September 2023

The MARKET CALL

Capital Markets Research

FIRST METRO INVESTMENT CORPORATION
Metrobank Group

UA&P
UNIVERSITY OF ASIA AND THE PACIFIC

FMIC and UA&P Capital Markets Research

Executive Summary

Mixed economic signals in August got overwhelmed by the sharp rise in food and crude oil prices which brought inflation back above-5% YoY in August. It will likely remain elevated until October, but return to within BSP target range of 2% to 4% by November. NG expenditures soared again (by +16.2%) in July to fund social protection measures and infrastructure/transportation outlays. Amazingly, the budget deficit fell nearly half to P47.8-B in July leaving nearly P1.0-T available to hit full year deficit targets. To be sure, employment dropped by a huge 4.9-M, but this resulted more from the heavy monsoon rains, since 4.4-M were not looking for work (i.e., not unemployed). We expect a strong rebound in employment by September as firms gear for the Christmas season, especially in those sectors lashed by the rains. We still see the economy recovering to a 5.0—5.2% GDP growth pace in Q3, and faster in Q4. As BSP will likely follow Fed's post-September policy rate moves and interest rates there remaining elevated, we now don't expect a downward trend in local 10-year yields for the rest of this year. The equities market looks set to move sideways until October as well.

Bond Markets

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Market uneasiness returned in August amid higher U.S. Treasuries on the back of inflation woes, a hawkish Fed, and stronger-than-expected U.S. economy. Locally, the trepidation resulted more in a decline in volume in both primary and secondary markets rather than in yields in August. Furthermore, local yields initially jumped in September following the faster August inflation print at 5.3%. We see the recent crude oil and rice price gains as transitory with inflation likely heading back to within target in Q4. Given the inflation outlook and pause in monetary tightening from the BSP and Fed, we expect sideways movements, with a slight northward bias, in the local 10-year yields, which should last until end of 2023.

Investors turned defensive in August as the total tender-offer ratio (TOR) decreased to 1.993x from 2.127x in the previous month.• Yields of Treasury bills (T-bills) ascended ranging from 8.7 bps to 34.9 bps in August.• Risk aversion trimmed trading volume in the secondary market by -8.4% to P491.1-B in August.• Like in auction, the front end of the curve rose as much as 13.5 bps, while yields of the 3-year to 10-year bucket declined.• BTr will likely issue retail dollar bonds (RDB) in September with a target offer size of $2.0-B.• ROPs spreads over equivalent U.S. Treasuries widened as foreign investors generally avoided EM bonds amid inflationary concerns.

Macroeconomy

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Elevated NG spending in Q3 should provide the stimulus for Q3, even as we expect a strong rebound in employment and consumer spending starting September. The Industry sector expansion will be broad-based, although Manufacturing will take the lead. The Services sector should see domestic and foreign tourism drive Trade, Transportation & Storage, and Accommodations & Food Services starting September. We still see sufficient strength in the economy to get a 5.0-5.2% YoY Q3 GDP growth, while the acceleration of the above sectors plus consumer spending should bring back Q4 growth above 6%. Thus, we still see full year GDP growth at a respectable 5.5% despite the global slowdown.

Manufacturing output accelerated to a 5.7% YoY expansion in July from 3.4% a month ago, but Manufacturing PMI slipped to 49.7 in August.▪ Unemployment rate still low at 4.8% in July from 4.5% earlier, but torrential rains kept 4.4-M out of the labor force and employment. ▪ NG spending soared by 16.2% in July from -2.3% a month ago, but deficit dropped by 44.9% to P47.8-B, as BIR tax take increased by 38.4%.▪ The rains messed up food supply driving prices up while Saudi Arabia's 1.0-M barrel cut in crude oil output sent prices soaring, thus bring headline inflation back to 5.3% in August from 4.7% in July.▪ USDPHP depreciated by 2.3% MoM as U.S. dollar regained vigor and concerns of wider trade deficits due to the vault in crude oil prices.

Equities Market

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PSEi will move sideways in September between 6,000 and 6,350 as investors scrounged for some good news. While PE reached lows last seen during the World Financial Crisis, local investors seem hindered by higher interest rates and margin calls. However, we keep a constructive outlook, especially with regard to oversold issues and high dividend plays.

PSEi ended August at 6,175.25 down by -6.3% MoM as all six sectors landed in negative territory.▪ The Property sector had the deepest dive of -7.5% MoM, while Mining & Oil lost the least with a -2.5% drop.▪ Semirara Mining & Power Corporation (SCC) posted the best performance among PSEi-constituent stocks (SCC, +10.9% gain MoM).▪ Converge ICT Solutions, Inc. (CNVRG) led the decliners with -23.1% dip MoM.▪ In the Mining and Oil sector, SCC remained positive about H2 amid the rainy season and planned shutdowns, thanks to its +40% higher inventory in H1 and emphasis on the spot market.▪ Foreigners ended the month as net sellers to the tune of P7.3-B from net buying of P18.2-B a month earlier. ▪ An off-cycle rebalancing will take effect on September 26, with Bloomberry Resorts Corporation (BLOOM) and Century Pacific Food, Inc. (CNPF) joining the index to replace Metro Pacific Investments Corporation (MPI) and Aboitiz Power (AP).

Economic Indicators (% change, latest month, unless otherwise stated)	Latest Period	Previous Period	Year-to-Date	2021 (year-end)	2022 (year-end)
GDP Growth (Q2-2023)	4.3	6.4	5.3	5.8	7.2
Inflation Rate (August)	5.3	4.7	6.6	3.1	8.1
Government Spending (July)	16.2	-2.6	3.0	12.8	13.6
Gross International Reserves ($B) (August)	99.8	99.9	100.2	107.1	95.1
PHP/USD rate (August)	56.16	54.92	55.33	48.88	55.68
10-year T-bond yield (end-August)	6.55	6.43	6.27	4.16	6.98

Sources: Philippine Statistics Authority (PSA), Bangko Sentral ng Pilipinas (BSP), Department of Budget and Management (DBM), Philippine Stock Exchange (PSE), Philippine Dealing System (PDS), and Authors' Calculations

