P25
IN METRO MANILA, PHILIPPINES

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STOCK MARKET

PSEi — 30 DAYS TO NOVEMBER 3, 2023

OPEN:	6,039.38
HIGH:	6,083.69
LOW:	5,989.27
CLOSE:	5,989.27
VOL.:	0.301 B
VAL(P):	3.762 B

▲ 15.49 PTS. 0.25%

ASIAN MARKETS

NOVEMBER 3, 2023	CLOSE		NET	%
Japan (Nikkei 225) *	31,949.89	▲	348.24	1.10
Hong Kong (Hang Seng)	17,664.12	▲	433.53	2.52
Taiwan (Weighted)	16,507.65	▲	110.70	0.68
Thailand (SET Index)	1,419.76	▲	15.77	1.12
S.Korea (Kse Composite)	2,368.34	▲	25.22	1.08
Singapore (Straits Times)	3,143.66	▲	61.17	1.98
Sydney (All Ordinaries)	6,978.20	▲	78.50	1.14
Malaysia (Klse Composite)	1,449.93	▲	10.16	0.71

* CLOSING PRICE AS OF NOVEMBER 2, 2023

WORLD MARKETS

NOVEMBER 3, 2023	CLOSE		NET
Dow Jones	34,061.320	▲	222.240
NASDAQ	13,478.283	▲	184.093
S&P 500	4,358.340	▲	40.560
FTSE 100	7,417.730	▼	-28.800
Euro Stoxx50	3,873.560	▼	-24.710

PESO-DOLLAR RATES

FX — 30 DAYS TO NOVEMBER 3, 2023

OPEN	P56.600
HIGH	P55.930
LOW	P56.600
CLOSE	P56.100
W.AVE.	P56.252
VOL.	$1,838.00 M

▲ 63.00 CTVS
SOURCE : BAP

ASIAN MONIES-US$ RATE

NOVEMBER 3, 2023	LATEST BID (0900GMT)		PREVIOUS
Japan (yen)	149.370	▲	150.270
Hong Kong (HK dollar)	7.824	—	7.824
Taiwan (NT dollar)	32.098	▲	32.309
Thailand (baht)	35.430	▲	35.930
S. Korea (won)	1,308.230	▲	1,337.280
Singapore (dollar)	1.354	▲	1.365
Indonesia (rupiah)	15,725	▲	15,850
Malaysia (ringgit)	4.726	▲	4.750

WORLD CURRENCIES

NOVEMBER 3, 2023	CLOSE		PREVIOUS
US$/UK pound	1.2374	▲	1.2177
US$/Euro	1.0729	▲	1.0612
US$/Aust dollar	0.6511	▲	0.6437
Canada dollar/US$	1.3659	▼	1.3817
Swiss Franc/US$	0.8988	▼	0.9040

DUBAI CRUDE OIL

FUTURES PRICE ON NEAREST MONTH OF DELIVERY
$88.24/BBL
▲ $1.29
30 DAYS TO NOVEMBER 3, 2023

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S1/1-12 • 2 SECTIONS, 20 PAGES

PHILIPPINE STOCK EXCHANGE'S 10 MOST ACTIVE STOCKS BY VALUE TURNOVER • NOVEMBER 3, 2023 (PSEi snapshot on *S1/2*; article on *S2/2*)

		Value			
BDO	P128.000	P355,453,384	P0.500	▲	0.392%
BPI	P99.050	P266,969,620	-P1.450	▼	-1.443%
ICT	P205.000	P246,485,442	P3.800	▲	1.889%
GTCAP	P528.000	P230,338,920	-P21.000	▼	-3.825%
SM	P805.000	P230,330,825	P4.000	▲	0.499%
ALI	P27.350	P206,235,650	-P0.500	▼	-1.795%
JFC	P209.000	P201,465,676	P4.000	▲	1.951%
MBT	P52.000	P162,038,752	-P0.300	▼	-0.574%
TEL	P1,239.000	P103,838,105	P29.000	▲	2.397%
URC	P110.100	P102,490,801	P0.800	▲	0.732%

GDP likely grew 4.9% in Q3 — poll

PHILIPPINE economic growth likely picked up in the third quarter amid a recovery in government spending, although elevated inflation and high interest rates may have dampened household consumption, analysts said.

