

STOCK MARKET	ASIAN MARKETS	WORLD MARKETS	PESO-DOLLAR RATES	ASIAN MONIES-US\$ RATE	WORLD CURRENCIES	DUBAI CRUDE OIL																																																																																																			
<b>PSEi</b> OCTOBER 19, 2023 OPEN: 6,263.22 HIGH: 6,263.22 LOW: 6,216.10 CLOSE: 6,219.16 VOL.: 0.576 B VAL(P): 4.237 B 49.11 PTS. 0.78% 30 DAYS TO OCTOBER 19, 2023	<b>OCTOBER 19, 2023</b> <table border="1"> <tr><th></th><th>CLOSE</th><th>NET</th><th>%</th></tr> <tr><td>JAPAN (NIKKEI 225)</td><td>31,430.62</td><td>-611.63</td><td>-1.91</td></tr> <tr><td>HONG KONG (HANG SENG)</td><td>17,295.89</td><td>-436.63</td><td>-2.46</td></tr> <tr><td>TAIWAN (WEIGHTED)</td><td>16,452.73</td><td>11.82</td><td>0.07</td></tr> <tr><td>THAILAND (SET INDEX)</td><td>1,422.42</td><td>-15.43</td><td>-1.07</td></tr> <tr><td>S.KOREA (KSE COMPOSITE)</td><td>2,415.80</td><td>-46.80</td><td>-1.90</td></tr> <tr><td>SINGAPORE (STRAITS TIMES)</td><td>3,100.37</td><td>-36.25</td><td>-1.16</td></tr> <tr><td>SYDNEY (ALL ORDINARIES)</td><td>6,981.60</td><td>-96.00</td><td>-1.36</td></tr> <tr><td>MALAYSIA (KLSE COMPOSITE)</td><td>1,442.66</td><td>-3.88</td><td>-0.27</td></tr> </table>		CLOSE	NET	%	JAPAN (NIKKEI 225)	31,430.62	-611.63	-1.91	HONG KONG (HANG SENG)	17,295.89	-436.63	-2.46	TAIWAN (WEIGHTED)	16,452.73	11.82	0.07	THAILAND (SET INDEX)	1,422.42	-15.43	-1.07	S.KOREA (KSE COMPOSITE)	2,415.80	-46.80	-1.90	SINGAPORE (STRAITS TIMES)	3,100.37	-36.25	-1.16	SYDNEY (ALL ORDINARIES)	6,981.60	-96.00	-1.36	MALAYSIA (KLSE COMPOSITE)	1,442.66	-3.88	-0.27	<b>OCTOBER 18, 2023</b> <table border="1"> <tr><th></th><th>CLOSE</th><th>NET</th></tr> <tr><td>Dow Jones</td><td>33,665.080</td><td>-332.570</td></tr> <tr><td>NASDAQ</td><td>13,314.302</td><td>-219.445</td></tr> <tr><td>S&amp;P 500</td><td>4,314.600</td><td>-58.600</td></tr> <tr><td>FTSE 100</td><td>7,588.000</td><td>-87.210</td></tr> <tr><td>Euro Stoxx50</td><td>3,917.680</td><td>-37.410</td></tr> </table>		CLOSE	NET	Dow Jones	33,665.080	-332.570	NASDAQ	13,314.302	-219.445	S&P 500	4,314.600	