MACROECONOMY

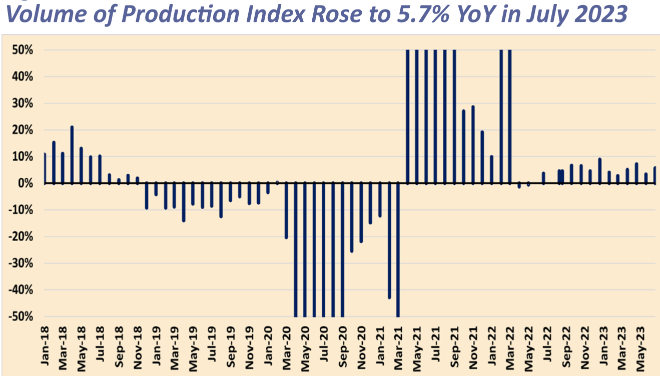
NG TO TAKE LEAD IN Q3 GDP EXPANSION AS HEAVY RAINS KEEP CONSUMERS AT HOME

National Government (NG) took up the slack in July spending as it ramped up expenditures by 16.2% year-on-year (YoY) in July through higher social protection and infrastructure outlays. Industrial output did speed up to a 5.7% YoY in the same month from 3.4% in June. Manufacturing PMI though slid to slightly below 50 (expansion) to 49.7, the first time in two years. While the Manufacturing sub-sector had flat employment, Water & Sewerage Services, provided more jobs, but these proved too small compared to the -2.0-M decline in Agriculture and -1.9-M plunge in Services sectors. However, unemployment rate remained low at 4.8% from 4.5% in June primarily due to workers inability to work (but not seeking a job) due to heavy monsoon rains. While exports slipped, Overseas Filipino Workers' (OFW) remittances kept its near-3% pace in July. But despite lower trade deficits, the peso floundered as the U.S. dollar renewed its strength.

***Outlook**: Despite the weak July-August, we think the NG will accelerate further its spending on infrastructure and transportation for the rest of the year, and employment will have strong rebound in September. Thus, we think GDP can still expand by 5.0-5.2% in Q3 and above-6% in Q4. This would bring full year GDP growth to 5.5%, a bit below the 6%-7% target of the government. We expect Manufacturing and Construction to take the lead in the Industry sector while Transportation & Storage, Accommodations & Food Services and Trade should spearhead in the Services sector recovery in Q3. Inflation should head to below 4% by November as food prices fall. The peso-dollar shall remain challenged in September-October but likely will trade sideways.*

Figure 1 - Volume of Production Index

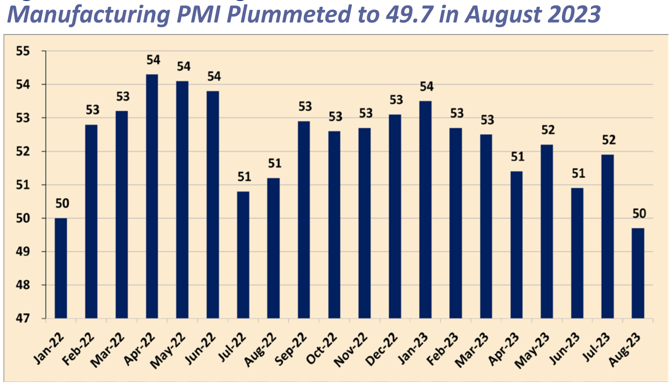
Volume of Production Index Rose to 5.7% YoY in July 2023



Source of Basic Data: Philippine Statistics Authority (PSA)

Figure 2 - Manufacturing PMI

Manufacturing PMI Plummeted to 49.7 in August 2023



Source of Basic Data: S&P Global

Industrial Output Up by 5.7% YoY in July, but Manufacturing PMI Eased in August

Industrial output as measured by the Volume of Production Index (VoPI) accelerated to 5.7% YoY in July, faster than the 3.4% increment in the previous month.

Out of the 22 industry divisions, nine registered positive YoY performances, led by Manufacture of Coke and Refined Petroleum Products (+36.2%), Manufacture of Electrical Equipment (+30.2%), and Manufacture of Transport Equipment (26.6%). These three industry divisions also registered positive annual growth rates in June 2023.

Meanwhile, 13 industry divisions posted annual declines, led by Manufacture of Furniture (-27.7%), Manufacture of Wearing Apparel (-24.1%), and Manufacture of Fabricated Metals, Except Machinery and Equipment (-22.7%). These three industry divisions also topped decliners in June 2023.

S&P Manufacturing PMI for the country slipped to slightly below the 50 threshold, reaching 49.7 in August from 51.9 in July. This figure signaled a contraction in the country's manufacturing sector for the first time in two years, as orders from abroad weakened. Despite facing higher fuel and raw material prices, manufacturing firms remained optimistic for the near term as they expect market conditions to improve.

Table 1 - Labor Force Survey Summary

	June 2023	July 2023	MoM Change	
			Levels	% Change
Labor Force	**51,169**	**46,903**	**(4,265)**	**-8.3%**
Employed	**48,842**	**44,630**	**(4,212)**	**-8.6%**
Underemployed	**5,875**	**7,104**	**1,229**	**20.9%**
Underemployment rate%	**12.0**	**15.9**	**3.89**	**32.3%**
Unemployed	**2,327**	**2,273**	**(53)**	**-2.3%**
Unemployment rate%	**4.5**	**4.8**	**0.30**	**6.6%**
Labor Participation rate%	**66.1**	**60.1**	**(5.98)**	**-9.1%**
Not in Labor Force	**26,272**	**31,147**	**4,875**	**18.6%**
Agriculture ('000)	**11,622**	**9,614**	**(2,008)**	**-17.3%**
Industry ('000)	**8,810**	**8,491**	**(319)**	**-3.6%**
Mining and Quarrying	276	229	(46)	-16.8%
Manufacturing	3,566	3,567	1	0.0%
Electricity, Gas, Steam, and Air-Conditioning Supply	99	91	(9)	-8.7%
Water Supply; Sewerage, etc.	37	89	52	139.6%
Construction	4,832	4,514	(317)	-6.6%
Services ('000)	**28,410**	**26,525**	**(1,885)**	**-6.6%**
Wholesale and Retail Trade; Repair of Motor Vehicles and Motorcycles	10,076	8,675	(1,401)	-13.9%
Transportation and Storage	3,229	3,490	261	8.1%
Accomodation and Food Services Activities	2,267	1,959	(309)	-13.6%
Information and Communication	389	540	151	38.7%
Financial and Insurance Services	613	649	36	5.9%
Real Estate Activities	218	231	12	5.7%
Professional, Scientific, and Technical Activities	276	498	222	80.4%
Administrative and Support Services Activities	2,365	2,451	87	3.7%
Public Administration and Defense; Compulsory Social Security	2,985	2,633	(351)	-11.8%
Education	1,582	1,426	(157)	-9.9%
Human Health and Social Work Activities	776	692	(84)	-10.8%
Arts, Entertainment, and Recreation	529	437	(92)	-17.4%
Other Service Activities	3,104	2,842	(262)	-8.4%

