

STOCK MARKET	ASIAN MARKETS	WORLD MARKETS	PESO-DOLLAR RATES	ASIAN MONIES-US\$ RATE	WORLD CURRENCIES	DUBAI CRUDE OIL																																																																					
PSEi OPEN: 6,256.67 HIGH: 6,306.01 LOW: 6,245.66 CLOSE: 6,255.74 VOL.: 0.245 B VAL(P): 3,547 B 36.65 pts, 0.58% 30 DAYS TO DECEMBER 13, 2023	DECEMBER 13, 2023 <table border="1"> <tr><th>CLOSE</th><th>NET</th><th>%</th></tr> <tr><td>JAPAN (Nikkei 225)</td><td>32,926.35</td><td>▲ 82.65 0.25</td></tr> <tr><td>HONG KONG (HANG SENG)</td><td>16,228.75</td><td>▼ -145.75 -0.89</td></tr> <tr><td>TAIWAN (WEIGHTED)</td><td>17,468.93</td><td>▲ 18.30 0.10</td></tr> <tr><td>THAILAND (SET INDEX)</td><td>1,357.97</td><td>▼ -15.95 -1.16</td></tr> <tr><td>S.KOREA (KSE COMPOSITE)</td><td>2,510.66</td><td>▼ -24.61 -0.97</td></tr> <tr><td>SINGAPORE (STRAITS TIMES)</td><td>3,104.26</td><td>▲ 1.95 0.06</td></tr> <tr><td>SYDNEY (ALL ORDINARIES)</td><td>7,257.80</td><td>▲ 22.50 0.31</td></tr> <tr><td>MALAYSIA (KLSX COMPOSITE)</td><td>1,448.04</td><td>▲ 0.92 0.06</td></tr> </table>	CLOSE	NET	%	JAPAN (Nikkei 225)	32,926.35	▲ 82.65 0.25	HONG KONG (HANG SENG)	16,228.75	▼ -145.75 -0.89	TAIWAN (WEIGHTED)	17,468.93	▲ 18.30 0.10	THAILAND (SET INDEX)	1,357.97	▼ -15.95 -1.16	S.KOREA (KSE COMPOSITE)	2,510.66	▼ -24.61 -0.97	SINGAPORE (STRAITS TIMES)	3,104.26	▲ 1.95 0.06	SYDNEY (ALL ORDINARIES)	7,257.80	▲ 22.50 0.31	MALAYSIA (KLSX COMPOSITE)	1,448.04	▲ 0.92 0.06	DECEMBER 12, 2023 <table border="1"> <tr><th>CLOSE</th><th>NET</th></tr> <tr><td>Dow Jones</td><td>36,577.940 ▲ 173.010</td></tr> <tr><td>NASDAQ</td><td>14,533.397 ▲ 100.911</td></tr> <tr><td>S&P 500</td><td>4,643.700 ▲ 21.260</td></tr> <tr><td>FTSE 100</td><td>7,542.770 ▼ -2.120</td></tr> <tr><td>Euro Stoxx50</td><td>4,072.420 ▼ -4.970</td></tr> </table>	CLOSE	NET	Dow Jones	36,577.940 ▲ 173.010	NASDAQ	14,533.397 ▲ 100.911	S&P 500	4,643.700 ▲ 21.260	FTSE 100	7,542.770 ▼ -2.120	Euro Stoxx50	4,072.420 ▼ -4.970	FX OPEN P55.670 HIGH P55.670 LOW P56.080 CLOSE P56.055 W.AVE. P55.859 VOL. 1,604.25 M 48.50 ctyvs 30 DAYS TO DECEMBER 13, 2023 SOURCE : BAP	DECEMBER 13, 2023 <table border="1"> <tr><th>LATEST BID (0900GMT)</th><th>PREVIOUS</th></tr> <tr><td>JAPAN (YEN)</td><td>145.830 ▼ 145.360</td></tr> <tr><td>HONG KONG (HK DOLLAR)</td><td>7.813 ▼ 7.809</td></tr> <tr><td>TAIWAN (NT DOLLAR)</td><td>31.522 ▼ 31.467</td></tr> <tr><td>THAILAND (BAHT)</td><td>35.770 ▼ 35.650</td></tr> <tr><td>S. KOREA (WON)</td><td>1,319.330 ▼ 1,311.750</td></tr> <tr><td>SINGAPORE (DOLLAR)</td><td>1.344 ▼ 1.342</td></tr> <tr><td>INDONESIA (RUPIAH)</td><td>15,655 ▼ 15,615</td></tr> <tr><td>MALAYSIA (RINGGIT)</td><td>4.704 ▼ 4.682</td></tr> </table>	LATEST BID (0900GMT)	PREVIOUS	JAPAN (YEN)	145.830 ▼ 145.360	HONG KONG (HK DOLLAR)	7.813 ▼ 7.809	TAIWAN (NT DOLLAR)	31.522 ▼ 31.467	THAILAND (BAHT)	35.770 ▼ 35.650	S. KOREA (WON)	1,319.330 ▼ 1,311.750	SINGAPORE (DOLLAR)	1.344 ▼ 1.342	INDONESIA (RUPIAH)	15,655 ▼ 15,615	MALAYSIA (RINGGIT)	4.704 ▼ 4.682	DECEMBER 13, 2023 <table border="1"> <tr><th>CLOSE</th><th>PREVIOUS</th></tr> <tr><td>US\$/UK POUND</td><td>1.2518 ▼ 1.2569</td></tr> <tr><td>US\$/EURO</td><td>1.0777 ▼ 1.0794</td></tr> <tr><td>US\$/AUSTRALIAN DOLLAR</td><td>0.6552 ▼ 0.6591</td></tr> <tr><td>CANADA DOLLAR/US\$</td><td>1.3588 ▲ 1.3564</td></tr> <tr><td>SWISS FRANC/US\$</td><td>0.8766 ▼ 0.8768</td></tr> </table>	CLOSE	PREVIOUS	US\$/UK POUND	1.2518 ▼ 1.2569	US\$/EURO	1.0777 ▼ 1.0794	US\$/AUSTRALIAN DOLLAR	0.6552 ▼ 0.6591	CANADA DOLLAR/US\$	1.3588 ▲ 1.3564	SWISS FRANC/US\$	0.8766 ▼ 0.8768	FUTURES PRICE ON NEAREST MONTH OF DELIVERY \$76.25/BBL 91.00 88.00 85.00 82.00 79.00 76.00 \$0.39 30 DAYS TO DECEMBER 12, 2023
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VOL. XXXVII • ISSUE 101 THURSDAY • DECEMBER 14, 2023 • www.bworldonline.com S1/1-12 • 2 SECTIONS, 16 PAGES

