

STOCK MARKET	ASIAN MARKETS	WORLD MARKETS	PESO-DOLLAR RATES	ASIAN MONIES-US\$ RATE	WORLD CURRENCIES	DUBAI CRUDE OIL
<b>PSEi</b> OPEN: 6,265.86 HIGH: 6,303.44 LOW: 6,263.74 CLOSE: 6,264.07 VOL.: 0.689 B VAL(P): 4.541 B 11.91 PTS. 0.19% 30 DAYS TO OCTOBER 10, 2023	<b>OCTOBER 10, 2023</b> JAPAN (NIKKEI 225) 31,746.53 ▲ 751.86 2.43 HONG KONG (HANG SENG) 17,664.73 ▲ 147.33 0.84 TAIWAN (WEIGHTED) * 16,520.57 ▲ 67.05 0.41 THAILAND (SET INDEX) 1,434.45 ▲ 2.73 0.19 S.KOREA (KSE COMPOSITE) 2,402.58 ▼ -6.15 -0.26 SINGAPORE (STRAITS TIMES) 3,199.07 ▲ 32.56 1.03 SYDNEY (ALL ORDINARIES) 7,040.60 ▲ 70.40 1.01 MALAYSIA (KLSE COMPOSITE) 1,435.17 ▲ 17.91 1.26	<b>OCTOBER 9, 2023</b> Dow Jones 33,604.650 ▲ 197.070 NASDAQ 13,484.239 ▲ 52.898 S&P 500 4,335.660 ▲ 27.160 FTSE 100 7,492.210 ▼ -2.370 Euro Stoxx50 3,884.210 ▼ -4.530	<b>FX</b> OPEN P56.900 HIGH P56.820 LOW P56.920 CLOSE P56.820 W.AVE. P56.884 VOL. \$1,048.80 M 13.00 CTVS 30 DAYS TO OCTOBER 10, 2023 SOURCE : BAP	<b>OCTOBER 10, 2023</b> LATEST BID (0900GMT) PREVIOUS JAPAN (YEN) 148.890 ▲ 149.100 HONG KONG (HK DOLLAR) 7.818 ▲ 7.831 TAIWAN (NT DOLLAR) 32.137 ▲ 32.151 THAILAND (BAHT) 36.780 ▲ 37.050 S. KOREA (WON) 1,347.330 ▲ 1,348.880 SINGAPORE (DOLLAR) 1.365 ▲ 1.369 INDONESIA (RUPIAH) 15,730 ▼ 15,685 MALAYSIA (RINGGIT) 4.727 ▲ 4.729	<b>OCTOBER 10, 2023</b> CLOSE PREVIOUS US\$/UK POUND 1.2271 ▲ 1.2187 US\$/EURO 1.0601 ▲ 1.0540 US\$/AUSTRALIAN DOLLAR 0.6414 ▲ 0.6364 CANADA DOLLAR/US\$ 1.3590 ▲ 1.3656 SWISS FRANC/US\$ 0.9042 ▼ 0.9102	<b>FUTURES PRICE ON NEAREST MONTH OF DELIVERY</b> <b>\$87.05/BBL</b> 97.50 94.00 90.00 87.00 83.50 80.00 30 DAYS TO OCTOBER 9, 2023

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

AP	P36.600	ACEN	P5.390	SCC	P36.650	ALI	P28.550	URC	P117.900	SMPH	P31.000	BDO	P139.300	JFC	P226.000	CNVRG	P10.220	MBT	P51.700
Value	P768,362,540	Value	P341,128,431	Value	P276,269,235	Value	P264,939,245	Value	P254,334,904	Value	P217,148,855	Value	P192,344,192	Value	P129,594,688	Value	P122,317,496	Value	P114,836,811
PO.900	▲ 2.521%	PO.010	▲ 0.186%	P1.400	▲ 3.972%	-P0.150	▼ -0.523%	-P0.900	▼ -0.758%	PO.450	▲ 1.473%	PO.100	▲ 0.072%	P7.000	▲ 3.196%	PO.340	▲ 3.441%	-P0.200	▼ -0.385%

## Trade gap narrows to \$4.13B in August

THE PHILIPPINES' trade-in-goods deficit for August narrowed to its lowest level in two months, as an increase in exports offset the continued decline in imports.

