

STOCK MARKET	ASIAN MARKETS	WORLD MARKETS	PESO-DOLLAR RATES	ASIAN MONIES-US\$ RATE	WORLD CURRENCIES	DUBAI CRUDE OIL																																																																				
<b>PSEi</b> OPEN: 6,208.50 HIGH: 6,208.50 LOW: 6,142.90 CLOSE: 6,142.90 VOL: 0.627 B VAL(P): 4.007 B 76.26 pts. 1.22% 30 DAYS TO OCTOBER 20, 2023	<b>OCTOBER 20, 2023</b> <table border="1"> <tr><th>CLOSE</th><th>NET</th><th>%</th></tr> <tr><td>JAPAN (NIKKEI 225)</td><td>31,259.36</td><td>-171.26 -0.54</td></tr> <tr><td>HONG KONG (HANG SENG)</td><td>17,172.13</td><td>-123.76 -0.72</td></tr> <tr><td>TAIWAN (WEIGHTED)</td><td>16,440.72</td><td>-12.01 -0.07</td></tr> <tr><td>THAILAND (SET INDEX)</td><td>1,399.35</td><td>-23.69 -1.66</td></tr> <tr><td>S.KOREA (KSE COMPOSITE)</td><td>2,375.00</td><td>-40.80 -1.69</td></tr> <tr><td>SINGAPORE (STRAITS TIMES)</td><td>3,076.69</td><td>-22.91 -0.74</td></tr> <tr><td>SYDNEY (ALL ORDINARIES)</td><td>6,900.70</td><td>-80.90 -1.16</td></tr> <tr><td>MALAYSIA (KLSE COMPOSITE)</td><td>1,441.04</td><td>-1.62 -0.11</td></tr> </table>	CLOSE	NET	%	JAPAN (NIKKEI 225)	31,259.36	-171.26 -0.54	HONG KONG (HANG SENG)	17,172.13	-123.76 -0.72	TAIWAN (WEIGHTED)	16,440.72	-12.01 -0.07	THAILAND (SET INDEX)	1,399.35	-23.69 -1.66	S.KOREA (KSE COMPOSITE)	2,375.00	-40.80 -1.69	SINGAPORE (STRAITS TIMES)	3,076.69	-22.91 -0.74	SYDNEY (ALL ORDINARIES)	6,900.70	-80.90 -1.16	MALAYSIA (KLSE COMPOSITE)	1,441.04	-1.62 -0.11	<b>OCTOBER 20, 2023</b> <table border="1"> <tr><th>CLOSE</th><th>NET</th></tr> <tr><td>Dow Jones</td><td>33,127.280 ▼ -286.890</td></tr> <tr><td>NASDAQ</td><td>12,983.807 ▼ -202.368</td></tr> <tr><td>S&amp;P 500</td><td>4,224.160 ▼ -53.840</td></tr> <tr><td>FTSE 100</td><td>7,402.140 ▼ -97.390</td></tr> <tr><td>Euro Stoxx50</td><td>3,823.090 ▼ -50.020</td></tr> </table>	CLOSE	NET	Dow Jones	33,127.280 ▼ -286.890	NASDAQ	12,983.807 ▼ -202.368	S&P 500	4,224.160 ▼ -53.840	FTSE 100	7,402.140 ▼ -97.390	Euro Stoxx50	3,823.090 ▼ -50.020	<b>FX</b> OPEN P56.750 HIGH P56.750 LOW P56.840 CLOSE P56.840 W.AVE. P56.792 VOL. \$912.27 M 300 CTVS SOURCE : BAP	<b>OCTOBER 20, 2023 LATEST BID (0900GMT)</b> <table border="1"> <tr><th>PREVIOUS</th></tr> <tr><td>JAPAN (YEN)</td><td>149.840 ▼ 149.830</td></tr> <tr><td>HONG KONG (HK DOLLAR)</td><td>7.824 ▼ 7.823</td></tr> <tr><td>TAIWAN (NT DOLLAR)</td><td>32.332 ▼ 32.389</td></tr> <tr><td>THAILAND (BAHT)</td><td>36.460 ▼ 36.450</td></tr> <tr><td>S. KOREA (WON)</td><td>1,349.080 ▼ 1,359.390</td></tr> <tr><td>SINGAPORE (DOLLAR)</td><td>1.372 ▼ 1.374</td></tr> <tr><td>INDONESIA (RUPIAH)</td><td>15,870 ▼ 15,810</td></tr> <tr><td>MALAYSIA (RINGGIT)</td><td>4.765 ▼ 4.764</td></tr> </table>	PREVIOUS	JAPAN (YEN)	149.840 ▼ 149.830	HONG KONG (HK DOLLAR)	7.824 ▼ 7.823	TAIWAN (NT DOLLAR)	32.332 ▼ 32.389	THAILAND (BAHT)	36.460 ▼ 36.450	S. KOREA (WON)	1,349.080 ▼ 1,359.390	SINGAPORE (DOLLAR)	1.372 ▼ 1.374	INDONESIA (RUPIAH)	15,870 ▼ 15,810	MALAYSIA (RINGGIT)	4.765 ▼ 4.764	<b>OCTOBER 20, 2023</b> <table border="1"> <tr><th>CLOSE</th><th>PREVIOUS</th></tr> <tr><td>US\$/UK POUND</td><td>1.2160 ▲ 1.2103</td></tr> <tr><td>US\$/EURO</td><td>1.0593 ▲ 1.0542</td></tr> <tr><td>US\$/AUST DOLLAR</td><td>0.6312 ▲ 0.6302</td></tr> <tr><td>CANADA DOLLAR/US\$</td><td>1.3716 ▲ 1.3729</td></tr> <tr><td>SWISS FRANC/US\$</td><td>0.8917 ▼ 0.8986</td></tr> </table>	CLOSE	PREVIOUS	US\$/UK POUND	1.2160 ▲ 1.2103	US\$/EURO	1.0593 ▲ 1.0542	US\$/AUST DOLLAR	0.6312 ▲ 0.6302	CANADA DOLLAR/US\$	1.3716 ▲ 1.3729	SWISS FRANC/US\$	0.8917 ▼ 0.8986	<b>FUTURES PRICE ON NEAREST MONTH OF DELIVERY</b> \$93.45/BBL \$2.25 30 DAYS TO OCTOBER 20, 2023
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VOL. XXXVII • ISSUE 63 MONDAY • OCTOBER 23, 2023 • www.bworldonline.com S1/1-12 • 3 SECTIONS, 22 PAGES