A *BusinessWorld* poll of 18 economists and analysts last week yielded a median gross domestic product (GDP) growth estimate of 4.9% for the July-September period, a tad faster than the preliminary 4.3% growth recorded in the second quarter.

However, this pace would be slower than 7.7% in the July-September period a year ago.

If realized, this would bring the nine-month average GDP expansion to 5.2%, still below the government's 6%-7% full-year target.

The Philippine Statistics Authority (PSA) is set to release third-quarter GDP data on Nov. 9.

Analysts said that a recovery in government spending and steady household consumption likely drove the GDP growth in the July-to-September period. However, the pace of economic expansion may have been tempered by persistent inflation and high borrowing costs.

"A catch-up in government spending should have provided some lift to overall GDP. However, household consumption and private investment likely provided much weaker, limiting how much the overall figure can be lifted," Aris Dacanay, Association of Southeast Asian Nations (ASEAN) economist at HSBC Global Research, said in an e-mail.

Nicholas Antonio T. Mapa, senior economist at ING Bank N.V. Manila, gave a 4.2% GDP growth forecast for the third quarter due to the expected "modest rebound" in government spending.

"But capital formation could slide deeper into negative territory. Consumption should still be positive but the weight of elevated prices and rising household debt amidst a high interest rate landscape could be a drag on all important household spending," Mr. Mapa said in an e-mail.

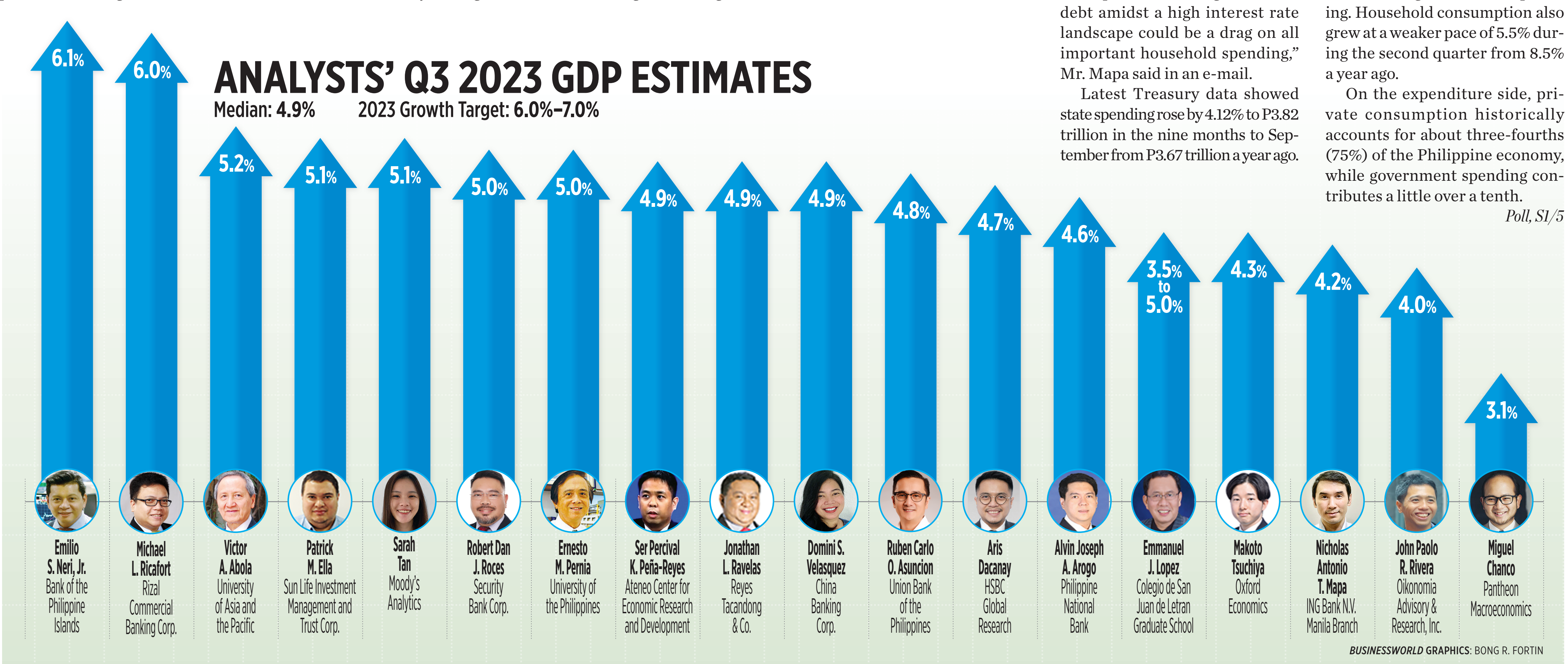
Latest Treasury data showed state spending rose by 4.12% to P3.82 trillion in the nine months to September from P3.67 trillion a year ago.