-58.600	FTSE 100	7,588.000	-87.210	Euro Stoxx50	3,917.680	-37.410	<b>FX</b> OCTOBER 19, 2023 OPEN P56.870 HIGH P56.830 LOW P56.900 CLOSE P56.870 W.AVE. P56.864 VOL. \$990.30 M 17.00 CTVS 30 DAYS TO OCTOBER 19, 2023 SOURCE : BAP	<b>OCTOBER 19, 2023</b> <table border="1"> <tr><th></th><th>LATEST BID (0900GMT)</th><th>PREVIOUS</th></tr> <tr><td>JAPAN (YEN)</td><td>149.830</td><td>149.750</td></tr> <tr><td>HONG KONG (HK DOLLAR)</td><td>7.823</td><td>7.826</td></tr> <tr><td>TAIWAN (NT DOLLAR)</td><td>32.389</td><td>32.318</td></tr> <tr><td>THAILAND (BAHT)</td><td>36.450</td><td>36.290</td></tr> <tr><td>S. KOREA (WON)</td><td>1,359.390</td><td>1,350.120</td></tr> <tr><td>SINGAPORE (DOLLAR)</td><td>1.374</td><td>1.369</td></tr> <tr><td>INDONESIA (RUPIAH)</td><td>15,810</td><td>15,725</td></tr> <tr><td>MALAYSIA (RINGGIT)</td><td>4.764</td><td>4.741</td></tr> </table>		LATEST BID (0900GMT)	PREVIOUS	JAPAN (YEN)	149.830	149.750	HONG KONG (HK DOLLAR)	7.823	7.826	TAIWAN (NT DOLLAR)	32.389	32.318	THAILAND (BAHT)	36.450	36.290	S. KOREA (WON)	1,359.390	1,350.120	SINGAPORE (DOLLAR)	1.374	1.369	INDONESIA (RUPIAH)	15,810	15,725	MALAYSIA (RINGGIT)	4.764	4.741	<b>OCTOBER 19, 2023</b> <table border="1"> <tr><th></th><th>CLOSE</th><th>PREVIOUS</th></tr> <tr><td>US\$/UK POUND</td><td>1.2103</td><td>1.2202</td></tr> <tr><td>US\$/EURO</td><td>1.0542</td><td>1.0583</td></tr> <tr><td>US\$/AUSTRALIAN DOLLAR</td><td>0.6302</td><td>0.6382</td></tr> <tr><td>CANADA DOLLAR/US\$</td><td>1.3729</td><td>1.3625</td></tr> <tr><td>SWISS FRANC/US\$</td><td>0.8986</td><td>0.8983</td></tr> </table>		CLOSE	PREVIOUS	US\$/UK POUND	1.2103	1.2202	US\$/EURO	1.0542	1.0583	US\$/AUSTRALIAN DOLLAR	0.6302	0.6382	CANADA DOLLAR/US\$	1.3729	1.3625	SWISS FRANC/US\$	0.8986	0.8983	<b>FUTURES PRICE ON NEAREST MONTH OF DELIVERY</b> <b>\$92.47/BBL</b> 30 DAYS TO OCTOBER 18, 2023
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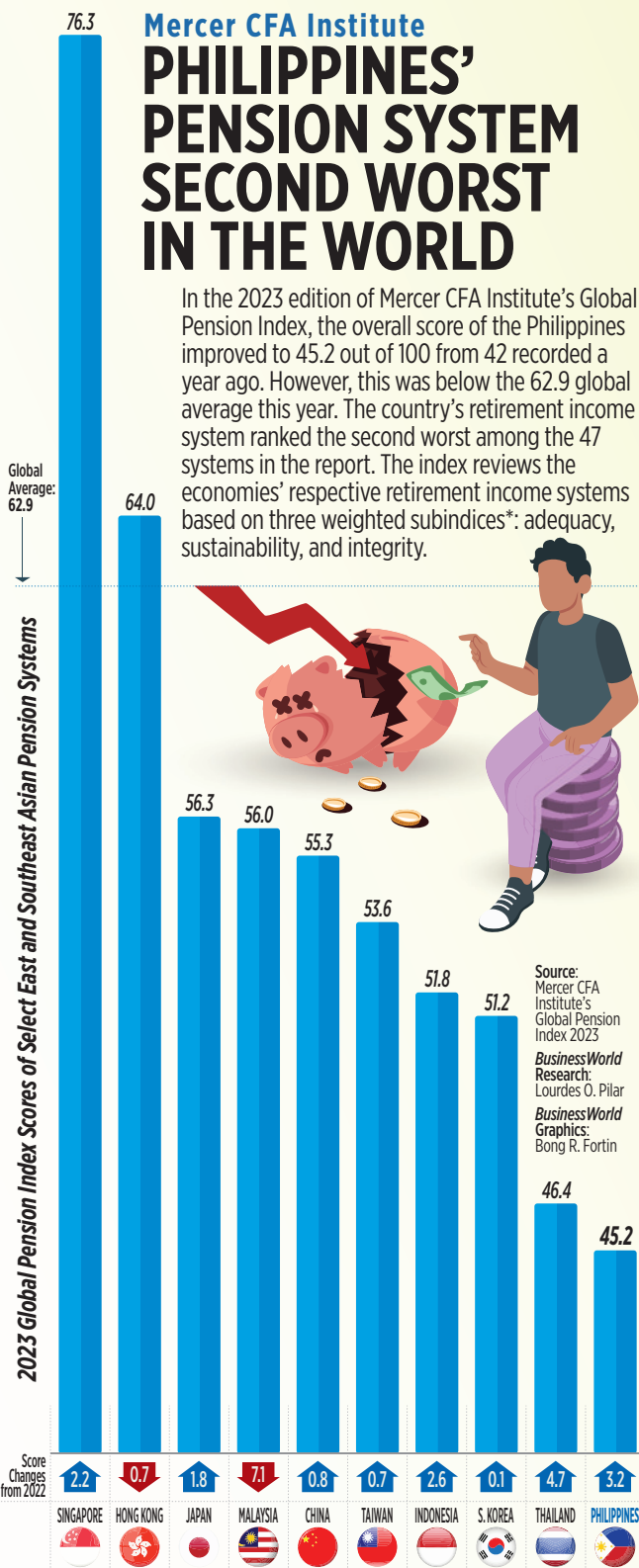
VOL. XXXVII • ISSUE 62 **FRIDAY • OCTOBER 20, 2023 • www.bworldonline.com** S1/1-10 • 2 SECTIONS, 16 PAGES

