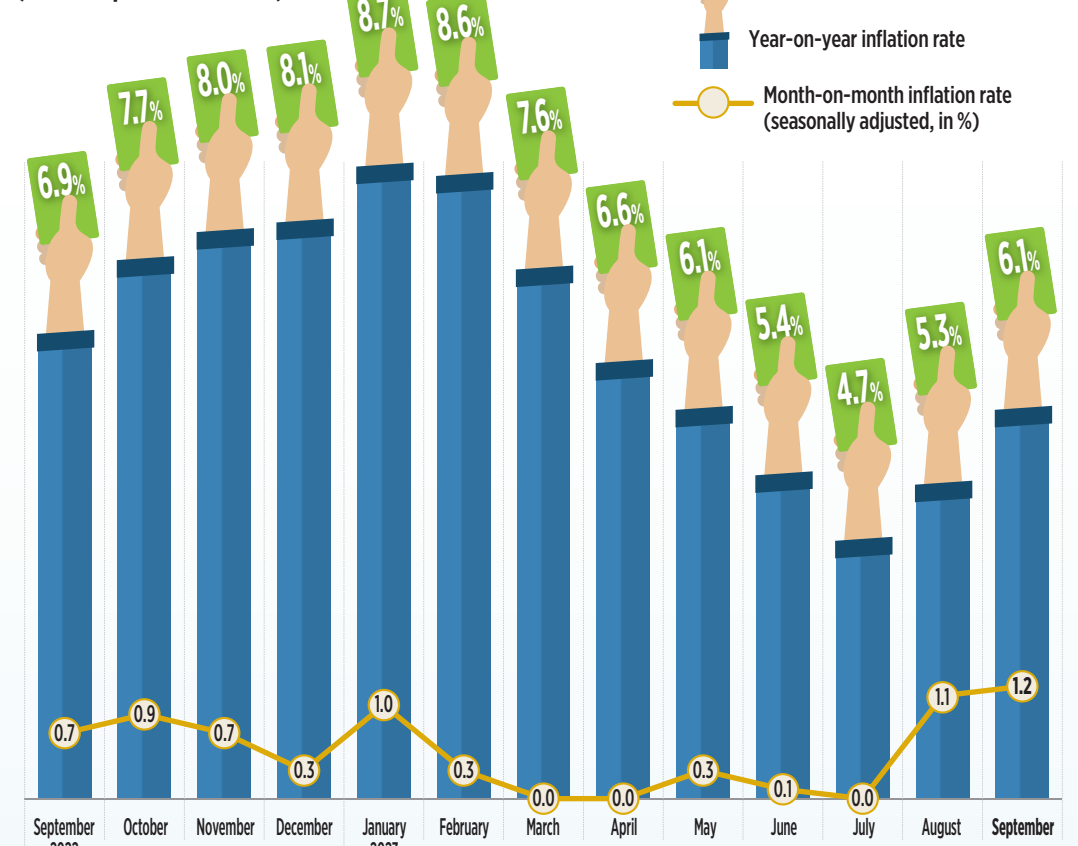
"With the rice export ban of India still in place, the global supply of rice might remain tight in the near term," he said.

"There is also a spillover impact on other food items whenever the price of rice goes up significantly. It seems other food items tend to follow the price behavior of rice especially those that are considered as substitute for the said staple."

Inflation, S1/3

HEADLINE INFLATION RATES IN THE PHILIPPINES

(as of September 2023)



ADB approves \$300-M PHL loan to boost financial inclusion

THE Asian Development Bank (ADB) on Thursday said it approved a \$300-million loan to fund the Philippine government's initiatives to boost vulnerable sectors' access to financial services.

In a statement, the multilateral lender said its Inclusive Finance Development Program (Subprogram 3) supports reforms to expand financial inclusion in the Philippines by improving financial infrastructure.

The program also aims to boost the capacity of financial service providers, including rural banks and nonbank financial institutions.

"Through this loan, ADB is expanding its partnership with the Philippines in ensuring all Filipinos will have access to financial products and services, including via digital platforms, to help improve their lives and

livelihoods," ADB Senior Financial Sector Specialist Kelly Hattel was quoted as saying in the statement.