Source of Basic Data: Philippine Statistics Authority (PSA)

Unemployment Rate Rose to 4.8% in July as Heavy Rains Kept Workers Home

July unemployment rate rose mildly to 4.8% from 4.5% a month earlier as 4.9-M moved out of the labor force due to heavy rains, which meant they were temporarily out of work but not looking for a job. The drop in the labor force impacted the job losses of 4.4-M, with the biggest displacement occurring in the Agriculture sector at 2.0-M. The Services sector nearly equaled that plunge with 1.9-M less employment.

The Industry sector had the least drop in employment at 319,000 as Manufacturing (+1,000) and Water Supply & Sewerage Services, etc. (+52,000) prevented a larger decline. The heavy rains paralyzed the Construction (-317,000) and Mining (-46,000) sub-sectors which rely much on good weather conditions.

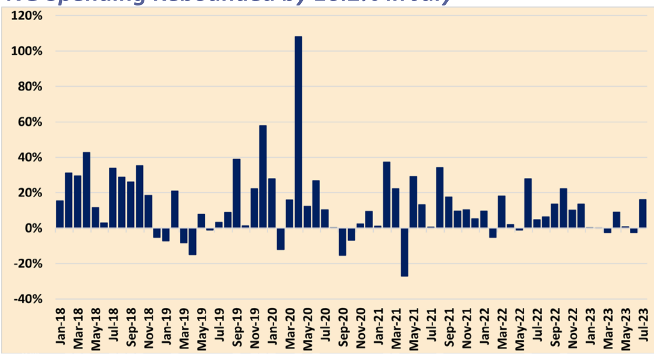
The fall in Agriculture employed set the stage for weaker supply conditions and higher prices in vegetables and fruits in August.

In the Services sector six sub-sector posted job gains, but these proved insufficient to offset the large losses in Wholesale & Retail Trade (-1.4-M), Public Administration, Social Security, etc. (-351,000), Accommodation and Food Service Activities (-309,000) and Other Services Activities (-262,000). On the other hand, Transportation & Storage (+309,000), Professional, Scientific & Technical Activities (+222,000) and Information & Communications (+151,000) provided the largest job gains.

The underemployment rate also climbed to 15.9% from 12% in June, as 1.2-M sought more work.

With August remaining quite wet, we may expect a strong job recovery only by September.

Figure 3 - NG Expenditures Growth Rate, Year-on-Year
NG Spending Rebounded by 16.2% in July



Source of Basic Data: Bureau of the Treasury (BTr)

Budget Deficit Narrowed to P47.8-B in July Amid Outperformance in Revenues

The National Government (NG) registered a budget deficit of P47.8-B in July or -44.9% slimmer than P86.8-B in the previous year attributable to impressive revenue collections. In particular, government revenues soared by 33.4% to P411.7-B in July from P308.6-B a year ago. Meanwhile, NG disbursements rose less by 16.2% to P459.5-B from P395.4-B in the prior year.

Revenue increased remarkably in July due to gains in both tax (+23.2% YoY) and non-tax collections (+145.9% YoY). Income from the Bureau of Internal Revenue (BIR) surged by 38.4% to P273.1-B from P197.4-B a year earlier. The Bureau of the Treasury (BTr) registered its highest monthly collection for the year as it skyrocketed by 279.6% to P63.2-B in July from P25.7-B on the back of higher dividend remittances, income from managed funds and government deposits, and NG share from PAGCOR profit. Notably, its collections from January-July of P143.8-B already exceeded the full year target of P58.3-B. On the contrary, income from the Bureau of Customs (BOC) shrank by -12.6% to P73.1-B in July from P83.6-B last year, mirroring the slump in imports.

From a -2.6% drop in June, government spending revived by 16.2% YoY in July driven by higher disbursements recorded in the Department of Social Welfare and Development (DSWD) for its social protection programs, in the Department of Health (DOH) and Department of Agriculture (DA) for their banner health and agriculture programs, respectively. Significant infrastructure outlays of the Department of Public Works and Highways (DPWH) for its road network development program and the Department of Transportation (DOTr) for rail transport projects also contributed to its upturn. Furthermore, interest payments (IP) advanced by 22% to P63.6-B from P52.1-B a year ago.

Table 2 - Major Contributors to Year-on-Year Inflation

Inflation Year-on-Year Growth Rates	July-2023	Aug-2023	YTD
	4.7%	**5.3%**	6.6%
Food and Non-Alcoholic Beverages	6.3%	8.1%	8.4%
Alcoholic Beverages and Tobacco	10.9%	10.1%	11.5%
Clothing and Footwear	4.8%	4.8%	4.9%
Housing, Water, Electricity, Gas, and Other Fuels	4.5%	2.5%	6.2%
Transport	-4.7%	0.2%	2.3%
Restaurants and Accommodation	7.9%	7.1%	8.0%
Personal Care & Miscellaneous Goods and Services	5.6%	5.5%	5.5%

Note: Green font - means higher rate (bad) vs. previous month
Red font – means lower rate (good) vs. previous month

Source of Basic Data: Philippine Statistics Authority (PSA)

Inflation Rebounded to 5.3% in August from 4.7% Month Ago

Surging food and petroleum product prices déjà vu pushed headline back to 5.3% YoY in August from 4.7% in July. Fears of a global shortage pushed up rice prices while heavy monsoon rains limited the supply of vegetables and fruits to urban areas and Saudi Arabia's 1.0-M barrel a day extended production cut brought crude oil prices to 9-month highs. Year-to-date (YTD) inflation slowed to 6.6% from 6.8% in the previous month.