PHILIPPINE STOCK EXCHANGE'S 10 MOST ACTIVE STOCKS BY VALUE TURNOVER • OCTOBER 20, 2023 (PSEi snapshot on S1/2; article on S2/2)

BDO	P129.400	JFC	P215.200	SMPH	P30.700	BPI	P105.300	URC	P113.200	ICT	P207.200	SCC	P31.100	CNVRG	P9.250	ALI	P28.650	SM	P817.000
Value	P295,943,105	Value	P269,570,088	Value	P205,607,080	Value	P196,067,355	Value	P188,676,848	Value	P174,350,926	Value	P148,785,690	Value	P144,025,515	Value	P126,696,710	Value	P126,034,085
-P1.900	-1.447%	-P5.600	-2.536%	-P0.700	-2.229%	-P1.500	-1.404%	-P0.500	-0.440%	-P2.800	-1.333%	-P4.000	-11.396%	-P0.350	-3.646%	-P0.850	-2.881%	-P3.000	-0.366%

# New vehicle sales up 9.5% in Sept.

## Another rate hike may be needed to fight inflation

By Keisha B. Ta-asan  
Reporter

THE BANGKO SENTRAL ng Pilipinas (BSP) may be compelled to resume monetary tightening next month to mitigate inflationary pressures, although a likely pause by the US Federal Reserve could ease the pressure on the BSP to hike further, analysts said.

Jonathan L. Ravelas, senior adviser at Reyes Tacandong & Co., said there are more upside risks to inflation such as rising oil prices due to heightened geopolitical tensions in the Middle East.

"(We) may need more (rate) hikes to suppress inflation," he said in a Viber message.

GlobalSource Partners Country Analyst Diwa C. Guinigundo said inflation's upward trend may continue after the spike seen in August and September, as well as higher electricity rates, transport fares, and wages.

"On top of that, the latest forecasts of the BSP for the next two years are uncomfortably above the midpoint of the official (2-4%) inflation target, something that

could upset inflation expectations," he said in a Viber message.

"With the BSP's suggestive forward guidance, it looks like the BSP is set to resume tightening monetary policy. To me, that is most appropriate," he added.

BSP Governor Eli M. Remolona, Jr. earlier said he is not ruling out a 25-basis-point (bp) rate hike at its Nov. 16 meeting, after inflation accelerated for a second straight month in September to 6.1%.