"However, growth in public construction may be dampened by weaker activities on the private side given the high interest rate environment," Domini S. Velasquez, chief economist at China Banking Corp. said in an e-mail.

The slower-than-expected second-quarter GDP growth was partly attributed to the 7.1% contraction in government spending. Household consumption also grew at a weaker pace of 5.5% during the second quarter from 8.5% a year ago.

On the expenditure side, private consumption historically accounts for about three-fourths (75%) of the Philippine economy, while government spending contributes a little over a tenth.

Poll, S1/5



Short selling debuts in PHL after a 27-year wait

AFTER a nearly three-decade wait, traders will finally be able to short-sell stocks in the Philippines.

A total of 52 stocks and one exchange-traded fund, including all the equities on the benchmark gauge, will be available for short selling on Monday after regulators signed off on a proposal first made by the Philippine Stock Exchange, Inc. (PSE) in 1996.

"Without short selling or any index futures, we will be a long-only market, so if there's uncertainty on the economy, the political situation or even in emerging markets, they will all sell," PSE President Ramon S. Monzon said in an interview. "With short selling, they can stay here and hedge," he said, referring to foreign investors.

The Philippines is embracing short selling just when regional peers such as China and South Korea are tightening control over it with emerging markets under pressure from higher US rates. Mr. Monzon is seeking to revive interest in a market where average daily stock transactions have slumped by almost 40% in the past decade, and foreign equity investments are set to shrink for a sixth year.

"It's definitely a step in the right direction and about time," said Conrado Bate, president at COL Financial Group, Inc., the nation's biggest online stock brokerage. It will take time for investors and brokers to be familiar with shorting equities, he added.

For the debut, the Philippine Depository and Trust Corp. is the only licensed lending agent that can provide shares that it does not own for short selling. Other brokers can lend out shares that they own to clients or borrow stocks that they do not have from the depository for a fee.

LIQUIDITY FEARS

Brokers will be able to lend out shares that they don't own to other borrowers once they have their own lending permits. To do that, they need monitoring systems to track the shares. But brokers aren't in a rush to become lending agents due to the costs required, according to Alex Dauz, president at Maybank Securities' Philippine unit.

The benchmark has declined nearly 9% in 2023, among the worst performers in Asia. Foreigners have withdrawn nearly $6 billion from the country's equity markets since 2018.

The ability to short-sell may not be enough to lure back global funds. "Liquidity has been one of the key constraints to foreign investors to build large positions in the Philippines stock market," said Ernest Chew, portfolio manager for Southeast Asia equities at BNP Paribas Asset Management.

"Short selling might cause more unfavorable volatility particularly in a market with lower liquidity," he said. — ***Bloomberg***

Greenhouse gas emissions from PHL land transport to quadruple by 2050

GREENHOUSE GAS (GHG) emissions from the land-based transport sector in the Philippines are projected to quadruple by 2050, the World Bank said.

"Economic and population growth along with rapid urbanization has led to an increase in the number of vehicles per capita in the Philippines which will grow fivefold between year 2020 and 2025, from 114.7 per 1,000 people to 672.9 vehicles per 1,000 people," it said in a background paper.

It noted that vehicle ownership, particularly motorcycles and tricycles, will likely increase as public transport systems remain undeveloped in the country.

"If current motorization continues, greenhouse gas emissions from land transport would more than quadruple from 25 million tons of carbon dioxide equivalent ($MtCO_2e$) in 2020 to 147 $MtCO_2e$ by 2050, growing at an average annual rate of 5.39%," the World Bank said.

