

STOCK MARKET	ASIAN MARKETS	WORLD MARKETS	PESO-DOLLAR RATES	ASIAN MONIES-US\$ RATE	WORLD CURRENCIES	DUBAI CRUDE OIL
PSEI OPEN: 6,888.71 HIGH: 6,940.47 LOW: 6,886.49 CLOSE: 6,936.09 VOL.: 0.783 B VAL(P): 6.116 B 28.12 PFS. 0.4% 30 DAYS TO SEPTEMBER 6, 2024	SEPTEMBER 6, 2024 JAPAN (NIKKEI 225) 36,391.47 ▼ -265.62 -0.72 HONG KONG (HANG SENG) HOLIDAY TAIWAN (WEIGHTED) 21,435.19 ▲ 247.48 1.17 THAILAND (SET INDEX) 1,427.64 ▲ 23.36 1.66 S. KOREA (KSE COMPOSITE) 2,544.28 ▼ -31.22 -1.21 SINGAPORE (STRAITS TIMES) 3,454.47 ▼ -4.19 -0.12 SYDNEY (ALL ORDINARYS) 8,013.40 ▲ 31.00 0.39 MALAYSIA (KLCSE COMPOSITE) 1,653.12 ▼ -11.70 -0.70	SEPTEMBER 6, 2024 DOW JONES 40,345.410 ▼ -410.340 NASDAQ 16,690.832 ▼ -436.829 S&P 500 5,408.420 ▼ -94.990 FTSE 100 8,181.470 ▼ -60.240 Euro Stoxx50 4,356.820 ▼ -53.810	FX OPEN P56.000 HIGH P55.880 LOW P56.070 CLOSE P55.905 W.AVE. P55.962 VOL. \$1,505.15 30.50 CTVS SOURCE : BAP	SEPTEMBER 6, 2024 LATEST BID (0900GMT) JAPAN (YEN) 142.270 ▲ 143.480 HONG KONG (HK DOLLAR) 7.795 — 7.795 TAIWAN (NT DOLLAR) 32.026 ▲ 32.054 THAILAND (BAHT) 33.710 ▼ 33.660 S. KOREA (WON) 1,337.260 ▼ 1,335.170 SINGAPORE (DOLLAR) 1.302 — 1.302 INDONESIA (RUPIAH) 15,360 ▲ 15,395 MALAYSIA (RINGGIT) 4.328 ▲ 4.336	SEPTEMBER 6, 2024 US\$/UK POUND 1.3123 ▼ 1.3162 US\$/EURO 1.1083 ▼ 1.1099 US\$/AUSTRALIAN DOLLAR 0.6670 ▼ 0.6726 CANADA DOLLAR/US\$ 1.3571 ▲ 1.3505 SWISS FRANC/US\$ 0.8428 ▼ 0.8460	FUTURES PRICE ON NEAREST MONTH OF DELIVERY \$73.39/BBL \$0.01 30 DAYS TO SEPTEMBER 6, 2024

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PHILIPPINE STOCK EXCHANGE'S 10 MOST ACTIVE STOCKS BY VALUE TURNOVER • SEPTEMBER 6, 2024 (PSEI snapshot on S1/2; article on S2/2)

BDO P157.000	ALI P35.250	ICT P400.000	GTCAP P680.000	SM P908.500	AREIT P35.950	SECB P71.800	MBT P75.100	MWC P28.600	SMPH P30.100
Value P714,883,252	Value P501,273,760	Value P469,175,176	Value P292,542,455	Value P264,009,760	Value P258,229,810	Value P250,213,107	Value P213,682,121	Value P206,818,650	Value P197,511,975
P3.000 ▲ 1.948%	PO.400 ▲ 1.148%	-P4.000 ▼ -0.990%	P35.000 ▲ 5.426%	P8.500 ▲ 0.944%	PO.050 ▲ 0.139%	P2.800 ▲ 4.058%	PO.150 ▲ 0.200%	P2.050 ▲ 7.721%	PO.350 ▲ 1.176%

Analysts trim inflation expectations

August dollar reserves rise to over 2-year high

THE PHILIPPINES' foreign exchange reserves rose to its highest level in over two years, mainly due to the increase in the central bank's earnings from its foreign investments.

Preliminary data from the Bangko Sentral ng Pilipinas (BSP) showed that gross dollar reserves inched up by 0.18% to \$106.92 billion as of end-August from \$106.74 billion as of end-July.

"The month-on-month increase in the GIR (gross international reserves) level reflected mainly the net income from the BSP's investments abroad," the central bank said in a statement.

