

| STOCK MARKET  | ASIAN MARKETS  | WORLD MARKETS  | PESO-DOLLAR RATES   | ASIAN MONIES-US\$ RATE  | WORLD CURRENCIES  | DUBAI CRUDE OIL  |
|---|--|--|---|---|---|--|
| <b>PSEi</b><br>OPEN: 6,050.10<br>HIGH: 6,080.49<br>LOW: 6,026.43<br>CLOSE: 6,054.50<br>VOL.: 0.978 B<br>VAL(P): 3.632 B<br>14.78 Pts.<br>0.24%<br>30 DAYS TO OCTOBER 25, 2023 | <b>OCTOBER 25, 2023</b><br>JAPAN (NIKKEI 225) 31,269.92 ▲ 207.57 0.67<br>HONG KONG (HANG SENG) 17,085.33 ▲ 93.80 0.55<br>TAIWAN (WEIGHTED) 16,358.89 ▲ 49.13 0.30<br>THAILAND (SET INDEX) 1,401.84 ▼ 10.81 0.78<br>S.KOREA (KSE COMPOSITE) 2,363.17 ▼ -20.34 -0.85<br>SINGAPORE (STRAITS TIMES) 3,080.38 ▼ -3.50 -0.11<br>SYDNEY (ALL ORDINARIES) 6,854.30 ▼ -2.60 -0.04<br>MALAYSIA (KLSE COMPOSITE) 1,442.51 ▲ 6.86 0.48 | <b>OCTOBER 24, 2023</b><br>Dow Jones 33,141.380 ▲ 204.970<br>NASDAQ 13,139.875 ▲ 121.546<br>S&P 500 4,247.680 ▲ 30.640<br>FTSE 100 7,389.700 ▲ 14.870<br>Euro Stoxx50 3,843.650 ▲ 25.630 | <b>FX</b><br>OPEN P56.750<br>HIGH P56.750<br>LOW P56.875<br>CLOSE P56.850<br>W.AVE. P56.827<br>VOL. \$909.70 M<br>9.00 CTS<br>30 DAYS TO OCTOBER 25, 2023<br>SOURCE : BAP | <b>OCTOBER 25, 2023</b><br><b>LATEST BID (0900GMT)</b><br>JAPAN (YEN) 149.910 ▼ 149.620<br>HONG KONG (HK DOLLAR) 7.822 ▼ 7.822<br>TAIWAN (NT DOLLAR) 32.387 ▼ 32.292<br>THAILAND (BAHT) 36.170 ▼ 36.120<br>S. KOREA (WON) 1,350.040 ▼ 1,342.600<br>SINGAPORE (DOLLAR) 1.369 ▼ 1.366<br>INDONESIA (RUPIAH) 15,865 ▼ 15,845<br>MALAYSIA (RINGGIT) 4.777 ▲ 4.783 | <b>OCTOBER 25, 2023</b><br>US\$/UK POUND 1.2124 ▼ 1.2249<br>US\$/EURO 1.0574 ▼ 1.0644<br>US\$/AUSTRALIAN DOLLAR 0.6342 ▼ 0.6363<br>CANADA DOLLAR/US\$ 1.3771 ▼ 1.3685<br>SWISS FRANC/US\$ 0.8958 ▲ 0.8923 | <b>FUTURES PRICE ON NEAREST MONTH OF DELIVERY</b><br><b>\$90.50/BBL</b><br>30 DAYS TO OCTOBER 24, 2023 |

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PHILIPPINE STOCK EXCHANGE'S 10 MOST ACTIVE STOCKS BY VALUE TURNOVER • OCTOBER 25, 2023 (PSEi snapshot on S1/4; article on S2/2)

| BPI   | P100.000          | BDO   | P129.000        | ICT   | P201.000          | MBT   | P53.700         | SMPH  | P30.200         | ALI   | P28.000           | TEL   | P1,235.000       | WLCON | P19.600           | JFC   | P214.000        | URC   | P113.400          |
|-------|-------------------|-------|-----------------|-------|-------------------|-------|-----------------|-------|-----------------|-------|-------------------|-------|------------------|-------|-------------------|-------|-----------------|-------|-------------------|
| Value | P319,063,930      | Value | P311,390,836    | Value | P288,136,944      | Value | P247,465,185    | Value | P166,798,165    | Value | P143,703,680      | Value | P138,990,575     | Value | P138,331,478      | Value | P134,585,974    | Value | P113,871,633      |
|       | -P0.600 ▼ -0.596% |       | P1.600 ▲ 1.256% |       | -P1.000 ▼ -0.495% |       | P1.550 ▲ 2.972% |       | P0.000 — 0.000% |       | -P0.400 ▼ -1.408% |       | P31.000 ▲ 2.575% |       | -P1.800 ▼ -8.411% |       | P3.000 ▲ 1.422% |       | -P0.100 ▼ -0.088% |

# September budget gap widens

By Luisa Maria Jacinta C. Jacson Reporter

THE NATIONAL Government's (NG) budget gap ballooned in September as revenues declined and expenditures rose, the Bureau of the Treasury (BTr) said.