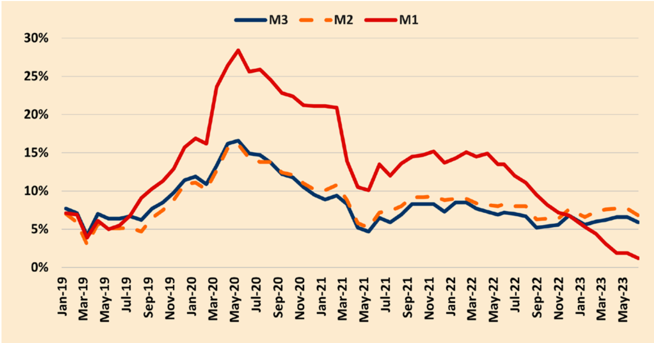
Prices of four out of 11 food categories accelerated in August to bring YoY food inflation to 8.1% from 6.3% in July. Rice prices led the breakout doubling its YoY pace to 8.7% from just 4.2% a month ago. Vegetables, including bananas, took a faster pace of 31.9% YoY from 21.8% in July. Bad weather also affected fish supply sending prices up by 6.9% from 4.5% a month earlier. Fortunately, sugar prices decelerated to a 13.2% YoY pace from July's 21.4%.

Crude oil prices raced higher by 7% (Brent, European benchmark) to 7.5% (West Texas Intermediate, WTI, U.S. benchmark) from the previous month and found its way into the Transport index's jump by 0.2% YoY compared to -4.7% in July.

On a seasonally adjusted (s.a.) basis, inflation hastened to a 1.1% month-on-month (MoM) pace from 0% a month ago, as food prices (s.a.) quadrupled to 2.4% MoM from 0.5% in July.

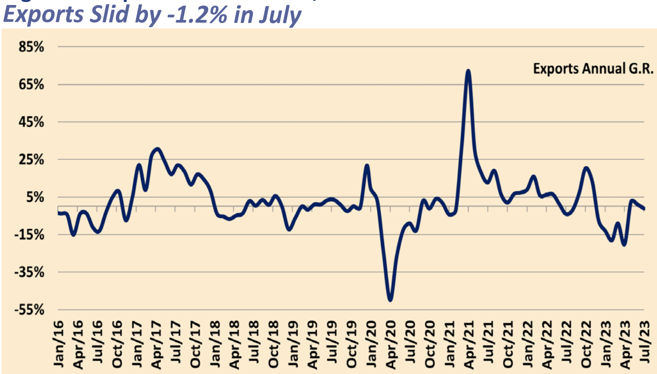
The inflation outlook has become cloudy. We still expect headline inflation to go below Bangko Sentral ng Pilipinas' (BSP) 4% target ceiling by November even though we may expect elevated crude oil prices until November. Food prices will likely decelerate as rice harvests come to markets in late September and October, at the same time when we are beginning to see Thai rice prices easing from their August peak.

Figure 4 - M1, M2, M3 Growth Rates



Source of Basic Data: Bangko Sentral ng Pilipinas (BSP)

Figure 5 - Exports Growth Rates, Year-on-Year
Exports Slid by -1.2% in July



Source of Basic Data: Philippine Statistics Authority (PSA)

Table 3 - Exports Year-on-Year Growth Rates

	June-2023	July-2023	YTD
Total Exports	**0.8**	**-1.2**	**-8.2**
Agro-Based Products	**-24.0**	**-15.0**	**-26.0**
Mineral Products, of which	**-14.8**	**-11.9**	**-12.2**
Copper cathodes	**38.5**	**18.4**	-16.7
Others (incl. nickel)	-38.3	-26.4	-24.0
Manufactured Goods	**5.2**	**1.6**	**-6.2**
Electronic Products	12.0	7.7	-6.4
Other Electronics	9.4	-1.0	13.0
Chemicals	-41.9	-21.1	-24.2
Machinery and Transport Equipment	11.2	2.0	14.3
Processed Food and Beverages	-27.7	-10.0	-13.0
Others	1.5	-14.1	-4.6

Source of Basic Data: Philippine Statistics Authority (PSA)

Money Supply (M3) Slowed to 5.9% YoY in June

Domestic liquidity (M3) grew by 5.9% YoY to P16.4-T. On a MoM seasonally adjusted basis, M3 increased by 0.2%.

Net foreign assets (NFA) in peso terms decreased by -2.8 % YoY in June, after its 2.7% expansion in May. The BSP's NFA position also shrank by -0.6% in June, reversing its 4.2% growth a month ago. Additionally, the NFA of banks fell on account of higher bills payable.

Lending for production activities grew by 6.3% in June albeit slower than its 7.9% expansion in May, as outstanding loans to key industries grew, specifically Electricity, Gas, Steam, and Airconditioning Supply (+11.8%), and Information and Communication (+11.2%). Wholesale and Retail Trade, and Repair of Motor Vehicles and Motorcycles also saw an increase in its loan availments (+9.7%).

Meanwhile, consumer loans soared by 23.7% in June from 22.7% in May, driven by the increase in credit card and motor vehicle loans.

Exports Retreated by -1.2% in July

Exports drew back by -1.2% YoY in July from a 0.9% YoY rise in June due to weak global demand. It amounted to $6.1-B in July from $6.2-B in the prior year.

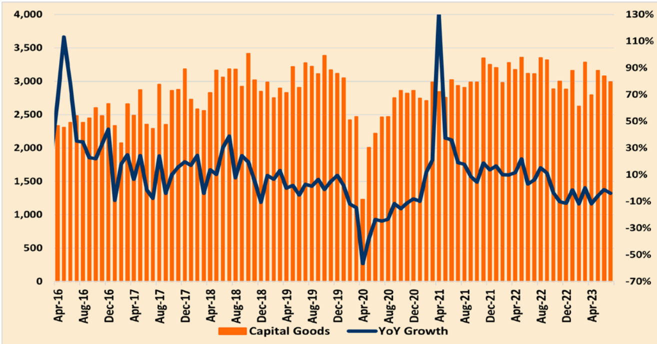
Half of the 10 major commodities expanded in July. Bananas (Fresh) gained the most by 27.3%, followed by Copper Cathodes and Sections Of Cathodes with 18.4%. The country's top export, Electronic Products, expanded by 7.7% in July. On the other end, Coconut Oil plunged the most in July by -41.2% YoY. Other Mineral Products, Chemicals, and Other Manufactured Goods saw double digit losses of -26.4%, -20.5%, and -15.2%, respectively.