Mr. Hattel said the reforms supported by the ADB loan will ensure the government can extend assistance to the most vulnerable segments during times of crises and emergencies, as well as raise climate resilience of farmers and micro-, small-, and medium-scale businesses through expanded insurance.

Based on the 2021 Global Findex Database, the number of Filipino adults with accounts with financial institutions or mobile money providers stood at 51% of the population in 2021 from 34% in 2017.

The Philippine government wants to raise the number of Filipinos holding an account

with financial institutions or mobile money providers to 70% by 2024.

As of Sept. 1, almost 88% of Filipinos are registered under the Philippine Identification System (PhilSys).

The newly approved ADB loan is a continuation of the first and second subprograms of the ADB's Inclusive Finance Development Program launched in October 2018 and August 2020, respectively.

The ADB is earmarking up to \$4 billion worth of loan financing for the Philippines, focused on eight projects and programs.

In 2022, the ADB was the country's top provider of active official development assistance. This accounted for 33.47% of the total, equivalent to \$10.85 billion. — **L.M.J.C. Jocsion**

Marcos urged to extend lower tariff rate on rice

By Luisa Maria Jacinta
C. Jocsion Reporter

THE INTER-AGENCY Committee on Inflation and Market Outlook (IAC-IMO) has recommended extending the lowered tariff rate on rice until the end of 2024, National Economic and Development Authority (NEDA) Secretary Arsenio M. Balisacan said.

"To address the increasing price of rice and ensure enough supply through timely and adequate importation, the IAC-IMO recommends extending the lower Most Favored Nation (MFN) tariff rate on rice until December 2024, but subject to review in July 2024," he said in a statement on Thursday.

The interagency committee, which is chaired by the NEDA Secretary, made the recommendation during a meeting on Oct. 3.

Mr. Balisacan made the statement after data showed September inflation quickened for a second straight month to 6.1% in September, mainly due to a surge in rice and transport costs.

Rice inflation alone accelerated 17.9%, the fastest rate since March 2009, despite the imposition of a price ceiling on domestic rice in September.

Mr. Balisacan said that the committee's proposal to extend the reduced tariff must be supported by "efforts to improve the predictability and transparency of issuing the Sanitary and Phytosanitary Import Clearance for rice and all commodities."

"As we implement short-term measures to ease the negative effects of inflation, it is imperative that we also address our long-term food supply issues by providing support for our local farmers to boost their productivity and resilience. These include investing in irrigation, modern high-yielding varieties, pest control, and logistics," Mr. Balisacan added.

In December last year, President Ferdinand R. Marcos, Jr. signed Executive Order (EO) No. 10, which extended the lower tariff rates on rice, pork and corn until Dec. 31, 2023.

The order retained the lower tariff rate for rice at 35% for imports within the minimum access volume (MAV) quota and those exceeding the quota.

The NEDA statement on Thursday did not mention if the IAC-IMO's recommendation included extending the lower tariff rates on pork and corn.

Marcos, S1/13

Economists doubt reported benefits of rice price cap

By Kyle Aristophere T. Atienza
Reporter

ECONOMISTS have called for a clear assessment of the real effects of the price ceiling on rice that was implemented for almost a month, noting that the commodity's prices have remained elevated.

Consumer prices quickened to 6.1% in September, as rice inflation rose by double digits.

Geny F. Lapina, a professor at the University of the Philippines Los Baños' Department of Agricultural and Applied Economics, said the prices of premium and special rice have "not really gone down and generally remained at their levels" in the whole month of September, when the price ceilings were enforced.

The price cap, which took effect on Sept. 5 and was lifted on Oct. 4, limited the price to P41 a kilo for regular milled rice and P45 for well-milled rice.

Mr. Lapina said the quality of rice sold in markets must be checked.

"One can argue that price ceilings made rice affordable, especially for the poor, but the quality of rice might be questionable," he said.

The Philippine Institute for Development Studies earlier warned that the price cap would be bad for consumers because it could lead to "adulterated rice" and "reclassification of rice grades."

Mr. Lapina said various stakeholders have expected that prices, especially at the farm level, would decline during the harvest season from October to November.

"In this case, there will be greater supply in the market and hence prices will tend to go down, he said, noting that the ceiling unlikely led to a decline in retail prices, "especially since it was limited to only regular milled and well-milled rice."

Price cap, S1/13