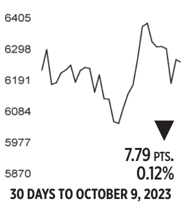
P25 IN METRO MANILA, PHILIPPINES

BusinessWorld

STOCK MARKET



PSEi

OPEN:	6,238.17
HIGH:	6,271.72
LOW:	6,227.25
CLOSE:	6,252.16
VOL.:	0.771 B
VAL(P):	5.710 B

ASIAN MARKETS

OCTOBER 9, 2023

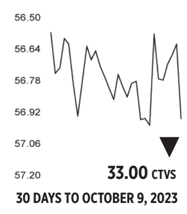
	CLOSE		NET	%
Japan (Nikkei 225) *	30,994.67	▼	-80.69	-0.26
Hong Kong (Hang Seng)	17,517.40	▲	31.42	0.18
Taiwan (Weighted) *	16,520.57	▲	67.05	0.41
Thailand (SET Index)	1,430.76	▼	-7.69	-0.53
S.Korea (Kse Composite) *	2,408.73	▲	5.13	0.21
Singapore (Straits Times)	3,166.25	▼	-8.14	-0.26
Sydney (All Ordinaries)	6,970.20	▲	16.00	0.23
Malaysia (Klse Composite)	1,417.26	▲	0.38	0.03

WORLD MARKETS

OCTOBER 6, 2023

	CLOSE		NET
Dow Jones	33,407.580	▲	288.010
NASDAQ	13,431.341	▲	211.507
S&P 500	4,308.500	▲	50.310
FTSE 100	7,494.580	▲	43.040
Euro Stoxx50	3,888.740	▲	28.990

PESO-DOLLAR RATES



FX

OPEN	P56.750
HIGH	P56.750
LOW	P56.980
CLOSE	P56.950
W.AVE.	P56.876
VOL.	$1,247.50 M

SOURCE : BAP

ASIAN MONIES-US$ RATE

OCTOBER 9, 2023

	LATEST BID (0900GMT)		PREVIOUS
Japan (yen)	149.100	▲	149.320
Hong Kong (HK dollar)	7.831	—	7.831
Taiwan (NT dollar)	32.151	▼	32.118
Thailand (baht)	37.050	▼	36.890
S. Korea (won)	1,348.880	▼	1,344.610
Singapore (dollar)	1.369	▼	1.365
Indonesia (rupiah)	15,685	▼	15,605
Malaysia (ringgit)	4.729	▼	4.710

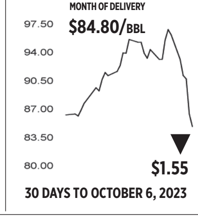
WORLD CURRENCIES

OCTOBER 9, 2023

	CLOSE		PREVIOUS
US$/UK pound	1.2187	▼	1.2238
US$/Euro	1.0540	▼	1.0586
US$/Aust dollar	0.6364	▼	0.6383
Canada dollar/US$	1.3656	▼	1.3661
Swiss Franc/US$	0.9102	▲	0.9099

DUBAI CRUDE OIL

FUTURES PRICE ON NEAREST MONTH OF DELIVERY



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PHILIPPINE STOCK EXCHANGE'S 10 MOST ACTIVE STOCKS BY VALUE TURNOVER • OCTOBER 9, 2023 (PSEi snapshot on *S1/2*; article on *S2/2*)

		Value			
AP	P35.700	P202,422,030	P1.200	▲	3.478%
ACEN	P5.380	P190,594,829	P0.160	▲	3.065%
GTCAP	P560.000	P185,891,390	-P10.000	▼	-1.754%
SMPH	P30.550	P135,371,415	-P0.150	▼	-0.489%
MBT	P51.900	P117,581,861	-P0.300	▼	-0.575%
BDO	P139.200	P117,227,052	-P0.500	▼	-0.358%
SM	P830.000	P110,131,275	-P3.000	▼	-0.360%
AC	P616.000	P99,227,310	-P4.500	▼	-0.725%
TEL	P1,220.000	P98,922,195	P17.000	▲	1.413%
JFC	P219.000	P84,197,058	-P2.000	▼	-0.905%

SEC plan to hike fees comes under fire

ELEVEN BUSINESS GROUPS and associations opposed the Securities and Exchange Commission's (SEC) proposal to increase its fees and charges, calling it "anti-business" and "unnecessary."

The business groups, led by the Philippine Chamber of Commerce and Industry (PCCI) and Management Association of the Philippines (MAP) said the SEC should review, "if not totally scrap" the proposed increase in fees, saying it is detrimental to the economy.