By major types of goods, Petroleum Products once again took the top spot with 24.9% uptick in July. Additionally, Manufactured Goods climbed by 1.6% YoY. Meanwhile, Forest Products crashed by -31.7% in July, followed by Total Agro-Based Products (-15%) and Mineral Products (-11.9%).

The U.S. retained as the country's top export destination with $1.0-B in July. It dropped by -1.5% YoY, accounting for 16.9% of total exports. Shipments to Japan totaled to $861.5-M or 14% share. Moreover, Hong Kong reflects 13% of total volume to $797.9-M in July.

Figure 6 - Imports of Capital Goods (in Million USD)

Imports of Capital Goods Tumbled Down by -3.9% in July



Source of Basic Data: Philippine Statistics Authority (PSA)

Table 4 - Imports Year-on-Year Growth Rates

	June-2023	July-2023	YTD
Total Imports	**-15.2**	**-15.3**	**-9.1**
Capital Goods	**-1.2**	**-3.9**	**-4.9**
Power Generating and Specialized Machines	7.0	10.8	7.4
Office and EDP Machines	-35.9	-32.3	-35.3
Telecommunication Equipment and Electrical Machines	-14.6	-8.9	-3.9
Land Transport Equipment excluding Passenger Cars and Motorized cycle	10.6	2.2	4.9
Aircraft, Ships and Boats	207.9	42.9	-15.6
Prof. Sci and Cont. Inst., Photographic Equipment and Optical Goods	-0.8	0.3	6.0
Raw Materials and Intermediate Goods	**-15.3**	**-21.9**	**-15.1**
Mineral Fuels, Lubricant and Related Materials	**-42.7**	**-34.4**	**-19.1**
Consumer Goods	**0.2**	**5.9**	**11.5**

Source of Basic Data: Philippine Statistics Authority (PSA)

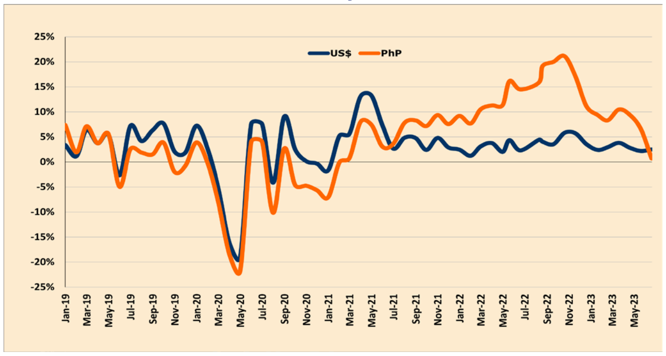
Capital Goods Imports Declined for 4th Consecutive Month in July

Imports of capital goods dove by -3.9% YoY to $3.0-B in July, a 3-month low. It marks the 4th straight month of descent. On the other hand, total imports dipped the most since October 2020 by -15.3% to $10.3-B in July from $12.2-B a year ago.

Among the capital goods imports, Aircraft, Ships and Boats came on top for the 3rd consecutive month with its 42.9% vault in July. Power Generating and Specialized Machines followed next with 10.8% YoY while Land Transport Equipment excluding Passenger Cars and Motorized Cycle inched up by 2.2% YoY. On the downside, Office & EDP Machines experienced a sharp decrease of -32.3% in July, while Imports of Telecommunication Equipment & Electrical Machinery tumbled by -8.9%.

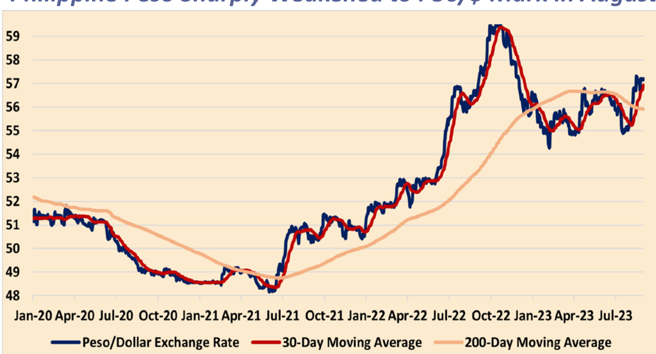
The trade deficit contracted for the fourth time by -30% to $4.2-B in July from $6.0-B a year ago due to a steeper drop in imports, but 6.6% higher than in June. Although YTD trade deficit fell by -10.2% YoY by July, it still reached $32.2-B from $35.8-B for the same period in 2022, on track to exceed $50.0-B again this year.

Figure 7 - OFW Remittances Growth Rates, Year-on-Year
Personal Remittances Ended July at $3.3-B



Source of Basic Data: Bangko Sentral ng Pilipinas (BSP)

Figure 8 - Dollar-Peso Exchange Rates and Moving Averages
Philippine Peso Sharply Weakened to P56/$ Mark in August



Source of Basic Data: Bangko Sentral ng Pilipinas (BSP)

Table 5 - Exchange Rates vs USD for Selected Asian Countries

Exchange Rates vs USD for Selected Asian Countries			
	July-2023	August-2023	YTD
AUD	-0.2%	3.7%	4.1%
CNY	0.6%	0.6%	3.6%
INR	0.0%	0.8%	0.5%
IDR	0.7%	1.3%	-2.1%
KRW	-0.7%	2.8%	2.0%
MYR	-0.6%	0.2%	4.4%
PHP	-1.7%	2.3%	0.9%
SGD	-0.8%	1.1%	-0.2%
THB	-0.5%	1.0%	0.7%

Note: Green font - means it depreciated, weaker currency
Red font – means it appreciated, stronger currency

Source of Basic Data: Bangko Sentral ng Pilipinas (BSP)

OFW Remittances Rose by 2.5% in July 2023

Personal remittances of Overseas Filipino Workers (OFW) increased by 2.5% YoY to $3.3-B in July. This brought the YTD remittances to $20.9-B, a 2.9% increment from the same period last year. The increase in personal transfers during the year benefited from land-based workers which rose by 2.6% YoY to $2.6-B from $2.5-B a year ago and sea-land based workers which rose by 2.3% YoY to $0.62-B from $0.60-B a year ago.