PHILIPPINE STOCK EXCHANGE'S 10 MOST ACTIVE STOCKS BY VALUE TURNOVER • DECEMBER 13, 2023 (PSEi snapshot on S1/2; article on S2/2)

ICT	P234.400	BDO	P126.700	RLC	P15.160	SMPH	P32.800	MBT	P50.250	SM	P832.000	URC	P116.200	GLO	P1,702.000	GTCAP	P540.000	ALI	P31.500
Value	P443,315,482	Value	P418,276,158	Value	P158,861,108	Value	P147,354,460	Value	P132,392,719	Value	P110,046,410	Value	P100,276,921	Value	P94,047,530	Value	P93,739,970	Value	P88,642,490
P2.400	▲ 1.034%	P1.700	▲ 1.360%	-P0.040	▼ -0.263%	-P0.400	▼ -1.205%	-P1.200	▼ -2.332%	-P7.000	▼ -0.834%	P1.200	▲ 1.043%	-P16.000	▼ -0.931%	P3.000	▲ 0.559%	-P0.500	▼ -1.563%

MWSS approves hike in water rates

WATER RATES in Metro Manila are set to go up starting in January, as the Metropolitan Waterworks and Sewerage System Regulatory Office (MWSS-RO) approved the request of two water concessionaires to hike rates.

MWSS approved an increase of P6.41 per cubic meter for Manila Water Co., and a hike of P7.87 per cubic meter for Maynilad Water Services, Inc.

The rates will take effect on Jan. 1, 2024.

Manila Water customers in the east zone who consume 10 cubic meters will pay P34.13 more every month, while those who consume 20 cubic meters and 30 cubic meters will see their monthly bills go up by P76.68 and P187.01, respectively. Low-income customers who consume less than 10 cubic meters will pay P2.96 more every month.

For Maynilad customers in the west zone, those who consume 10 cubic meters will see a P45.36 hike in their monthly bill, while those who use 20 cubic meters a month will pay P100.67 more. Maynilad customers who use 30 cubic meters will pay P205.87 more for their monthly water bill.