"Consistent with the ease of doing business law, we then strongly recommend that SEC submit this proposed policy to the Anti-Red Tape Authority (ARTA) for a Regulatory Impact Assessment (RIA) to check against harmful impacts to business and the economy," they said in a joint statement, adding there is a need for stakeholder consultations.

The business groups objected to "unreasonable, if not 'obscene' fees and charges," such as the proposal to charge corporate issuers one-fourth of 1% of total indebtedness when creating bonded indebtedness.

"Using 2022 numbers, SEC's fees would amount to P1.27 billion on the total bond issuances of P508 billion for that year," the groups said.

The business groups also opposed the proposed fee on the total transactions cleared and settled in the previous year by Securities Clearing Corp. of the Philippines and Philippine Depository Trust Corp. at 0.1 basis point (bp) and 0.05 bp, respectively.

Based on the transactions in 2022, the groups said this would mean P14.51 million and P7.25 million in additional friction cost for stock market investors.

SEC, S1/3

BSP likely to resume tightening as upside risks materialize

THE IMPLEMENTATION of higher minimum wages and jeepney fares this month may further stoke inflation, giving the Bangko Sentral ng Pilipinas (BSP) more reason to resume monetary tightening next month, GlobalSource Partners said.

GlobalSource country analyst Diwa C. Guinigundo said on Monday that the P1 provisional increase in jeepney fares, which took effect nationwide on Sunday, "could have further inflationary consequences, not the least of which is the possible upset of inflation expectations."

"In addition, what could further lead to elevated inflation print is the wage order that mandates a P40 increase in the daily minimum wage of workers in private establishments in Central Luzon, a major contributor to both output and inflation dynamics," Mr. Guinigundo said in an Oct. 9 brief.

Regional wage boards also approved a P30 increase in the daily minimum wage in Cagayan Valley and P35 for the Soccsksargen (South Cotabato, Cotabato, Sultan Kudarat, Sarangani, and General Santos City) regions. All wage orders will take effect on Oct. 16.

A P40 increase in the daily minimum wage in the National Capital Region (NCR) took effect on July 16.

"All these will bolster our initial view that while the BSP could choose to keep its hawkish stance by maintaining its policy rate at 6.25% against its latest (inflation) forecasts of 5.8% and 3.5% for 2023 and 2024, respectively, these are mounting motivations for an ultimate resumption of monetary tightening," Mr. Guinigundo said.

The Monetary Board has kept the benchmark interest rate at 6.25% since March. It has hiked borrowing costs by 425 basis points (bps) since May 2022 in a bid to tame inflation.

However, headline inflation accelerated for a second straight month to 6.1% in September from 5.3% in August amid a spike in food and transport costs. This brought the nine-month inflation average to 6.6%.

Tightening, S1/9

PHILIPPINES SLIPS TO 48TH AND 35TH IN 50-COUNTRY LEADING EXPORTERS AND IMPORTERS LIST

Exporters Value, in $ billion	Share of Total (in %)	Rank Changes from 2021	2022 Rank (Out of 50)	Country	2022 Rank (out of 50)	Rank Changes from 2021	Share of Total (in %)	Importers Value, in $ billion
3,593.60	14.4	0	1	China	2	0	10.6	2,716.00
746.92	3.0	0	5	Japan	5	▼1	3.5	897.24
683.59	2.7	▲1	6	South Korea	8	▲1	2.9	731.37
609.93	2.4	▼4	10	Hong Kong, China	11	▼4	2.6	667.55
515.80	2.1	▼1	16	Singapore	16	0	1.9	475.58
477.78	1.9	▼1	17	Chinese Taipei	17	0	1.7	435.84
371.37	1.5	0	23	Vietnam	21	▼1	1.4	359.28
352.50	1.4	▼1	25	Malaysia	25	▲1	1.1	294.43
291.98	1.2	▲1	27	Indonesia	28	▲2	0.9	237.45
287.07	1.2	▼1	28	Thailand	24	0	1.2	303.19
78.80	0.3	▼2	48	Philippines	35	▼1	0.6	144.49

World 24,904.50 Value

World 25,621.20 Value

The Philippines dropped two places to rank 48th out of 50, with a total value of $79 billion, in the leading exporters in world merchandise trade in 2022, latest data from the World Trade Statistical Review (WTSR) 2023 by the World Trade Organization (WTO) showed. Meanwhile, by imports, the country slipped one place to 35th with a total value of $144 billion. The Philippines also lagged among its peers in the region.