PHILIPPINE STOCK EXCHANGE'S 10 MOST ACTIVE STOCKS BY VALUE TURNOVER • OCTOBER 19, 2023 (PSEi snapshot on S1/4; article on S2/2)

BDO	P131.300	JFC	P220.800	SM	P820.000	SCC	P35.100	MACAY	P8.180	CNVRG	P9.600	URC	P113.700	SMPH	P31.400	ICT	P210.000	PGOLD	P29.250
Value	P407,713,026	Value	P240,881,194	Value	P191,796,675	Value	P185,943,190	Value	P154,678,526	Value	P143,632,307	Value	P133,842,429	Value	P124,330,575	Value	P116,280,468	Value	P111,582,995
-P3.100	-2.307%	-P3.200	-1.429%	P7.500	0.923%	-P0.050	-0.142%	P0.000	0.000%	-P0.380	-3.808%	P0.700	0.619%	P0.200	0.641%	-P4.200	-1.961%	-P0.200	-0.679%

## Mercer CFA Institute PHILIPPINES' PENSION SYSTEM SECOND WORST IN THE WORLD

In the 2023 edition of Mercer CFA Institute's Global Pension Index, the overall score of the Philippines improved to 45.2 out of 100 from 42 recorded a year ago. However, this was below the 62.9 global average this year. The country's retirement income system ranked the second worst among the 47 systems in the report. The index reviews the economies' respective retirement income systems based on three weighted subindices: adequacy, sustainability, and integrity.



### Philippines' 2023 Profile

	2023 Score (Out of 100)	Global Average
Overall Score	45.2	62.9
Adequacy	41.8	64.8
Sustainability	63.2	54.2
Integrity	25.7	71.9

### Top 5

System	2023 Overall Score
Netherlands	85.0
Iceland	83.5
Denmark	81.3
Israel	80.8
Australia	77.3

### Bottom 5

System	2023 Overall Score
Argentina	42.3
Philippines	45.2
India	45.9
Turkey	46.3
Thailand	46.4

**Notes:**  
\*The three weighted subindices look at the following:

**Adequacy (40%)** - Considers the benefits provided to the poor and a range of income earners as well as several design features and characteristics that enhance the efficacy of the overall retirement income system such as net household saving rate, level of household debt, home ownership rate, and other indicators that measure financial security during retirement.

