

STOCK MARKET		ASIAN MARKETS			WORLD MARKETS		PESO-DOLLAR RATES		ASIAN MONIES-US\$ RATE		WORLD CURRENCIES		DUBAI CRUDE OIL					
6405 6298 6191 6084 5977 5870	PSEI OPEN: 6,280.85 HIGH: 6,308.05 LOW: 6,253.96 CLOSE: 6,253.96 VOL: 2.016 B VAL(P): 10,703 B	OCTOBER 11, 2023	CLOSE	NET	%	OCTOBER 10, 2023	CLOSE	NET	66.50 66.64 66.78 66.92 67.06 67.20	FX	OCTOBER 11, 2023	LATEST BID (0900GMT)	PREVIOUS	OCTOBER 11, 2023	CLOSE	PREVIOUS	97.50 94.00 90.50 87.00 83.50 80.00	FUTURES PRICE ON NEAREST MONTH OF DELIVERY
		JAPAN (NIKKEI 225)	31,936.51	▲ 189.98	0.60	Dow Jones	33,739,300	▲ 134.650		OPEN P56.750	JAPAN (YEN)	148.690	▲ 148.890	US\$/UK POUND	1.2273	▲ 1.2271	88.50	
		HONG KONG (HANG SENG)	17,893.10	▲ 228.37	1.29	NASDAQ	13,562,844	▲ 78.605		HIGH P56.705	HONG KONG (HK DOLLAR)	7.819	▲ 7.818	US\$/EURO	1.0604	▲ 1.0601		
		TAIWAN (WEIGHTED)	16,672.03	▲ 151.46	0.92	S&P 500	4,358,240	▲ 22.580		LOW P56.777	TAIWAN (NT DOLLAR)	32.099	▲ 32.137	US\$/AUST DOLLAR	0.6418	▲ 0.6414		
		THAILAND (SET INDEX)	1,452.55	▲ 18.10	1.26	FTSE 100	7,628,210	▲ 136.000		CLOSE P56.755	THAILAND (BAHT)	36.370	▲ 36.780	CANADA DOLLAR/US\$	1.3598	▲ 1.3590		
		S.KOREA (KSE COMPOSITE)	2,450.08	▲ 47.50	1.98	Euro Stoxx50	3,949,890	▲ 65.680		W.AVE. P56.745	S. KOREA (WON)	1,338.810	▲ 1,347.330	SWISS FRANC/US\$	0.9027	▼ 0.9042		
		SINGAPORE (STRAITS TIMES)	3,190.97	▼ -8.10	-0.25					VOL. \$1,193.50 M	SINGAPORE (DOLLAR)	1.363	▲ 1.365					
		SYDNEY (ALL ORDINARIES)	7,088.40	▲ 47.80	0.68					SOURCE : BAP	INDONESIA (RUPIAH)	15,690	▲ 15,730					
		MALAYSIA (KLSE COMPOSITE)	1,436.49	▲ 1.32	0.09						MALAYSIA (RINGGIT)	4.719	▲ 4.727					

PHILIPPINE STOCK EXCHANGE'S 10 MOST ACTIVE STOCKS BY VALUE TURNOVER • OCTOBER 11, 2023 (PSEI snapshot on S1/2; article on S2/2)

Stock	Value	Change	%
BDO	P136.000	P1,067,699,261	-2.369%
SMPH	P31.100	P530,102,365	0.323%
ICT	P202.000	P402,566,672	-1.463%
ALI	P28.650	P323,902,950	0.350%
SM	P828.000	P302,379,760	0.853%
JFC	P220.600	P237,647,400	-2.389%
URC	P115.000	P212,160,196	-2.460%
SCC	P36.000	P179,361,255	-1.774%
BPI	P108.400	P172,726,529	-0.368%
ACEN	P5.460	P146,378,168	1.299%

Meralco rates go up in October

RESIDENTIAL CUSTOMERS in areas served by Manila Electric Co. (Meralco) will see higher electricity bills this month, with typical households set to pay about P84 more.

In a statement, Meralco said the overall rate for a typical household increased by P0.4201 per kilowatt-hour (kWh) to P11.8198/kWh in October from P11.3997/kWh in September.