Philippines' Historical Trade Values
(In $ billion)

Year	Exports	Imports
2012	52.10	65.84
2013	56.70	65.74
2014	62.10	68.70
2015	58.83	74.75
2016	56.31	85.94
2017	68.71	101.90
2018	67.49	115.12
2019	70.33	112.91
2020	63.88	90.75
2021	74.62	124.37
2022	**78.80**	**144.49**

Source:
World Trade Organization's World Trade Statistical Review 2023
BusinessWorld Research: Bernadette Therese M. Gadon
BusinessWorld Graphics: Bong R. Fortin

Top 5 Exporters

2022 Rank (out of 50)	Rank Changes from 2021	Country	Value, in $ billion	Share of Total (in %)
1	0	China	3,593.60	14.4
2	0	USA	2,064.79	8.3
3	0	Germany	1,655.48	6.6
4	0	Netherlands	965.52	3.9
5	0	Japan	746.92	3.0

Top 5 Importers

2022 Rank (out of 50)	Rank Changes from 2021	Country	Value, in $ billion	Share of Total (in %)
1	0	USA	3,376.20	13.2
2	0	China	2,716.00	10.6
3	0	Germany	1,571.46	6.1
4	▲1	Netherlands	898.54	3.5
5	▼1	Japan	897.24	3.5

FUEL PRICE TRACKER

(week-on-week change)

GASOLINE		
Sept. 26	▼	P0.20
Oct. 3	▼	P2.00
Oct. 10	▼	P3.05
DIESEL		
Sept. 26	▼	P0.20
Oct. 3	▲	P0.40
Oct. 10	▼	P2.45
KEROSENE		
Sept. 26	▼	P0.50
Oct. 3	▼	P0.50
Oct. 10	▼	P3.00

- *Oct. 10, 12:01 a.m.* — Caltex Philippines
- *Oct. 10, 6 a.m.* — Petron Corp.; Phoenix Petroleum; Pilipinas Shell Petroleum Corp.; PTT Philippines Corp.; Seaoil Philippines, Inc.
- *Oct. 10, 8:01 a.m.* — Cleanfuel (Shaw Autogas, Inc.)

WHAT'S INSIDE

Wider Middle East conflict may send oil prices skyrocketing, say analysts

By Luisa Maria Jacinta C. Jocson
Reporter

A WIDER CONFLICT in the Middle East could send global oil prices skyrocketing, adding to concerns over inflation, analysts said.

"A conflict involving Israel and Palestine, while not directly linked to oil production, could still have broad implications for the oil market due to the region's geopolitical significance. If the conflict escalates and draws in oil-producing Middle Eastern states, oil prices could skyrocket," Security Bank Corp. Chief Economist Robert Dan J. Roces said in a Viber message.

"This surge would have a cascading effect on global economies, potentially triggering a third wave of inflation," he added.

Oil prices surged more than 2% on Monday, as military clashes between Israel and Hamas ignited fears of a wider conflict in the Middle East (*Related story* "Middle East conflict adds risks to global outlook" *on S1/9*).

Brent crude was up by $2.28 or 2.7% to $86.86 a barrel by 0859 GMT, while US West Texas Intermediate (WTI) crude was at $85.23 a barrel, up by $2.44 or nearly 3%. Both benchmarks spiked by more than $4 a barrel earlier in the session.

Oil, S1/3

Philippine exports to feel the pinch from China's economic slowdown

CHINA'S ECONOMIC SLOWDOWN will likely dampen Philippine exports and potentially lead to lower investments, according to experts.

"China's slowdown will weigh directly on the Philippines' exports, and lower export earnings will suppress investment and consumption," Makoto Tsuchiya, economist from Oxford Economics, said in an e-mail.

Mr. Tsuchiya said China's economy is projected to expand by 5.1% this year, and by 4.6% in 2024.

This is in line with the China growth projections by the multilateral lenders World Bank (5.1% this year) and Asian Development Bank (4.9%). S&P Global Ratings last month cut its growth forecast for China to 4.8% this year from 5.2% previously.

International Monetary Fund Mission Chief to the Philippines Shanaka Jayanath Peiris last week said the impact of China's slowdown will depend on the Philippines' exposure to the Chinese economy.

"Philippines, out of all Asian countries, is less exposed to China," he said.

"The service sector is doing well; goods sector globally is not doing very well. Philippines is more of a services-driven economy, so it benefits more on whatever the current level of global growth is. Also, Filipinos cater a bit more to the US market than the China market."

China, S1/9