On the other hand, cash remittances from OFWs coursed through banks grew by 2.6% YoY to $2.9-B. The increase in cash remittances from the United States (U.S.), Singapore, Saudi Arabia, and United Arab Emirates (U.A.E.) led the growth in remittances for the first seven months of 2023. As for the country origin, the U.S. registered the highest share of overall remittances at 41.3% followed by Singapore, Saudi Arabia, Japan, United Kingdom, United Arab Emirates, Canada, Qatar, Republic of Korea, and Taiwan. The consolidated remittances from these top 10 countries accounted for 79.7% of the total cash remittances from January to July 2023.

Philippine Peso Reverted Back to Depreciation Mode in August

After the peso appreciation of 1.7% in July, the peso-dollar exchange rate (USDPHP) erased its gains in August as it depreciated by 2.3% to an average of P56.160/$ from P54.921/$ in the prior month. It marks the weakest level since November 2022 amid inflationary and monetary policy concerns. Bullish U.S. dollar tone driven by higher global oil prices and stronger-than-expected U.S. economy contributed to the local currency's weakness.

The volatility measure increased further to 66.6% in August from 45.2% a month ago. It was traded between P54.754/$ and P56.803/$ in August.

The 30-day moving average (MA) sloped upwards in August, suggesting sustained weakness in the near term. By September, the USDPHP rate touched a high of P56.938/$ amid risk off sentiment globally due to the resurgence of crude oil prices which will bloat our trade deficits.

Outlook

Economic data reported in August and early September showed a mixed picture but heavy rains in July and August will prevent a sharp rebound in Q3.

- Manufacturing appears to have some vigor and should lead growth in the Industry sector in Q3, while the Construction subsector awaits for better weather to expand full blast. Heavy downpours in July impacted employment in the Construction and Mining & Quarrying sub-sectors. These also hindered consumers from going out for dinner or travel during the month to bring down employment in the Trade and Accommodations & Food Services sub-sectors under Services. Due to the large exit from the labor force in July, the unemployment rate remained fairly low at 4.8% during the month. We should see a strong rebound in jobs and consumption spending by September.

- NG began to ramp up spending which vaulted by 16.2% YoY in July with social protection programs and infrastructure spending getting traction. Despite the expenditure increase, the fiscal deficit fell by 44.8% to P46.4-B from P86.8-B a year ago due to muscular gains in revenues. Significantly indicative of greater output by producer, the Bureau of Internal Revenue collected 38.4% YoY more taxes in July. NG spending should take the lead in Q3 as it had added P737.1-B to its coffers by July and its infrastructure outlays accelerating in Q3.

- Loftier food and fuel prices drove headline rates back to a 5.3% YoY uptick in August from 4.7% a month earlier. While crude oil prices may remain elevated in September and October rice prices may reverse its climb with international prices peaking in August and rice harvests of the country in September-October reaching the markets. All told, we see elevated inflation in September and October but expect it to fall below 4% by November (i.e., within the BSP 2% -4% target).

- Money growth will remain tepid for as long as BSP holds on to its 6.25% policy rates.

- We expect little contribution to growth from exports in Q3 as global slowdown began to impact trade earlier in Q2.

- The peso will remain challenged due to the US dollar’s strength (in turn, due to high interest rates) and balance of trade deficits still elevated with the surge in crude oil prices.

FIXED INCOME SECURITIES

INVESTORS TURN CAUTIOUS IN AUGUST, RIGHTLY EXPECTING RISING U.S. YIELDS IN SEPTEMBER

Investors in local and U.S. bond markets turned cautious in August as U.S. 10-year bond yields moved up after the Fed's July decision to raise policy rates by 25 basis points (bps) to 5.25%-5.50%. Locally, the trepidation resulted more in a decline in volume in both primary and secondary markets rather than in yields. The tender-offer ratio (TOR) fell to 1.993x in August auctions from 2.127x a month ago. Similarly, trading volume in the secondary market for government securities (GS) dropped by 8.6% MoM in August. PH yield curve slightly flattened as investors demanded higher yields in the short end of the curve closer to BSP's policy rate of 6.25%. Spreads of ROPs over equivalent U.S. Treasuries widened as foreign investors generally avoided EM bonds as the inflationary impact of rising crude oil prices trumped earlier optimism over the inflation outlook.

Outlook*: Rising U.S. 10-year bond yields in September had little further upside as the Fed took a pause in its September 19-20 meeting. On the other hand, PH inflation will remain elevated in September and October before reaching the 2%-4% target of the BSP. Besides, the BTr's high cash position by end-July and its recourse to US dollar Retail Treasury Bond issue won't put an upward pressure on long-term bond yields. All told, therefore, we expect sideway movements, with a slight northward bias, in the local 10-year benchmark bonds, which should last until the end of the year. Investors will watch closely how persistent inflation would be both here and abroad.*

Table 6 - Auction Results

Date	T-Bond/ T-Bill	Offer (Php B)	Tendered (Php B)	Accepted (Php B)	Tendered ÷ Offered	Ave. Yield	Change bps
29 Aug	**91-day**	20.000	70.605	18.600	3.530	5.573	34.9
	182-day	20.000	48.585	16.980	2.429	5.993	20.4
	364-day	20.000	51.423	18.355	2.571	6.297	8.7
Subtotal		**60.000**	**170.613**	**53.935**	**2.844**		
8 Aug	**7 year (FXTN 07-68)**	30.000	43.374	23.629	1.446	6.468	14.0
23 Aug	**20 year (FXTN 20-23)**	30.000	35.302	0.000	1.177		
30 Aug	**10 year (FXTN 10-64)**	90.000	169.153	86.606	1.879	6.220	-34.2
Subtotal		**150.000**	**247.829**	**110.235**	**1.652**		
All Auctions		**210.000**	**418.442**	**164.170**	**1.993**		

Source: Bureau of the Treasury (BTr)

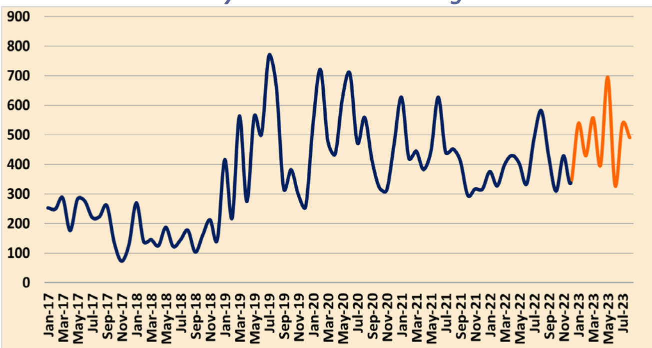
Primary GS Market: Yields of T-bills Jumped on Risk-Off Sentiment in August

Sentiment reversed in August as investors again turned defensive amid higher U.S. Treasuries following the Fitch Ratings credit downgrade, release of Fed minutes, and a still robust labor market. Domestically, easing July inflation at 4.7%, lower-than-expected Q2 GDP at 4.3%, and steady policy rates at 6.25% failed to bring yields lower in August. Consequently, the total tender-offer ratio (TOR) slid to 1.993x in August from 2.127x in July.