Preliminary data from the Philippine Statistics Authority (PSA) showed the trade-in-goods balance — the difference between exports and imports — stood at a \$4.13-billion deficit in August,

narrower than the \$4.2-billion gap in the previous month and the \$6.03-billion deficit in August last year.

This was the narrowest trade gap in two months or since the \$3.94-billion deficit in June.

For the first eight months, the trade deficit slimmed down to \$36.31 billion from the \$41.86-billion gap during the same period a year ago.

Total sales of outbound goods jumped by 4.2% year on year to \$6.7 billion in August, a turnaround from the revised 1.7% contraction in the same month in 2022. The 4.2% export growth was the fastest in nine months or since 13.1% in November 2022.

By value, export receipts in August marked the highest level in two months or since \$6.703 billion in June.

In the eight months to August, exports fell by 6.6% to \$47.81 billion.

Meanwhile, the country's merchandise imports contracted by 13.1% year on year to \$10.83 billion in August, a reversal from the 26.4% growth in August 2022.

The import bill in August was at the highest level in three months or since \$10.92 billion in May this year.

In the January-to-August period, imports dropped by 9.6% to \$84.12 billion.

"The main drivers of August exports were manufacturing goods including electronics as well as minerals. We estimate they also improved sequentially, signaling some improvement in external demand for the Philippines' goods," Makoto Tsuchiya, assistant economist at Oxford Economics, said in an e-mail.

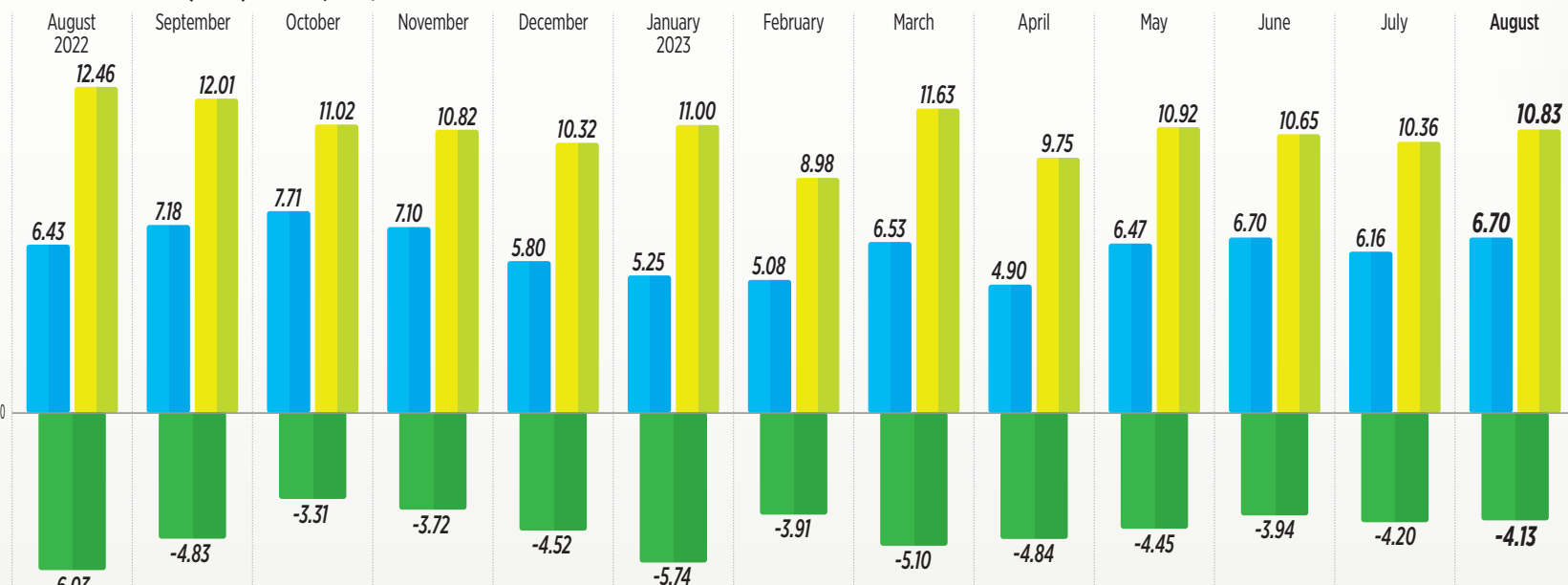
Mr. Tsuchiya noted the decline in imports is still broad-based, reflecting the softness in domestic demand.