For Maynilad's low-income life-line customers who consume less than 10 cubic meters, their bills

will increase by P4.74 every month.

"The reason for this (increase) is we adjusted rates by inflation. The rates rebasing was based on the 2022 value so it needs to be adjusted every year," MWSS Chief Regulator Patrick Lester N. Ty said at a media briefing on Wednesday.

Inflation averaged 6.2% in the first 11 months of the year, still above the central bank's 2-4% target range and the full-year forecast of 6%.

Mr. Ty said the rate adjustments are a "necessary burden" to ensure that customers will receive proper service especially with the El Niño weather phenomenon, which is expected to be felt starting February.

The latest adjustment in water rates is the second tranche of the approved tariffs for the 2023 to 2027 period. Last year, the MWSS board approved the implementation of higher rates

on a staggered basis for five years starting in January 2023.

"We did the tariff adjustments in tranches to ensure that the public will be protected and it will not be too burdensome to do it all in one go. And to ensure that Manila Water and Maynilad will be doing their capex (capital expenditure) rollout projects on time, and ahead of schedule, hopefully," Mr. Ty said.

Water rates, S1/9

ADB maintains PHL growth forecast at 5.7% for 2023

THE ASIAN Development Bank (ADB) maintained its growth forecasts for the Philippines for this year and 2024, as it expects robust domestic demand to continue.

In its latest Asian Development Outlook report, the multilateral lender kept its Philippine gross domestic product (GDP) growth projection at 5.7% this year and 6.2% next year.

"The growth forecasts for Indonesia and the Philippines for both years are maintained as both countries showed robust growth in the first nine months of 2023; this momentum is expected to continue, despite tighter financial conditions," it said.

The ADB's forecast for the Philippines makes it the fastest-growing economy in Southeast Asia for this year and in 2024.

However, the projections are below the government's 6-7% and 6.5-8% growth targets for 2023 and 2024, respectively.

"The growth forecast for the Philippines for 2023 is unchanged. The economy continues to be supported by domestic demand, with growth accelerating to 5.9% in the third quarter, averaging 5.5% in the first nine months," the ADB said.

To meet the lower end of the government's 6-7% GDP target this year, the economy would need to expand by 7.2% in the fourth quarter.

"Household consumption eased in the third quarter due in part to elevated inflation, but overall it remained robust amid low unemployment and steady remittances from overseas workers," the ADB said.