The adjustment is equivalent to an increase of about P84 in the total electricity bill of residential customers consuming 200 kWh.

Households that consume 300 kWh, 400 kWh and 500 kWh will see an increase of P126, P168 and P210, respectively, in their October billing.

Meralco attributed this month's higher power rates to the P0.3015 increase in the generation charge to P7.1267 per kWh from P6.8252 last month.

Joe R. Zaldivara, Meralco spokesperson and vice-president for corporate communications, told a virtual briefing the generation charge went up due to higher charges from power supply agreements (PSA) and independent power producers (IPP).

PSAs, which accounted for 47% of its energy requirements for the month, increased by P0.1658/kWh. Meralco said this was partly due to the forced shutdown of the 420-megawatt (MW) FirstNatGas-San Gabriel power plant after gas supply from Malampaya was restricted. However, this was offset by lower coal prices.

Charges from IPPs rose by P0.4599/kWh due to the rising cost of fuel used by the First Gas plants.

"The persisting supply restriction of the Malampaya natural gas field compelled the 1,000-MW First Gas-Sta. Rita and 500-MW First Gas-San Lorenzo power plants to switch to more expensive alternative fuel to ensure supply continuity," Meralco said.

Meralco, S1/9

BSP open to 25-bp hike in November

THE BANGKO SENTRAL ng Pilipinas (BSP) is open to increasing its key policy rate by 25 basis points (bps) at its meeting on Nov. 16, its governor said on Wednesday, after inflation accelerated for a second straight month in September.

BSP Governor Eli M. Remolona, Jr. told reporters higher borrowing costs have not affected Philippine economic growth, which may indicate there is still room for monetary tightening.

"I would not rule out a 25-basis-point rate hike," he said. The BSP has kept the benchmark interest rate at a near 16-year high of 6.25% at its last four meetings. It hiked borrowing costs by 425 bps from May 2022 to March 2023 to tame red-hot inflation.

Mr. Remolona said he is "not sure" if headline inflation would return to the 2-4% target within

the year due to the "significant spike" in September.

"The core number went down a little bit, so that's encouraging. For us, the core number is what reflects monetary policy. But the headline number could affect expectations and then we have to worry," he said.

Headline inflation accelerated to 6.1% in September from 5.3% in August. This marked the 18th straight month that inflation exceeded the central bank's 2-4% target.

In September, core inflation eased to 5.9% from 6.1% in August, but still faster than 5% a year earlier.

Year to date, inflation has averaged 6.6%, higher than 5.1% a year ago and still above the BSP's revised 5.8% forecast for 2023. Year to date, core inflation has averaged 7.2%.

"The upside risk that we feared, some of them have ma-

terialized already. One thing we were worried about is transport fare hikes and that has happened. I wouldn't say that we're done with the tightening," Mr. Remolona said.

The Land Transportation Franchising and Regulatory Board has approved a P1 provisional jeepney fare increase nationwide, which took effect on Oct. 8. The minimum fares for traditional and modern jeepneys are now P13 and P15, respectively.

"So far, we think it hasn't really affected our growth prospects. We're watching that very, very carefully," Mr. Remolona said.

"We try not to affect growth prospects, what we try to do is relieve pressure from the demand side that is leading to inflation without affecting the growth prospects," he added.

BSP, S1/9

SEC defends proposed fee increase

THE SECURITIES and Exchange Commission (SEC) defended a plan to increase its fees and charges amid opposition from some of the country's top business groups, saying the rates have not been adjusted since 2017.

This comes after business groups, led by the Philippine Chamber of Commerce and Industry (PCCI), sent a letter to the SEC objecting to the proposed hike in fees and charges which they described as "obscene" and "unconscionable."

In a five-page statement on Wednesday, the SEC said it will meet with the business groups today (Oct. 12) to address their concerns and clarify certain statements in their letter, "including the use of non-comparable values, and generalization of Supreme Court rulings."

"The meeting will seek to unite the viewpoints of the Com-

mission and its stakeholders toward ensuring that the new schedule of fees continues to advance the Marcos administration's thrust of promoting business and capital formation in the country," it said.

The corporate regulator said the proposed increase in its fees and charges was the result of "a thorough and careful study."