"The seasonally adjusted trend shows imports are declining but less intensely compared to the year-on-year growth, which means the imports might be close to bottoming out soon at least in the sequential term," he added.

Trade, S1/10

### PHILIPPINE MERCHANDISE TRADE PERFORMANCE (AUGUST 2023)

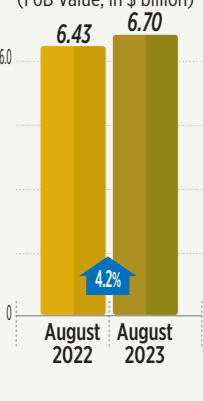
Free on board (FoB) value, in \$ billion



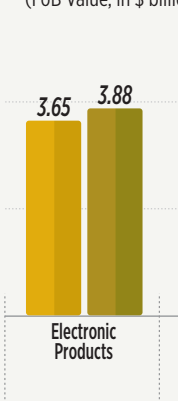
Notes:  
- Trade balance is the difference between exports and imports.  
- Trade deficit occurs when import value is greater than exports, while the opposite happens for trade surplus.  
- Details may not add up due to rounding.

Source: Philippine Statistics Authority (preliminary data as of Oct. 10, 2023)  
BusinessWorld Research: Lourdes O. Pilar  
BusinessWorld Graphics: Bong R. Fortin

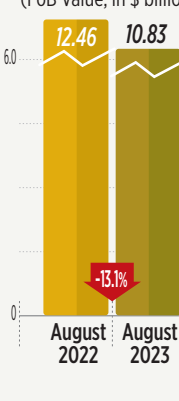
#### Total Exports



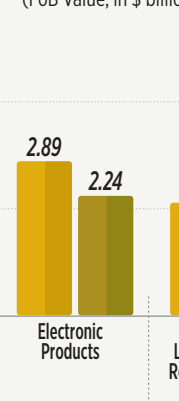
#### Top 5 Exports



#### Total Imports



#### Top 5 Imports



## PHL lenders' bad loan ratio falls to 4-month low

By Keisha B. Ta-asan  
Reporter

SOURD LOANS held by Philippine banks declined year on year as of end-August, bringing the nonperforming loan (NPL) ratio to a four-month low despite elevated borrowing costs.

Latest data from the Bangko Sentral ng Pilipinas (BSP) showed the banking sector's gross NPL ratio slipped to 3.42% from 3.43% as of end-July and from 3.53% in the same month last year.

The NPL ratio in August was the lowest in four months or since 3.41% in April.

Bad loans declined by 5.9% year on year to P442.9 billion as of end-August. However, it was 0.6% higher than P440.1 billion seen at end-July.

Loans are considered nonperforming once they remain unpaid for at least 90 days after the due date. They are deemed as risk assets given borrowers are unlikely to settle such loans.

"The NPL ratio continued to edge lower as improved income

streams allow borrowers to service debt requirements," ING Bank N.V. Manila Senior Economist Nicholas Antonio T. Mapa said in an e-mail on Tuesday.