September marked the 18<sup>th</sup> straight month that inflation exceeded the central bank's 2-4% target. Year to date, inflation averaged 6.6%.

The BSP sees average inflation at 5.8% this year, before declining to 3.5% in 2024 and 3.4% in 2025.

Mr. Remolona has also hinted at the possibility of an off-cycle rate hike, but the BSP still needs to review the latest data before making a policy decision.

China Banking Corp. Chief Economist Domini S. Velasquez said they have raised their average inflation forecast to 5.9% for 2023, slightly higher than the BSP's projection.

Rate hike, S1/3

## MIF's governance structure needs improvement — analysts

By Luisa Maria Jacinta C. Jocsion  
Reporter

IMPROVING the governance structure of the Maharlika Investment Fund (MIF) and ensuring the financial stability of the contributing state banks should be among the top priorities of the government's review of the law's implementing rules and regulations (IRR), analysts said.

"One clear provision that needs to be considered is the insulation of the MIF from government interference," Ateneo de Manila University economics professor Leonardo A. Lanzona said in an e-mail.

He noted a crucial element of the Santiago principles on sovereign wealth funds (SWFs) is the independence of the board,

"ensuring that investment vehicles can operate independently, and investment decisions are based on financial considerations rather than political or short-term interests."

"The very act of the President suspending the MIF implementation because of its organizational structure, specifically the composition of the board members, of the fund is itself a violation of this principle," Mr. Lanzona said.

President Ferdinand R. Marcos, Jr. last week suspended the MIF law's IRR in order to improve its organization structure and make it as close to "perfect and ideal as possible."

Mr. Marcos also clarified the suspension would not impact on the MIF's target to begin operations by the end of the year.

MIF, S1/9

## Gross borrowings fall in August

THE NATIONAL GOVERNMENT'S (NG) gross borrowings dropped by 6.96% to P124.056 billion in August, the Bureau of the Treasury (BTr) said.

Data from the BTr showed that gross borrowings in August were lower than P133.338 billion in the same month in 2022.

Month on month, gross borrowings slipped by 5.97% from P131.937 billion in July.

In August, domestic borrowings accounted for almost all or 94.6% of total gross borrowings.

Gross domestic debt declined by 11.09% to P117.374 billion during the month from P132.021 billion a year ago.

Broken down, this was made up of P110.235 billion in fixed-rate Treasury bonds and P7.139 billion in Treasury bills.

Meanwhile, gross external debt grew fivefold to P6.682 billion in August from P1.317 billion in the previous year. External borrowings were entirely composed of new project loans.

In the January-to-August period, the NG's gross debt jumped by 21.76% to P1.68

trillion from P1.38 trillion in the same period last year.

Domestic debt accounted for the bulk or 76.5% of total gross borrowings in the first eight months. Gross domestic borrowings increased by 23.37% to P1.28 trillion from P1.04 trillion.

This consisted of P904.76 billion in fixed-rate Treasury bonds, P283.763 billion in retail Treasury bonds, and P95.842 billion in Treasury bills.