Year on year, the country's dollar buffers rose by 7.39% from \$99.57 billion in August 2023.

The dollar reserves in August were also at their highest level in 29 months or since the \$107.3 billion in March 2022.

As of end-August, the level of dollar reserves was enough

to cover about 6.1 times the country's short-term external debt based on original maturity and 3.7 times based on residual maturity.

It was also equivalent to 7.9 months' worth of imports of goods and payments of services and primary income.

Ample foreign exchange buffers shield an economy from market volatility and ensure the country can pay its debts in case of an economic downturn.

BSP data showed that foreign investments went up by 0.33% to \$91.41 billion as of end-August from \$91.11 billion a month ago, and by 8.65% from \$84.13 billion in the same month last year.

Reserves in the form of gold were valued at \$10.22 billion as of end-August, slipping by 0.88% from \$10.31 billion in the previous month and by 0.1% from \$10.23 billion a year ago.

Dollar, S1/11

HOW MINIMUM WAGES COMPARED ACROSS REGIONS IN AUGUST (AFTER ACCOUNTING FOR INFLATION)

In August, inflation-adjusted wages were 17.4% to 25.1% lower than the current daily minimum wages across the regions in the country. Meanwhile, in peso terms, real wages were lower by around P73.81 to P119.59 from the current daily minimum wages set by the Regional Tripartite Wages and Productivity Board.

Daily Minimum Wages (August 2024)

NOTES:
 - To calculate real wages, the current (nominal) wage received by workers is divided against the latest regional consumer price index (CPI) data (August 2024, at constant 2018 prices) and multiplied by 100.
 - Minimum wage refers to basic pay and cost of living allowance per day.
 - The current wages shown refer to the highest wages in the region (wages widely vary even within the region and sector).

Legend:
 Current Wage (in Pesos)
 Real Wage (in Pesos)
 Inflation Rate (August, in %)

CAR CORDILLERA
 3.4%
 P430.00
 P345.10

I ILOCOS REGION
 1.8%
 P435.00
 P350.52

III CENTRAL LUZON
 3.6%
 P500.00
 P381.10

IV-A CALABARZON
 3.2%
 P520.00
 P410.74

MIMAROPA REGION
 4.1%
 P395.00
 P295.88

VI WESTERN VISAYAS
 4.8%
 P480.00
 P368.38

VII CENTRAL VISAYAS
 3.4%
 P468.00
 P386.78

IX ZAMBOANGA PENINSULA
 4.1%
 P381.00
 P305.53

II CAGAYAN VALLEY
 3.6%
 P450.00
 P352.11

NCR METRO MANILA
 2.3%
 P645.00
 P525.41

V BICOL REGION
 4.2%
 P395.00
 P299.92

VIII EASTERN VISAYAS
 3.3%
 P405.00
 P326.09

XIII CARAGA
 2.3%
 P385.00
 P305.07

XI DAVAO REGION
 4.9%
 P462.00
 P359.25

X NORTHERN MINDANAO
 4.2%
 P438.00
 P341.65

BARM
 3.7%
 P361.00
 P287.19

XII SOCCSKSARGEN
 3.6%
 P403.00
 P312.40

Sources: Department of Labor and Employment's National Wages and Productivity Commission and Philippine Statistics Authority
 BusinessWorld Research: Karis Kasarinlan Paolo D. Mendoza BusinessWorld Graphics: Bong R. Fortin

PRIVATE SECTOR ECONOMISTS trimmed their inflation expectations for this year and the next two years, with the majority expecting the consumer price index (CPI) to fall within the Bangko Sentral ng Pilipinas' (BSP) 2-4% target range until 2026.

The BSP's Monetary Policy Report from its August meeting showed the analysts' forecasts continued to move closer to the midpoint of the 2-4% target range.

The BSP's survey of external forecasters (BSEF) for August showed that the mean inflation forecast was cut to 3.5% for this year from 3.7% in the May survey.

The inflation forecast for 2025 was trimmed to 3.1% from 3.5% in the May survey.

Likewise, analysts cut the 2026 forecast to 3.2% from the 3.4% projection in May.

"Risks to the inflation outlook are broadly balanced, with local inflation expected to trend lower for the rest of the year," the BSP said. "Downside risks to the inflation outlook are seen to stem largely from lower rice prices, following the implementation of Executive Order (EO) No. 62."

President Ferdinand R. Marcos, Jr. issued EO 62, which reduced tariffs on imported rice to 15% from 35% until 2028 to lower prices of the staple. The order took effect in July.