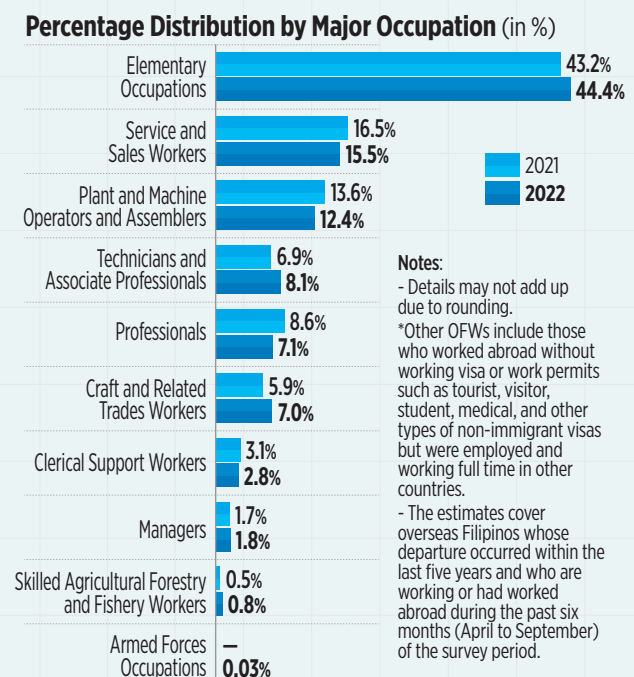
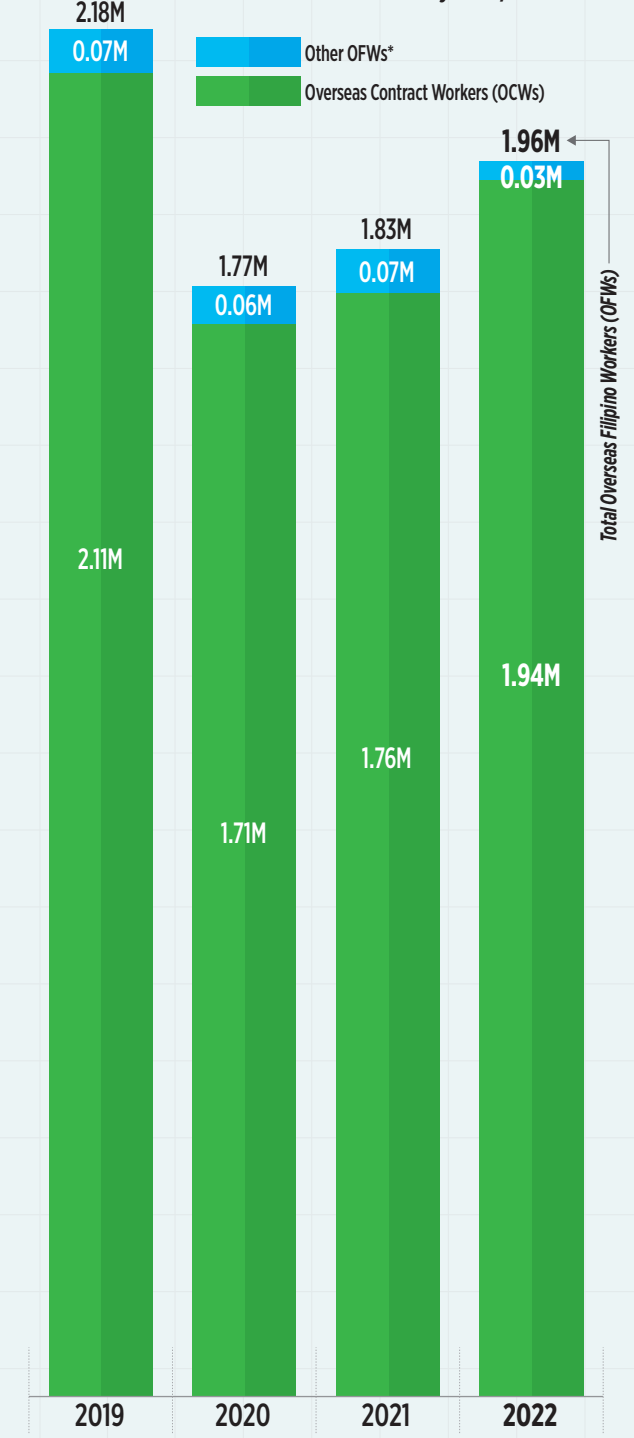
"The schedule of fees and charges was last updated in 2017, based on a proposal from 2014. This means that the current rates are based on operational and administrative costs prevailing almost 10 years ago," the SEC said.