Yields of Treasury bills (T-bills) ascended in August. The 91-day debt papers soared the most by 34.9 bps to 5.573% in August from 5.224% a month earlier. Furthermore, the 182-day and 364-day papers climbed by 20.4 bps to 5.993% from 5.789% and 8.7 bps to 6.297% from 6.210%, respectively.

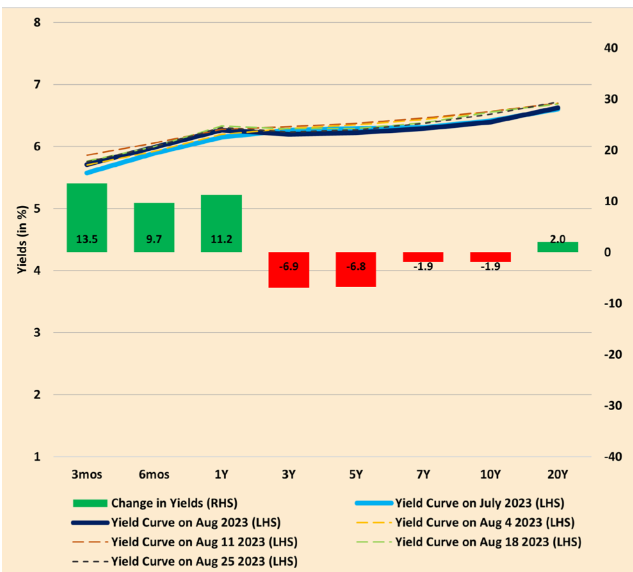
Meanwhile, yields of Treasury bonds (T-bonds) came in mixed in August. The 7-year tenors edged up by 14 bps to 6.468% from 6.328% in the previous month. Issued 3x in August, the 10-year T-bonds plunged by -34.2 bps to 6.220% from 6.562% a month ago. Lastly, Bureau of the Treasury (BTr) rejected all 20-year securities bids as the average rate reached 6.927% from its previously awarded yield at 6.085% in June.

Figure 9 - Monthly Total Turnover Value (in Billion Pesos)
Volume Decreased by -8.4%% MoM in August



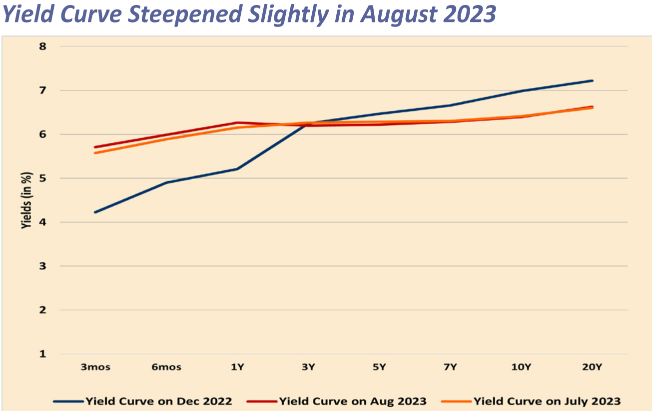
Source: Philippine Dealing Systems (PDS)

Figure 10 - Week-on-Week and Month-on-Month Changes on the GS Benchmark Bond Yield Curves (bps)
Yields of the 3-year to 10-year Bucket Declined



Sources: Bloomberg, First Metro Investment Corporation (FMIC)

Figure 11 - Year-end Yield Curve in 2022 and Latest Yield Curve Versus Previous Month in 2023
Yield Curve Steepened Slightly in August 2023



Sources: Bloomberg, First Metro Investment Corporation (FMIC)

Secondary Market: Volume Declined by -8.4% MoM Amid Investors' Cautious Mood

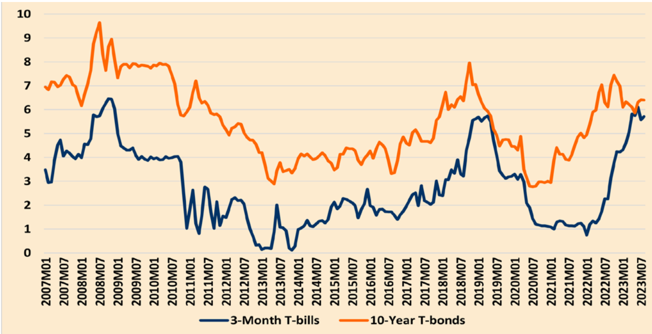
Cautiousness and risk aversion returned to the secondary market (GS) in August after an initial enthusiasm due to the slowdown in inflation both here and in the U.S. in the previous month. Renewed concerns over inflation driven by the recent spike in global oil prices and additional monetary tightening by the Fed prompted investors to move to the sidelines in August. As a result, the trading volume trekked down by -8.4% to P491.1-B in August from P536.1-B in the prior month.

Yields experienced minimal movement in August. The front end of the curve rose, similar to the upswing in auctions, with the 3-month papers accelerating by 13.5 bps to 5.708% in August from 5.573% a month ago. The 6-month and 1-year debt papers went up by 9.7 bps to 5.988% from 5.891% and 11.2 bps to 6.263% from 6.151%, respectively. In addition, 20-year tenors increased slightly by 2 bps to 6.624% from 6.604% on the back of the full rejection in its issuance in August.

On the contrary, yields of 3-year and 5-year T-bonds dropped by -6.9 bps to 6.197% from 6.266% and -6.8 bps to 6.219% from 6.287%, respectively. Both 7-year and 10-year tenors slipped by -1.9 bps to 6.287% from 6.306% and 6.394% from 6.412%, respectively. The latter spiked to a maximum of 6.596% in August tracking the upward movement in U.S. Treasuries.