BSP data showed banks' gross loan portfolio jumped by 9.4% to P12.96 trillion in August from P11.84 trillion a year ago. It also went up by 1.09% from P12.82 trillion in July.

Meanwhile, past due loans climbed by 8.4% year on year to P538.19 billion in August, but the ratio dropped to 4.15% from 4.19% a year ago.

Restructured loans declined by 4.3% to P306.05 billion as of end-August. This accounted for 2.36% of banks' loan portfolio, slightly lower than 2.7% in the same month in 2022.

Banks continued to beef up their loan loss reserves by 9.14% to P456.27 billion as of end-August from P418.05 billion a year ago. This brought the loan loss reserves ratio to 3.52% from 3.53% a year earlier.

The industry's NPL coverage ratio also improved to 85.98% from 83.65% in 2022.

Bad loan, S1/10

## FDI net inflows jump to 3-month high in July

NET INFLOWS of foreign direct investments (FDI) rose to its highest level in three months in July, amid improved investor sentiment.

Data released by the Bangko Sentral ng Pilipinas (BSP) on Tuesday showed FDI net inflows jumped by 35.7% to \$753 million in July from \$555 million in the same month a year earlier. It also rose by 55.6% from the \$484-million inflows seen in June.

The July FDI inflows were the highest in three months or since \$877 million in April.

"The jump in FDI inflows was likely due to positive risk senti-

ment which encouraged investments in emerging markets like the Philippines," China Banking Corp. Chief Economist Domini S. Velasquez said in a Viber message.

Ms. Velasquez said market players had expected the US Federal Reserve to be nearing the end of its tightening cycle in July due to weaker US inflation and US jobs data.

The US Federal Reserve hiked its own policy rates by 25 basis points (bps) to 5.25-5.5% at its July 25-26 meeting. It has raised borrowing costs by a total of 525 bps since March 2022.

"Additionally, the launch of green lanes for strategic investments and the signing of the Maharlika Investment Fund could have also encouraged inflows," she said.

President Ferdinand R. Marcos, Jr. signed Executive Order No. 18 in February, which aims to expedite, streamline, and automate government processes for strategic investments to attract more foreign investors.

In July, Mr. Marcos signed into law Republic Act No. 11954, which created the Philippines' first sovereign wealth fund. The

MIF is expected to be operational by yearend.

The BSP attributed the increase in FDI net inflows in July to nonresidents' net investments in debt instruments more than doubling to \$575 million from \$276 million a year earlier.

However, equity and investment fund shares fell by 36.1% to \$179 million in July from \$279 million in the same month last year.

In July, reinvestment of earnings slid by 20.1% to \$114 million from \$142 million a year ago.

FDI, S1/10

## IMF still sees PHL as one of region's strongest economies this year

THE INTERNATIONAL Monetary Fund (IMF) expects the Philippine economy to remain one of the strongest performers in the region this year, despite its outlook of slower global economic growth.

In its latest World Economic Outlook (WEO), the IMF expects the Philippines' gross domestic product (GDP) to grow by 5.3% this year, below the 6-7% target

of the government. This is also slower than the 7.6% GDP expansion in 2022.

The multilateral lender's 2023 growth outlook for the Philippines is the second fastest among emerging and developing Asia, just behind India (6.3%).

It is ahead of China and Indonesia (both at 5%), Vietnam

(4.7%), Malaysia (4%), and Thailand (2.7%).

Emerging and developing Asia's growth is expected to average 5.2% this year from 5.3% previously. The region's growth is seen to slow to 4.8% in 2024 from 5% previously.

The IMF said that growth prospects for emerging markets and developing economies will remain weak this year.

"Global activity bottomed out at the end of last year while inflation — both headline and underlying (core) — is gradually being brought under control," the IMF said.

"But a full recovery toward pre-pandemic trends appears increasingly out of reach, especially in emerging markets and developing economies," it added.

IMF, S1/10



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