To sustain the development of IT-related systems and the delivery of its services, the SEC said that "fees and charges must sufficiently cover the cost of maintaining and upgrading them continuously for the benefit of the transacting public."

SEC, S1/9

NUMBER OF OVERSEAS FILIPINO WORKERS

>> See related story on S1/10



Source: Philippine Statistics Authority's 2022 Survey on Overseas Filipinos
BusinessWorld Research: Abigail Marie P. Yraola
BusinessWorld Research: Bong R. Fortin

PHL keeps close eye on oil amid possible supply disruption

THE GOVERNMENT is keeping a close eye on potential spillovers from the Israel-Hamas conflict and its impact on the Philippine economy, Bangko Sentral ng Pilipinas (BSP) Governor Eli M. Remolona, Jr. said on Wednesday.

In a press chat with reporters, Mr. Remolona said the conflict has not "really affected" oil prices yet.

"The effects on oil prices have been minimal, but it may have spillover effects on global growth, for example, so that's what we're monitoring," he said in mixed English and Filipino.

"In the past, something like this would have caused oil prices to spike, but so far it has not. The peso hasn't really depreciated so far because of this. So, so far, so good. But of course, we're watching. We're watching developments. It's a global phenomenon, by the way, so it's not specific to us," he added.

Oil edged higher on Wednesday as investors grappled with the prospect of supply disruptions due to the Middle East turmoil, Reuters reported.

Brent crude rose by 25 cents or 0.3% to \$87.90 a barrel by 5:50 a.m. GMT. US West Texas Intermediate (WTI) crude rose by 24 cents or 0.3% to \$86.21 a barrel.

Brent and WTI surged by more than \$3.50 on Monday as the military clashes raised fears

that the conflict could spread beyond Gaza but settled lower in Tuesday's session.

Israel produces very little crude oil, but markets are worried that the conflict could escalate and disrupt Middle East supply, worsening an expected deficit for the rest of the year.

Monetary Board (MB) member Bruce J. Tolentino said "any intensification" of tensions in the Middle East could result in higher crude prices.

"As global crude prices move up, so will the prices of refined (petroleum) products in the Philippines. So, this is a crucial upside risk to monitor in the near term," he said in a text message.

Another spike in global oil prices may stoke inflation, which the BSP is expecting to return to the 2-4% target in the fourth quarter.

Headline inflation accelerated for a second straight month in September amid higher food and transport costs. Inflation quickened to 6.1% in September, bringing the nine-month average to 6.6%. The BSP last month raised its full-year forecast to 5.8% from 5.6%.

GlobalSource Partners Country Analyst and former BSP Deputy Governor Diwa C. Guinigundo said signals so far indicate that the Israel-Hamas conflict might last longer than initially expected.

"Given the extent of the damage and death in Israel and with the firm declaration of war by (Prime Minister Benjamin Netanyahu), there is some basis to say the hostilities might be prolonged," he said in a text message.

Mr. Guinigundo said that oil prices could surge if other oil-producing nations are drawn into the conflict.

"If (Saudi Arabia) and OPEC+ oil cutbacks are maintained, this could further exacerbate the instability in oil prices and the world economy," he said.

"Supply chains might be affected and that could have a more extensive impact. Of course, it's difficult to quantify all these assertions," he added.

Top oil exporter Saudi Arabia said on Tuesday it is working with regional and international partners to prevent the escalation of the situation in Gaza and neighboring areas, and reaffirmed its support efforts to stabilize oil markets.

"In the actual geopolitical context, crude oil could further rise toward the \$90-\$100 per barrel range but a rise beyond the \$100 level is unlikely with the morose global economic outlook," said Ipek Ozkardeska, senior analyst at Swissquote Bank, in a note. — **Luisa Maria Jacinta C. Jaconson** with Reuters and **Keisha B. Ta-asan**