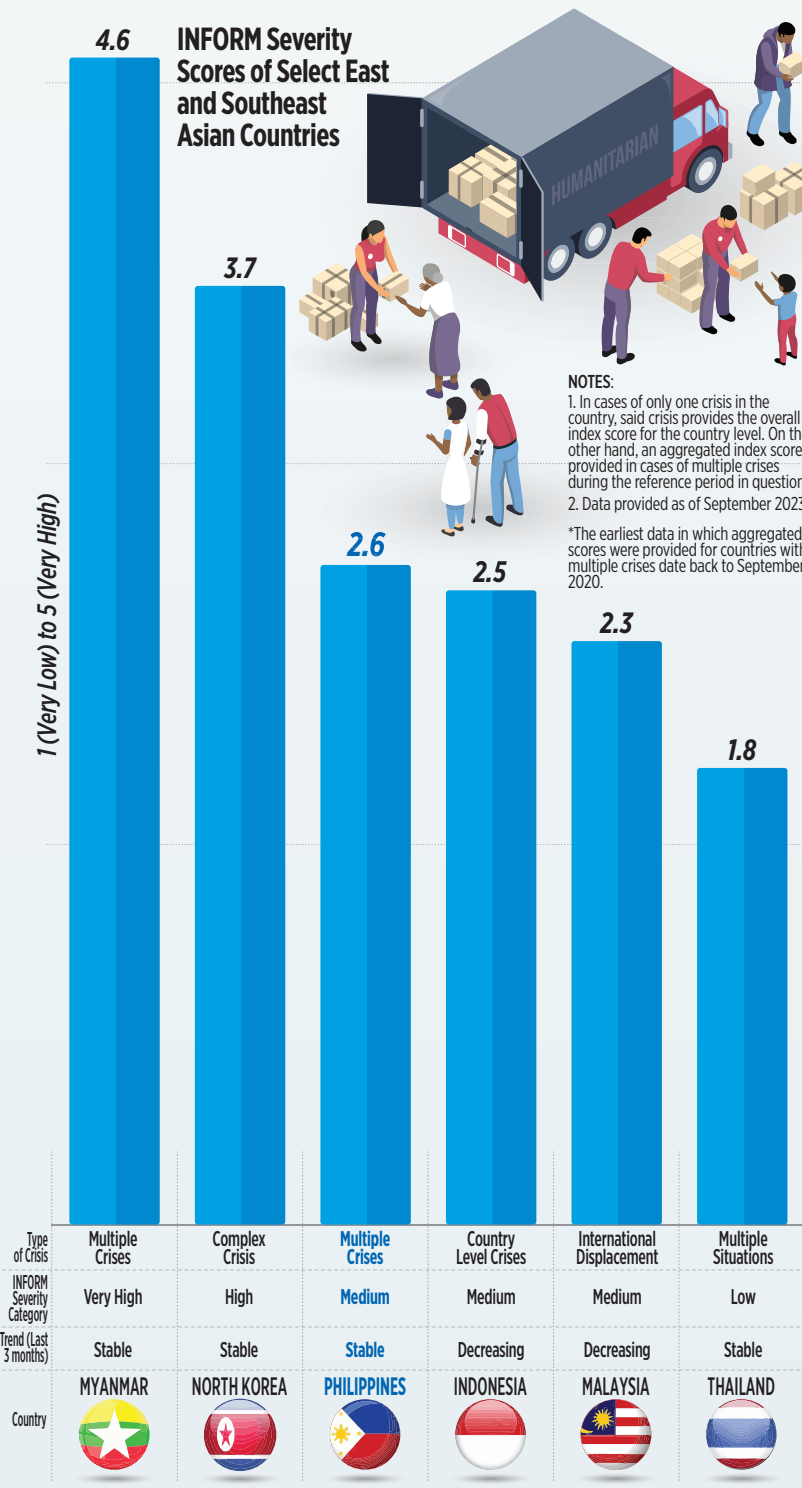
As of end-August, external debt stood at P394.562 billion, up by 16.81% from P337.794 billion in the same period a year ago.

This was composed of P163.607 billion in global bonds, P145.059 billion in program loans, and P85.869 billion in new project loans.

ING Bank N.V. Manila Senior Economist Nicholas Antonio T. Mapa in a Viber message said that the lower gross borrowings in August was due to "less pressure" to borrow amid normalizing revenue streams. — **Luisa Maria Jacinta C. Jocsion**

## HOW DOES THE SEVERITY OF HUMANITARIAN CRISIS IN THE PHILIPPINES COMPARE WITH OTHER COUNTRIES?

The Philippines' score inched up in the September 2023 iteration of the INFORM (Index for Risk Management) Severity Index, scoring 2.6 (out of 5). The country is still classified under "medium" INFORM severity category but now with a "stable" trend in the past three months. The index is a composite indicator designed to assess the severity of humanitarian crises against a common scale using various data from publicly available sources. In September, the country's severity score was driven by the Mindanao conflict, Typhoon Paeng (international name: Nalgae), Typhoon Egay (international name: Doksuri) and the southwest monsoon.