**Sustainability (35%)** - Considers factors that influence long-term sustainability such as level of funding, economic importance of the private pension system, length of expected retirement, labor force participation rate of the older population, levels of public pension expenditure, government debt, and economic growth.

**Integrity (25%)** - Looks at three broad areas of the pension system, namely regulation and governance; protection and communication for members; and operating costs.

### Philippines' Historical Scores

Year	Overall Score (Out of 100)
2019	43.7
2020	43.0
2021	42.7
2022	42.0
2023	45.2

# BoP deficit narrows in Sept.

THE PHILIPPINES' overall balance of payments (BoP) position narrowed significantly to \$414 million in September from the \$2.34-billion gap in the same month a year ago, the central bank said.

Data released by the Bangko Sentral ng Pilipinas (BSP) on Thursday showed the country's BoP position remained in deficit for a sixth straight month in September. It was also the widest deficit since the \$606-billion gap in June.

Month on month, the BoP deficit widened from the \$57-million deficit in August.

"The BoP deficit in September 2023 reflected net outflows arising mainly from the National Government's (NG) payments of its foreign currency debt obligations," the central bank said in a statement.

The BoP measures the country's transactions with the rest of the world at a given time. A deficit means more funds fled the economy than what went in, while a surplus shows that more money entered the Philippines.

For the nine-month period, the Philippines' BoP position swung to a surplus of \$1.74 billion from the \$7.83-billion deficit in the same period in 2022.

"This development reflected mainly the improvement in the balance of trade and the higher net inflows from personal remittances, trade in services, and foreign borrowings by the NG," the BSP said.

Latest data from the local statistics agency showed the country's trade deficit stood at \$4.13 billion in August, narrower

than the \$4.2-billion gap a month prior and the \$6.03-billion deficit a year earlier.

Year to date, the trade deficit shrank to \$36.31 billion from the \$41.86-billion gap during the same period in 2022.

"Given that the current account is likely in deficit due to the sizable trade deficit, financial account inflows, most likely tied to government issuances of bonds, likely pushed the BoP into a surplus (in the January-to-September period)," ING Bank N.V. Manila Senior Economist Nicholas Antonio T. Mapa said in an e-mail.

The government raised \$1.26 billion from the retail dollar bond offering in late September.

"The retail dollar bond issuance during the month helped bring the deficit to \$414 million,

offsetting the trade deficit," Mr. Mapa added.

At its end-September position, the BoP reflected a final gross international reserve level of \$98.1 billion, 1.5% lower than \$99.6 billion as of end-August.

The dollar reserves were enough to cover 5.7 times the country's short-term external debt based on original maturity and 3.6 times based on residual maturity.

It is also equivalent to 7.3 months' worth of imports of goods and payments of services and primary income.

An ample level of foreign exchange buffers safeguards an economy from market volatility and is an assurance of the country's capability to pay debts in the event of an economic downturn.

BoP, S1/5

## Marcos says Maharlika fund will start operating by yearend

By Kyle Aristophere T. Atienza Reporter

THE PHILIPPINES' first sovereign wealth fund will start operating by yearend, President Ferdinand R. Marcos, Jr. said on Thursday after suspending it supposedly to improve its organizational structure.

"The organization of the Maharlika fund proceeds apace," he said before leaving for Saudi Arabia, where he is expected to promote the fund.

"We have found more improvements we can make, specifically to the organizational structure of the Maharlika fund," he added, amid criticisms that the wealth fund threatens the financial stability of two state banks.

Mr. Marcos said the concept of the Maharlika Investment Fund (MIF) "remains a good one"

and therefore, "we are still committed to having it operational before the end of the year."

The Oct. 12 memorandum ordering the suspension of the MIF law's implementing rules and regulations (IRR) was addressed to the Bureau of the Treasury as well as the heads of the Land Bank of the Philippines (LANDBANK) and the Development Bank of the Philippines (DBP).

The President insisted that the suspension must not be seen as "a judgment of the rightness or wrongness of the Maharlika fund."