Data from the BTr on Wednesday showed that the fiscal deficit widened by 39.6% to P250.9 billion from P179.8 billion a year ago. "The fiscal outturn for the period was underpinned by an 8.06% year-over-year acceleration in expenditures coupled with an 11.57% decrease in government receipts," the Treasury said.

In September, revenues fell by 11.57% to P255.4 billion from P288.8 billion a year earlier. The bulk of revenues came from taxes, which dropped by 8.43% year on year to P233.5 billion. The Bureau of Internal Revenue (BIR) collected P152.2 bil-

lion, slumping by 12.36% from P173.6 billion a year ago. Collections by the Bureau of Customs (BoC) dipped by 0.47% to P78.9 billion. Meanwhile, nontax revenues fell by 35.22% to P21.9 billion as revenues from other offices plunged by 47.34% to P14 billion.

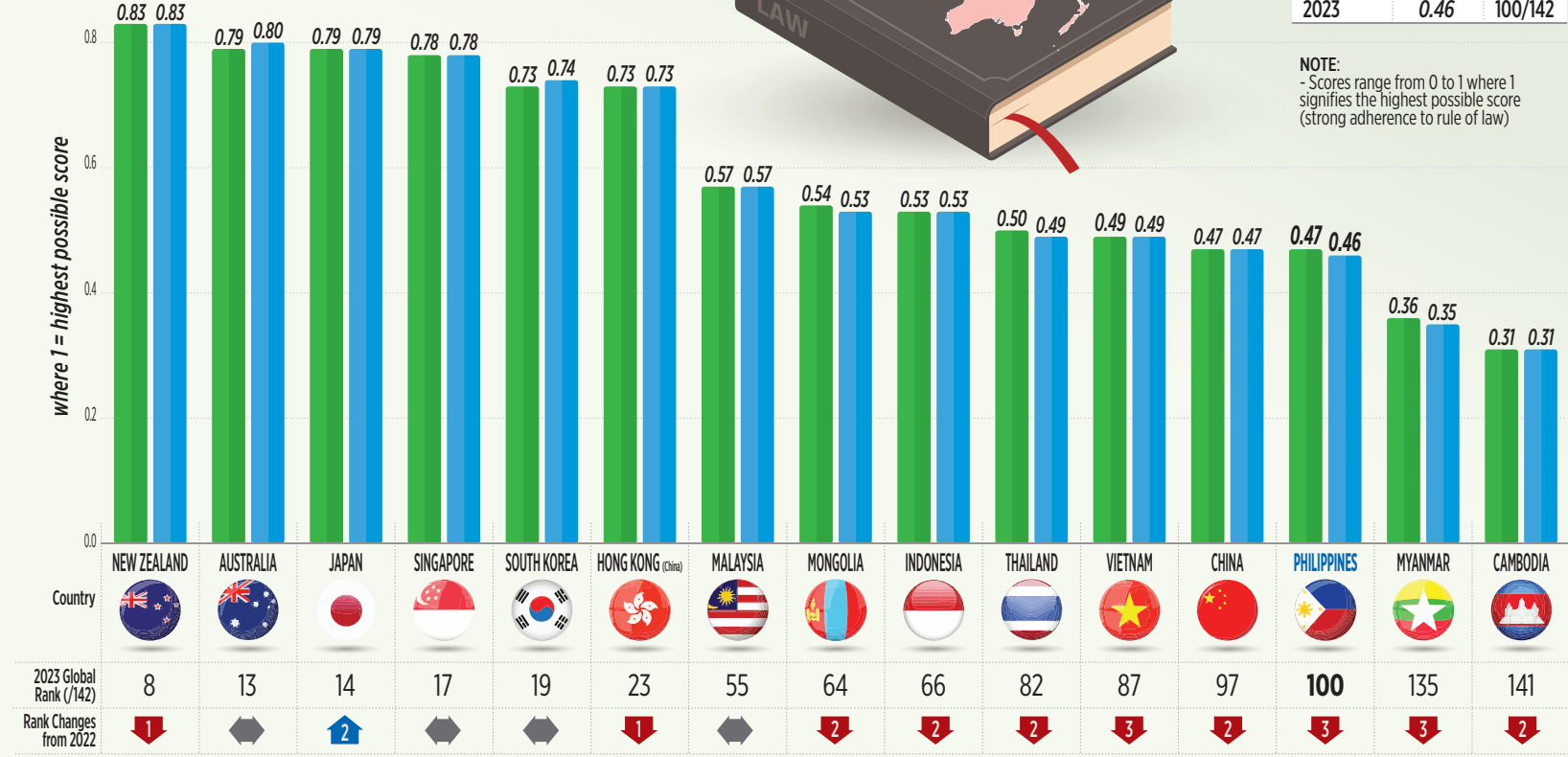
"The downturn (in revenues from other offices) was due to the base effect of last year's one-off inflows from the return of P7.3 billion in unutilized funds of the Unconditional Cash Transfer Program and the P2.6-billion Philippine Charity Sweepstakes Office mandatory contribution to the Universal