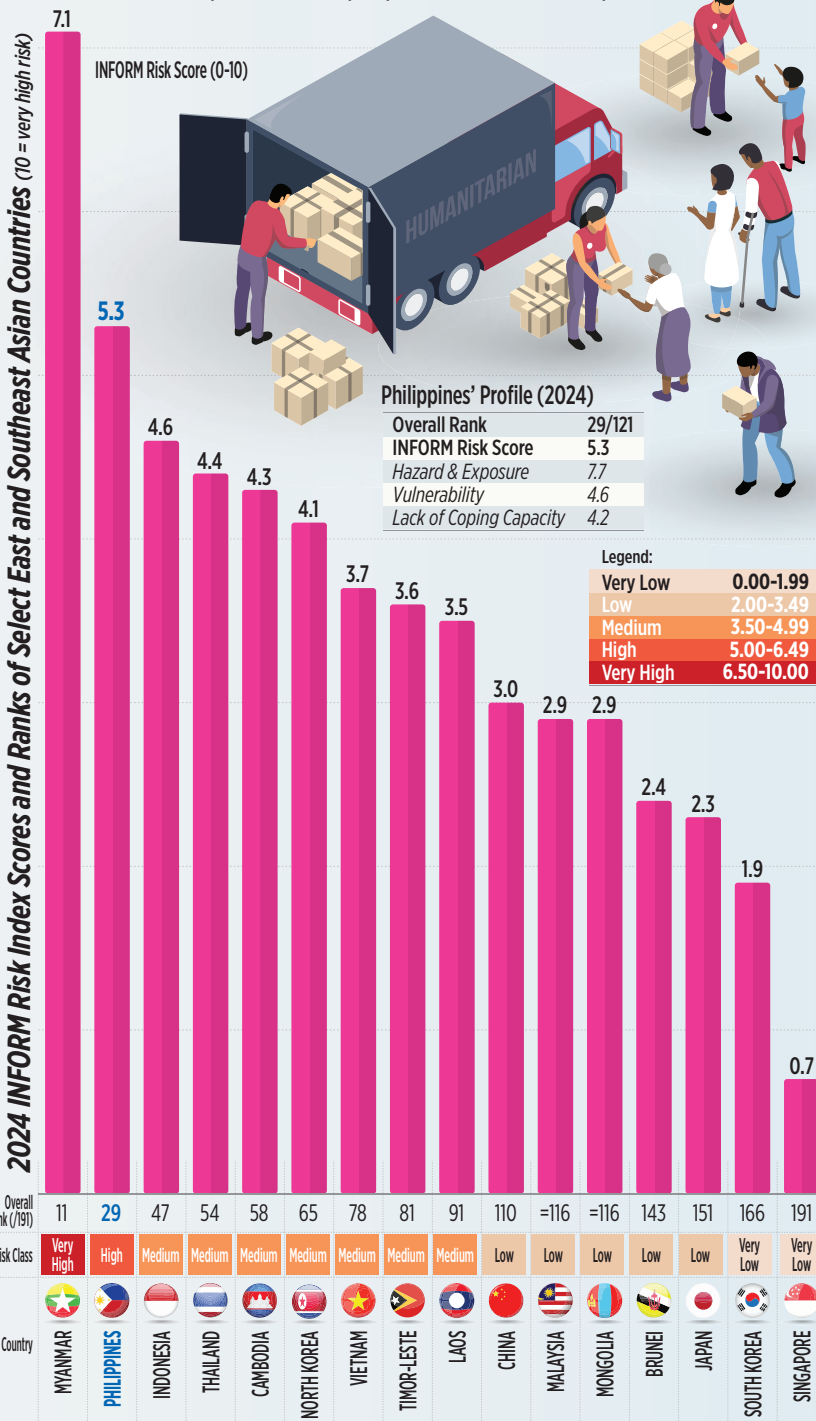
The ADB also noted that government expenditures, infrastructure spending, and employment figures also showed an improvement.

It maintained the GDP growth outlook at 6.2% for 2024 amid expectations that strong domestic demand will continue.

ADB, S1/9

PHILIPPINES STILL CLASSIFIED 'HIGH' RISK IN HUMANITARIAN CRISES AND DISASTERS

The Philippines ranked 29th out of 191 countries, with a "high" risk score of 5.3 (out of 10) in the INFORM Risk Index 2024 by the European Commission's Disaster Risk Management Knowledge Center. The index is a global, open-source risk assessment for humanitarian crises and disasters which supports decisions about prevention, preparedness, and response.



NOTE: The INFORM Risk index distinguishes the countries at risk from humanitarian crises and disasters that could overwhelm national response capacity. It is made up of three dimensions, namely:

- Hazard & Exposure** - reflects the probability of physical exposure associated with specific hazards.
- Vulnerability** - addresses the intrinsic predispositions of an exposed population to be affected, or to be susceptible to the damaging effects of a hazard, even though the assessment is made through hazard-independent indicators.
- Lack of Coping Capacity** - measures the ability of a country to cope with disasters in terms of formal, organized activities and the effort of the country's government as well as the existing infrastructure which contribute to the reduction of disaster risk.

High-Risk Countries			Low-Risk Countries		
Country	INFORM Risk Score (0-10)	Overall Rank (/191)	Country	INFORM Risk Score (0-10)	Overall Rank (/191)
Central African Rep.	8.7	1	Singapore	0.7	191
Somalia	8.5	=2	Liechtenstein	1.0	190
South Sudan	8.5	=2	Luxembourg	1.1	189
Afghanistan	8.1	4	Bahrain	1.4	=184
Chad	7.8	5	Denmark	1.4	=184
Dem. Rep. of the Congo	7.7	6	New Zealand	1.4	=184
Yemen	7.5	7	Qatar	1.4	=184
Sudan	7.3	8	Switzerland	1.4	=184
Haiti	7.2	=9	Finland	1.5	=184
Syria	7.2	=9	Seychelles	1.5	=184

Source: INFORM (Index For Risk Management) Risk Index 2024 (<https://dmkrc.jrc.ec.europa.eu/inform-index/INFORM-Index>)
 BusinessWorld Research: Abigail Marie P. Yraola BusinessWorld Graphics: Bong R. Fortin

Balisacan tempers economic outlook amid El Niño

By Luisa Maria Jacinta C. Jocson
 Reporter

THE PHILIPPINES may not be able to achieve the upper end of the government's 6.5-8% growth target next year amid global headwinds and the El Niño weather event, National Economic and Development Authority (NEDA) Secretary Arsenio M. Balisacan said.