"Analysts also anticipate downward inflationary pressures from a stronger peso against the US dollar, as well as favorable base effects," the BSP said.

The local unit closed at P55.905 per dollar on Friday, strengthening by 30.5 centavos from its P56.21 finish on Thursday. Bankers Association of the Philippines data showed. This was the first time the peso hit the P55-per-dollar level in almost six months or since its P55.58-a-dollar close on March 18.

Year to date, the peso has depreciated by 53.5 centavos from its P55.37-a-dollar close on Dec. 29, 2023.

"Meanwhile, the main upside risk is expected to arise from second-round effects, such as higher electricity costs brought about by a potential uptick in oil prices amid geopolitical conflicts," the BSP said.

Inflation, S1/3

Commission recommends continued imposition of safeguard duty on HDPEs

THE TARIFF COMMISSION (TC) has recommended that the Trade department maintain or consider modification of the safeguard measure on imported high-density polyethylene (HDPE) pellets and granules as it is seen to help the domestic industry become more competitive.

"It can be concluded that the intervention was timely and proper, as it has provided breathing space for the domestic industry and has mainly contributed to its increasing competitiveness," the Tariff Commission said in a report dated Sept. 5.

Based on the results of its monitoring, the Commission said the Trade secretary may "opt to maintain the imposition of the safeguard measure as previously determined or consider modification."

The TC said that the modifications should reflect the efforts undertaken by the domestic industry, changes in economic circumstances, competitive discipline, and public interest, among others.

In 2022, the Department of Trade and Industry (DTI) imposed three years of safeguard duties on imports of HDPE pellets and granules to protect the domestic industry.

A safeguard duty of P1,271 is being imposed on each metric ton (MT) of imported HDPE pellets and granules. The current most favored nation rate on HDPEs is 10%.

HDPE resins are used in consumer and industrial packaging.

Under the Safeguard Measure Act, a review and monitoring of the developments in the industry must be done after more than a year of implementation of a general safeguard measure.

Based on the TC's monitoring, import volumes dropped 14% to 110,622 MT last year from 129,083 MT in 2022, while JG Summit Olefins Corp.'s market share recovered to 49%.

JG Summit Olefins, the sole producer of HDPE pellets and granules in the country, saw a 15% year-on-year rise in sales to the domestic market in 2023, which the TC saw as "indicative of the [measure's] effectiveness in discouraging imports."

JG Summit Olefins previously cited oversupply of petrochemical products as one of the reasons there is depressed demand for HDPEs.

HDPEs, S1/11

BusinessWorld's 37th anniversary report is out

BUSINESSWORLD Publishing Corp. celebrates its 37th anniversary with a special report titled "PH Elevate: Trailblazing Transformation." This edition provides a comprehensive look at the transformative efforts shaping the future of the Philippines' business landscape.

Highlights include an analysis of the country's growth outlook, the role of artificial intelligence in corporate strategies, and the adoption of green building standards.

The report also explores the growth of renewable energy, solutions to transportation challenges, and efforts towards digitalization and financial inclusion. Each section offers insights into how these sectors are evolving to meet contemporary demands. (See Sections 4 to 17)



Rice inflation seen to cool once India lifts export ban

By Beatriz Marie D. Cruz
Reporter

RICE INFLATION may further cool in the coming months once India relaxes a ban on exports, analysts said.

"India may reconsider its export ban, impacting international prices further. The stronger peso will also make imports cheaper, easing inflation further," Union Bank of the Philippines, Inc., Chief Economist Ruben Carlo O. Asuncion said in a Viber message.

Market participants are anticipating that India, the world's top rice exporter, could soon ease export restrictions on rice.

Last year, global rice prices spiked after India suspended exports of non-basmati white rice.

Headline inflation eased to 3.3% in August from 4.4% in July due to the slower rise in food and

transport costs, the Philippine Statistics Authority (PSA) said last week.

In August, rice inflation slowed to 14.7% from 20.9% a month earlier. This was the lowest rice inflation since the 13.2% print in October last year.

Rice was the top contributor to the August inflation basket, accounting for 32.7% or 1.1 percentage points.

National Statistician Claire Dennis S. Mapa has said rice inflation is expected to fall to a single digit in September due to base effect.

It could be recalled that the consumer price index (CPI) for rice first hit double digits in September last year at 17.9%.

However, the effects of the recent Typhoon Enteng as well as higher oil prices may stoke rice inflation, Security Bank Corp. Chief Economist Robert Dan J. Rocas said.

Rice, S1/3