"On the contrary, we are just finding ways to make it as close to perfect and ideal as possible, and that is what we have done," Mr. Marcos said, adding that he consulted economic managers and other people who would be involved in the fund's operations.

Maharlika, S1/5

### Shang Properties rebranding

SHANG PROPERTIES, Inc. executives raise their glasses to celebrate the company's rebranding. In photo (from left): Rose Morales, senior director - head of group sales; Andrew Den Oudsten, executive vice-president of operations; Sheila Sepulveda, chief human resources officer; Wolfgang Krueger, executive director; Jayme Uy, marketing director; Karlo Marco P. Estavillo, chief operations officer; and Joy Poloso, executive vice-president of retail and commercial.



## PHL unlikely to hit 2024 growth goal

By Keisha B. Ta-asan Reporter

THE PHILIPPINES is unlikely to hit its 6.5-8% gross domestic product (GDP) growth target in 2024, due to high borrowing costs and increasingly gloomy trade outlook.

"We are expecting Philippine economic growth to accelerate from 5.3% in 2023 to 6.2% in 2024. That is still less optimistic than the government's projections of 6.5-8%," BMI Asia Country Risk Analyst Shi Cheng Low said in an e-mail.

He noted the dimmer trade outlook and elevated interest rates to tame rising inflation are two major headwinds to the economy's expansion next year.

"We think that the trade cycle downturn has further to run. Growth in both the US and Mainland China, the Philippines' two largest partners, is set to slow next year,

which will limit any recovery in exports," Mr. Low said.

Mr. Low said in a webinar on Tuesday that the US economy may enter a shallow recession in the second and third quarter of 2024, while China's economic growth may slow to 4.7% in 2024 from 5.2% this year.

The Development Budget Coordination Committee projects goods exports and imports to grow by 1% and 2%, respectively, this year. Exports growth is expected to stabilize at 6% in 2024 to 2028, while imports are expected to grow by 8% annually during the same period.

Mr. Low said the Bangko Sentral ng Pilipinas (BSP) will also likely maintain its hawkish stance during the first half of 2024, as inflation remains elevated.

"Increasing price pressures will prompt the central bank to resume its tightening cycle. We now think that a hike of 25 basis points (bps) is possible in the November meeting," he said.

Growth, S1/5

## Economists hike inflation projection for this year

PRIVATE SECTOR economists raised their inflation outlook for this year through 2025 due to recent supply-side shocks, although they still expect inflation to return to the 2-4% target range in 2024 and 2025, the Bangko Sentral ng Pilipinas (BSP) said.

Based on the results of the BSP's survey of external forecasters in September, the average inflation forecast of analysts for 2023 went up to 5.9% from just 5.5% in the August survey.

Economists' mean inflation forecast for 2024 and 2025 also climbed to 3.7% (from 3.5% previously) and 3.5% (from 3.4%), respectively.

The analysts' forecasts are slightly above the central bank's projections. The BSP sees average inflation at 5.8% this year, before easing to 3.5% in 2024 and 3.4% in 2025.

"Analysts expect inflation to accelerate anew due to recent supply-side shocks domestically and overseas," the BSP said in the highlights of the Sept. 21 Monetary Board meeting.

"They also anticipate further upside risks to the inflation outlook, due mainly to supply disruptions, particularly from the adverse impact of weather disturbances and trade restrictions," it added.

At its Sept. 21 meeting, the Monetary Board kept the key interest rate unchanged at a near 16-year high of 6.25%. This was after hiking borrowing costs by 425 basis points from May 2022 to March 2023.

"The Monetary Board deemed it appropriate to maintain prevailing monetary policy settings while emphasizing the BSP's focus on resuming monetary policy tightening action to respond to emerging upside risks to the inflation outlook and potential second-round effects that could dislodge inflation expectations," the BSP said.

The central bank's policy-making body also called for more non-monetary interventions such as the temporary reduction of import tariffs and timely arrival of imported commodities.

"The BSP also continues to prioritize the restoration of inflation towards a target-consistent path over the medium term, in line with its primary mandate to ensure price stability," it said.

Inflation, S1/5