Health Care Program," the BTr said. BTr income rose by 8.79% to P7.9 billion from P7.3 billion a year ago due to "higher interest earnings on NG deposits and NG share from Philippine Amusement and Gaming Corp. (PAGCOR) income." *Budget, S1/4*

## PHILIPPINES SLIPS TO 100<sup>TH</sup> IN WJP RULE OF LAW INDEX

The Philippines fell three spots to rank 100<sup>th</sup> out of 142 countries with an overall score of 0.46 in the 2023 edition of the Rule of Law Index by international civil society organization World Justice Project (WJP). The index measures the rule of law across eight factors: constraints on government powers, absence of corruption, open government, fundamental rights, order and security, regulatory enforcement, civil justice, and criminal justice. The Philippines got the third-lowest score in the East Asia and the Pacific region, only ahead of Myanmar (135<sup>th</sup> overall) and Cambodia (141<sup>st</sup>). (Read related story on S1/12.)

### WJP's Rule of Law Index Scores of East Asia and the Pacific Countries



### Philippine Historical Rankings

| Year      | Overall Score | Rank    |
|-----------|---------------|---------|
| 2015      | 0.52          | 53/102  |
| 2016      | 0.51          | 73/113  |
| 2017-2018 | 0.47          | 88/113  |
| 2019      | 0.47          | 89/126  |
| 2020      | 0.47          | 91/128  |
| 2021      | 0.46          | 102/139 |
| 2022      | 0.47          | 97/140  |
| 2023      | 0.46          | 100/142 |

### Philippine Profile (2023)

| Factors                          | Score | Global Rank (/142) |
|----------------------------------|-------|--------------------|
| Open Government                  | 0.47  | 79                 |
| Absence of Corruption            | 0.43  | 83                 |
| Regulatory Enforcement           | 0.47  | 84                 |
| Constraints on Government Powers | 0.47  | 93                 |
| Order and Security               | 0.67  | 94                 |
| Civil Justice                    | 0.45  | 103                |
| Criminal Justice                 | 0.31  | 120                |
| Fundamental Rights               | 0.40  | 120                |

### Top 10

| 2023 Global Rank (/142) | Rank Changes from 2022 | Country     | 2023 Overall Score |
|-------------------------|------------------------|-------------|--------------------|
| 1                       | 0                      | Denmark     | 0.90               |
| 2                       | 0                      | Norway      | 0.89               |
| 3                       | 0                      | Finland     | 0.87               |
| 4                       | 0                      | Sweden      | 0.85               |
| 5                       | 1                      | Germany     | 0.83               |
| 6                       | 2                      | Luxembourg  | 0.83               |
| 7                       | 2                      | Netherlands | 0.83               |
| 8                       | 1                      | New Zealand | 0.83               |
| 9                       | 0                      | Estonia     | 0.82               |
| 10                      | 0                      | Ireland     | 0.81               |

### Bottom 10

| 2023 Global Rank (/142) | Rank Changes from 2022 | Country                | 2023 Overall Score |
|-------------------------|------------------------|------------------------|--------------------|
| 142                     | 2                      | Venezuela              | 0.26               |
| 141                     | 2                      | Cambodia               | 0.31               |
| 140                     | 2                      | Afghanistan            | 0.32               |
| 139                     | 3                      | Haiti                  | 0.34               |
| 138                     | 1                      | Dem. Rep. of the Congo | 0.34               |
| 137                     | 4                      | Nicaragua              | 0.35               |
| 136                     | 1                      | Egypt                  | 0.35               |
| 135                     | 3                      | Myanmar                | 0.35               |
| 134                     | 0                      | Cameroon               | 0.35               |
| 133                     | 2                      | Mauritania             | 0.36               |

## Gov't to borrow P225B from local mart in November

By Keisha B. Ta-asan Reporter

THE NATIONAL Government (NG) plans to borrow P225 billion from the domestic market in November, the Bureau of the Treasury (BTr) said.

The BTr released on Wednesday its borrowing plan for next month which is 50% higher than the P150-billion program in October.

It will also be 58.8% more than the actual P141.641 billion raised by the government this month.

In November, the BTr plans to borrow P75 billion in Treasury bills (T-bills) and P150 billion in Treasury bonds (T-bonds).