Among land-based transport systems, motorcycles and tricycles will contribute the most to these emissions, with its share increasing to 29.6% in 2050 from 21.2% in 2020.

Light vehicles such as cars, vans, taxis, are expected to contribute 20.9% to these GHG emissions by 2050.

The transport sector accounts for 13% of the Philippines' greenhouse gas emissions and is the largest source of urban pollution, according to the World Bank.

Greenhouse, S1/9

NG gross borrowings slump in Sept.

THE NATIONAL Government's (NG) gross borrowings fell in September, mainly due to a decline in domestic debt, the Bureau of the Treasury (BTr) reported.

Data from the BTr showed that NG's gross borrowings plunged by 76.79% to P103.246 billion in September from P444.874 billion in the same month a year ago.

Month on month, borrowings were also 16.8% lower than P124.056 billion in August.

Domestic debt accounted for the bulk or 89% of total gross borrowings during the month.

Gross domestic borrowings plunged by 78.92% to P92.067 billion in September from P436.709 billion in the same month in 2022.

Broken down, the BTr raised P61.064 billion from fixed-rate Treasury bonds and P31.003 billion from Treasury bills.

Meanwhile, external borrowings jumped by 36.91% year on year to P11.179 billion from P8.165 billion. This consisted entirely of new project loans.

In the first nine months, the NG's gross borrowings slipped by 2.28% to P1.78 trillion from P1.82 trillion in the same period a year ago.

Domestic borrowings stood at P1.38 trillion, lower by 6.86% from P1.48 trillion in the previous year. This accounted for 77% of total gross borrowings in the nine months to September.

The BTr raised P965.828 billion from the issuance of fixed-rate Treasury bonds, P283.763 billion from retail Treasury bonds, and P126.845 billion from Treasury bills.

Meanwhile, gross external debt climbed by 17.28% to P405.741 billion in the January-September period from P345.959 billion a year ago.

This was composed of P163.607 billion in global bonds, P145.059 billion in program loans, and P97.075 billion in new project loans.

Rizal Commercial Banking Corp. Chief Economist Michael L. Ricafort said that the decline in gross borrowings was likely due to the narrow budget deficit and maturing government bonds in August and September.

"The narrower budget deficit from January-September fundamentally reduced the need for the National Government to borrow," he said in a Viber message.

In the first nine months, the NG's budget deficit narrowed by 2.89% to P983.5 billion from P1.01 trillion a year ago. This was also 11% lower than the P1.106-trillion program for the period.

"Some frontloading of borrowings earlier this year when interest rates were still lower also reduced the latest National Government borrowing data," Mr. Ricafort added.

Oikonomia Advisory & Research, Inc. President and Chief Economist John Paolo R. Rivera said that high interest rates also reduced the capacity to borrow.

Borrowings, S1/5

PHL on track to hit medium-term targets — Diokno

THE PHILIPPINES is on track to achieve its growth and fiscal targets in the Medium-Term Fiscal Framework (MTFF) due to the "better-than-expected" revenue and spending performance, Finance Secretary Benjamin E. Diokno said.

"Specifically, the debt-to-GDP and deficit-to-GDP ratios are likely to be less than forecasted in the MTFF," he said in a statement on Sunday.

As of end-June, the government's debt as a share of GDP stood at 61%, still above the 60% threshold considered by multilateral lenders to be manageable for developing economies. The government targets to end the year with a 61.2% debt-to-GDP ratio and bring it below 60% by 2025.

Meanwhile, the deficit-to-GDP ratio stood at 4.8% as of end-June. The government has set a budget deficit ceiling of P1.499 trillion for 2023, equivalent to 6.1% of the GDP.

The Development Budget Coordination Committee (DBCC) said on Friday it "maintains optimism" on reaching its macroeconomic goals this year.

The DBCC held a special meeting on Friday but did not make any changes to its macroeconomic assumptions or growth targets.

The Department of Budget and Management (DBM) said that the committee is scheduled to meet within the first week of December for a final review of its macroeconomic assumptions and fiscal program this year.

Targets, S1/5