"I would not, this early, give away the 6.5% target, but the 8% may already be out of (reach). Reducing the range is one proposal, but we'll see once we get all the information," Mr. Balisacan told reporters at a briefing in Ortigas on Wednesday.

The NEDA chief cited risks such as the El Niño, which is expected to persist until the second quarter of 2024 and may send food prices spiraling.

Mr. Balisacan said he will maintain the 6.5-8% gross domestic product (GDP) growth target for the medium term.

"The reality next year is all the major multilateral agencies are seeing that the global economy is not as expansive as initially expected. For us to also ignore that is not good as well. There's no harm in reducing that 8% to something lower to be realistic, but not lower the 6.5% because then you're surrendering too early," he added.

Mr. Balisacan said he expects growth to continue to be driven by services, particularly tourism, as it has not returned to pre-pandemic levels.

"On the demand side, the good thing about the Philippine economy is we are not so dependent on exports as a driver of economic activity. It's largely domestic. Although of course, if we get exports growing faster... we hope exports can recover towards the second half of next year," he added.

Easing inflation will also help support growth next year. "If we can go back to 2-4% (inflation) next year, that will rekindle robust demand," the NEDA chief said.

However, Mr. Balisacan flagged the potential impact of the El Niño weather phenomenon on the economy.

"We are keenly aware of the persisting challenges we confront as we aim to hit such a target. Elevated inflation remains a risk because of the onset of El Niño," he added.

Latest data from the state weather bureau showed that a strong El Niño is present in the tropical Pacific and is showing signs of further intensification in the coming months.

While the dry spell may not necessarily impact growth, Mr. Balisacan said it could stoke inflation.

"With respect to growth, the effect on the economy, I don't think it will make a big impact. The challenge will be more on the prices. If the prices pick up, then the gains we have made in (fighting) inflation will be reversed and we don't want that. We (don't want to) go back to the old cycle of high inflation, high interest rates, low demand, low growth," he said.

The agriculture sector's growth may be at risk next year due to El Niño. However, Mr. Balisacan noted that unlike previous El Niño episodes, the country's dams have enough water to cover the dry spell.

El Niño, S1/9

WHAT'S INSIDE

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 Agile regulation necessary amid firms' growing adoption of AI S1/4

BANKING & FINANCE
 Peso sinks to P56:₱1 level before Fed S2/1

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M3 growth steady in Oct.

By Keisha B. Ta-asan
 Reporter

GROWTH in money supply remained steady in October, even as bank lending accelerated for the first time in seven months, the Bangko Sentral ng Pilipinas (BSP) said on Wednesday.

Data from the BSP showed domestic liquidity, as measured by M3, expanded by 8.2% to P16.7 trillion in October. The pace of growth was the same as September.

On a month-on-month seasonally adjusted basis, M3 increased by 0.7%.

Rizal Commercial Banking Corp. Chief Economist Michael L. Ricafort said the October M3 growth rate is still among the fastest in nearly two years or since February 2022, which reflects the continued excess liquidity in the financial system.

"Faster M3 growth in recent months was supported by the easing trend in headline inflation in recent months, which reduced the need to siphon off excess liquidity from the financial system to bet-

ter manage/control inflation and inflation expectations," he said in a Viber message.

Headline inflation eased to 4.9% in October from 6.1% in September and 7.7% in October 2022. It marked the slowest pace in three months.

However, October still marked the 19th straight month that inflation breached the central bank's 2-4% target band.

Based on BSP data, domestic claims jumped by an annual 10.2% in October, faster than the revised 9.7% in September.

Claims on the private sector rose by 7.6% in October, faster than the revised 6.5% growth a month ago. This was driven by continued expansion in bank lending to nonfinancial private corporations and households.

Meanwhile, net claims on the central government increased by 19.1% in October, slowing from the revised 19.5% in September due to the decline in the National Government's deposits.

Net foreign assets (NFA) in peso terms inched up by 2.1% in October, faster than the 1% growth in the previous month.

M3, S1/9