The government will offer P5 billion worth of 91-day, 182-day and 364-day T-bills on Oct. 31, Nov. 6, 13, 20, and 28.

For next week, the T-bill auction is scheduled for Oct. 31 (Tuesday) after Oct. 30 (Monday) was declared a holiday for the Barangay and Sangguniang Kabataan Elections.

The T-bill auction will also be held on Nov. 28 (Tuesday), since Nov. 27 (Monday) was declared a holiday. Proclamation No. 90 moved the Bonifacio Day

holiday to Nov. 27 from Nov. 30 (Thursday).

For the long-term tenors, the BTr will auction off P30 billion in five-year bonds on Oct. 31, seven-year debt on Nov. 7 and 10-year bonds on Nov. 14.

It will also offer P30 billion in 15-year bonds on Nov. 21 and six-year bonds on Nov. 28.

ING Bank N.V. Manila Senior Economist Nicholas Antonio T. Mapa said there are more planned borrowings in November since there are more auction dates compared with October.

"With the government indicating it will be spending

to support sagging economic growth, the BTr appears to be ensuring funding for such spending," he said in a Viber message.

The BTr scheduled fewer auction dates in October as it also launched its retail dollar bond offer. The government raised \$1.26 billion from its first retail dollar bond offer under the Marcos administration.

Rizal Commercial Banking Corp. Chief Economist Michael L. Ricalfort said the government had frontloaded the borrowing requirements before the seasonal lull in borrowings in December.

## 'Monetary policy cure' not needed to address inflation — Balisacan

FURTHER RATE HIKES may not be necessary to address rising consumer prices, as inflation remains driven by supply-side factors, according to National Economic and Development Authority (NEDA) Secretary Arsenio M. Balisacan.

"I am not a member of the Monetary Board, and I respect their wisdom, but I think the source of inflation is more supply side and not the demand side, which requires a monetary policy cure," Mr. Balisacan told reporters on the sidelines of the 12<sup>th</sup> Arangkada Forum on Wednesday.

This was after BSP Governor Eli M. Remolona, Jr. on Tuesday said the Monetary Board was considering an off-cycle rate hike as early as today (Thursday), amid upside risks to inflation. Its regular policy-setting meeting is scheduled for Nov. 16.

The BSP has maintained a hawkish stance in recent months, even as it kept the benchmark interest rate at a near 16-year high of 6.25% at its last four straight meetings.

Mr. Remolona earlier signaled a possible 25-bp rate hike, saying high interest rates have not affected economic growth prospects.

However, Mr. Balisacan said high interest rates could have long-term effects on the economy and discourage new investments. "That's why we have to be very careful," he added.

Mr. Balisacan is hopeful that October inflation would ease from the 6.1% print in September.

"I would be very surprised if rice inflation will (still) be (the same) rate that we saw in September, because the harvest season (has started)," he said. "World prices have declined a bit in the past couple of weeks, so that should have tempered the pressure for upward prices."

Mr. Balisacan also said retail rice prices have adjusted quickly to market conditions following the lifting of the rice price ceiling earlier this month.

"With current availability of supplies and timely arrival of imports, I think that we should see less of those (price) pressures," he said.

While global rice prices have been declining in recent weeks, prices remain elevated. The impact of the El Niño phenomenon on production is still considered an upside risk to inflation.

*Balisacan, S1/4*

## EU, Philippines ink €60-M financing deal for green economy program

THE PHILIPPINES and the European Union (EU) signed on Wednesday a €60-million financing deal for the Green Economy Programme.

"This program, a key part of the EU's contribution to the Team Europe Initiative on Green Economy, aims to assist the Philippines in transitioning towards a sustainable economy," according to a joint release from the Philippines' Department of Finance and the European Commission.

Finance Secretary Benjamin E. Diokno said that the financing will help the country fulfill its commitment of reducing greenhouse gases by 75% by 2030.

"Through this €60-million grant, the country will benefit from various measures in reducing the production of wastes and plastics, deploying renewable energy, and improving energy efficiency," he said.

Mr. Diokno and European Commissioner for International Partnerships Jutta Urpilainen signed the agreement at the Global Gateway Forum in Brussels.

Under the agreement, the EU will work with the National Government, local government units and the private sector to promote green investments, bonds and skills, as well as focus on "greener" supply chains and production processes.

"This includes embracing the circular economy, reducing waste and plastic usage, ensuring water supply and wastewater treatment, promoting energy efficiency and deploying renewable energy to address the impacts of the climate crisis," according to the statement.

The Green Economy Programme will be implemented by the Deutsche Gesellschaft für Internationale Zusammenarbeit and Expertise France.

"Spain, Finland, Germany and France have also made financial contributions to the Team Europe Initiative, further cementing the EU's commitment to fostering a sustainable green economy in the Philippines." — **L.M.J.C. Jacson**