Countries with Highest Severity Scores

Country	Type of Crisis	INFORM Severity Score (Out of 5)	INFORM Severity Category	Trend (last 3 months)
Sudan	Complex Crisis	4.9	Very High	Increasing
Somalia	Complex Crisis	4.7	Very High	Stable
Yemen	Conflict	4.7	Very High	Stable
Myanmar	Complex Crisis	4.6	Very High	Stable
Syria	Conflict	4.6	Very High	Stable

Countries with Lowest Severity Scores

Country	Type of Crisis	INFORM Severity Score (Out of 5)	INFORM Severity Category	Trend (last 3 months)
Romania	Conflict and International Displacement	1.3	Low	Stable
Hungary	Conflict and International Displacement	1.6	Low	Increasing
Dominican Republic	International Displacement	1.8	Low	Decreasing
Spain	International Displacement	1.8	Low	Stable
Slovakia	Conflict and International Displacement	1.8	Low	Stable

Historical Trend: Philippines\*

Date	Type of Crisis	INFORM Severity Score (Out of 5)	INFORM Severity Category	Trend (last 3 months)
September 2022	Multiple Crises	2.9	Medium	Decreasing
October	Multiple Crises	2.9	Medium	Decreasing
November	Multiple Crises	3.0	Medium	Decreasing
December	Multiple Crises	3.1	High	Stable
January 2023	Multiple Crises	2.7	Medium	Decreasing
February	Multiple Crises	2.6	Medium	Decreasing
March	Multiple Crises	2.6	Medium	Decreasing
April	Multiple Crises	2.6	Medium	Decreasing
May	Multiple Crises	2.6	Medium	Decreasing
June	Multiple Crises	2.5	Medium	Stable
July	Multiple Crises	2.5	Medium	Decreasing
August	Multiple Crises	2.5	Medium	Decreasing
September	Multiple crises	2.6	Medium	Stable

Source: INFORM Severity Index September 2023 (https://drmc.jrc.ec.europa.eu/inform-index/INFORM-Severity/Results-and-data) BusinessWorld Research: Abigail Marie P. Yraola BusinessWorld Graphics: Bong R. Fortin

NEW VEHICLE SALES grew by an annual 9.5% in September, the slowest pace in 19 months, according to the joint report by the Chamber of Automotive Manufacturers of the Philippines, Inc. (CAMPI) and the Truck Manufacturers Association (TMA).

The CAMPI-TMA report showed new vehicle sales increased to 38,628 units in September from 35,282 units in the same month a year ago.

"We recorded the highest monthly sales performance in September and we hope that a positive consumer outlook will be sustained in (the fourth quarter)," CAMPI President Rommel R. Gutierrez said in a statement.

However, September saw the end of 18 straight months of double-digit growth. At 9.5%, this was the weakest expansion in 19 months or since the 7.3% contraction in February 2022.

Month on month, vehicle sales went up by 5.2%.

Mr. Gutierrez said vehicle sales were driven by "promotional campaigns and new model launches in August."

Data showed commercial vehicles accounted for two-thirds of the sales in September. Commercial vehicle sales rose by 6.5% to 29,070 units in September from 27,306 units in the same month last year.

Month on month, commercial vehicle sales went up by 9.2% from 26,620 units in August.

Broken down, light commercial vehicle sales inched up by 4.6% to 23,098 units, while sales of Asian utility vehicles went up by 14.9% to 4,955 units in September.

Sales of light trucks increased by 21.7% to 611 units in September, but sales of medium and heavy trucks declined by 2.4% and 5.8% to 325 and 81 units, respectively.

Meanwhile, passenger car sales jumped by 19.8% to 9,558 units in September from 7,976 units a year ago.

Month on month, sales of passenger cars dropped by 5.31% from 10,094 units in August.

Despite the slower growth in September, CAMPI-TMA members sold 314,843 units in the nine-month period, up by 26.9% from 248,154 units a year ago.

Mr. Gutierrez said the nine-month tally puts the industry on track to fully recover this year.

"The automotive market has remained resilient since 2021 and the current trend indicates that we will breach the highest pre-pandemic sales performance and achieve full industry recovery in 2023," said Mr. Gutierrez.

CAMPI revised its 2023 sales target last month to 423,000 units from 395,000 units previously. If realized, this would be 20% higher than the 352,596 sales in 2022.

For the January-to-September period, commercial vehicle sales increased by 24.8% to 234,834 units, while passenger car sales rose by 33.2% to 80,009 units.

Toyota Motor Philippines Corp. remained the market leader with a 45.81% share as nine-month sales rose by 15.5% to 144,232 units.

Mitsubishi Motors Philippines Corp. came in second spot with a 65.2% increase in sales to 58,065 units in the first three quarters.

In third spot was Ford Motor Co. Phils., Inc. as sales jumped by 42.2% to 23,091 units.

Rounding out the top five were Nissan Philippines, Inc., which saw a 24.7% increase in sales to 20,037 units, and Suzuki Phils., Inc. whose sales fell by 6.8% to 13,490 units. — **Justine Irish D. Tabile**