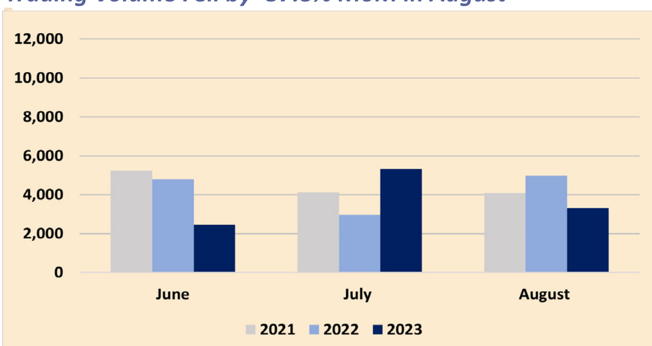
The spread between 10-year and 2-year bond yields expanded moderately by 2.2 bps to 20.7 bps in August. Heightened volatility will continue to keep investors in a defensive mode in the near term amid Fed and BSP's rate setting meetings on September 20 and 21, respectively. Furthermore, BSP Governor Remolona signaled it is prepared to resume monetary tightening to curb inflation.

Figure 12 - 3-month T-bills and 10-year T-bonds Yields
Spread Narrowed by -15.4 bps MoM in August 2023



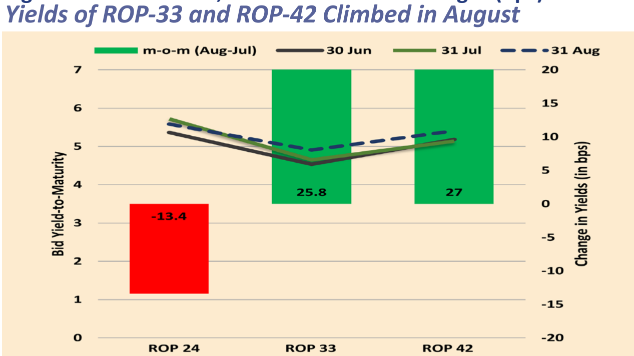
Source: Philippine Dealing Systems (PDS)

Figure 13 - Total Corporate Trading Volume (in Billion Pesos)
Trading Volume Fell by -37.8% MoM in August



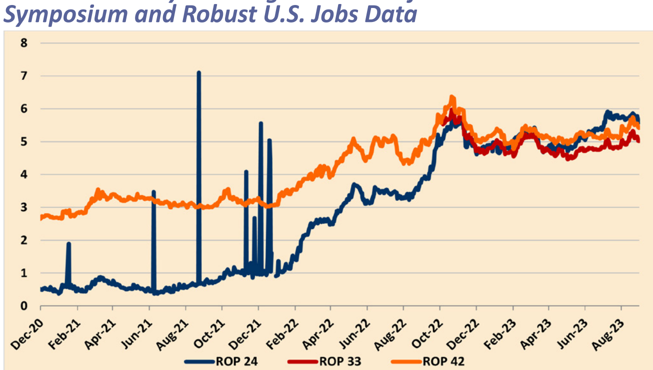
Sources: Bloomberg, Philippine Dealing Exchange (PDEx)

Figure 14 - ROPs Yield, Month-on-Month Changes (bps)
Yields of ROP-33 and ROP-42 Climbed in August



Source: Philippine Dealing Systems (PDS)

Figure 15 - ROPs Daily Yields
Yields Soared by mid-August Ahead of Jackson Hole Symposium and Robust U.S. Jobs Data



Sources: Bloomberg, First Metro Investment Corporation (FMIC)

Corporate Bonds: Volume Plummeted by -37.8% MoM in August

The trading of corporate securities dove by -37.8% to P3.3-B in August from P5.3-B in the previous month. Moreover, it plunged by -33.3% from P5.0-B a year ago. The volume of the top five corporates stood at P3.3-B or 35.5% of total trades in August.

SM Prime Holdings, Inc. (SMPH) seized the top spot with P513.9-M in August or 61.3% higher from last month. Ayala Land, Inc. (ALI) and BDO Unibank (BDO) took the second and third place with P439.9-M (up by 34.4% MoM) and P136.0-M (down by -51.8% MoM), respectively. Previously first, Union Bank of the Philippines (UBP) fell steeply by -94.5% to P85.7-M in August. At the bottom, Rizal Commercial Banking Corporation (RCB) crashed by -99.8% to just P2.0-M in August.

Corporate Issuances and Disclosures

- No new issuances in August.

ROPs: ROP-33 and ROP-42 Tracked the Uptrend in U.S. Treasuries in August

Yields of the Republic of the Philippines' U.S. dollar-denominated bonds (ROPs) came in mixed in August. ROP-24 slipped by -13.4 bps to 5.585% in August from 5.719% a month ago. On the contrary, longer tenors such as ROP-33 and ROP-42 advanced by 25.8 bps to 4.905% from 4.647% and 27 bps to 5.409% from 5.139%, respectively.

Additionally, the Bureau of the Treasury (BTr) will likely issue retail dollar bonds (RDB) in September with a target offer size of $2.0-B. RDBs previous issue took place last October 2021 in which BTr successfully raised $1.6-B.

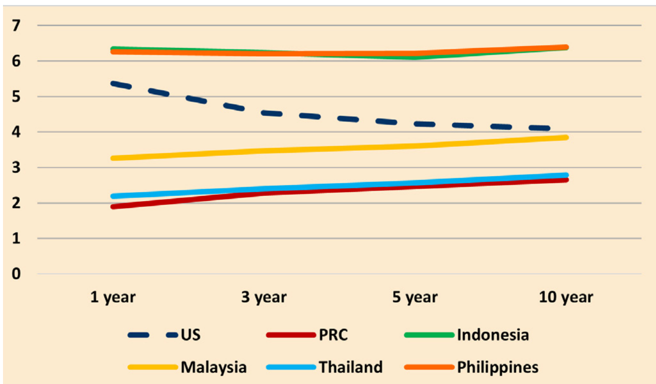
The equivalent 1-year U.S. Treasuries remained unchanged at 5.37% in August. The 10-year and 20-year U.S. Treasuries jumped by 12 bps to 4.09% from 3.97% and 17 bps to 4.39% from 4.22%, respectively. Accelerating U.S. inflation at 3.2% in July, resilient labor market, and hawkish statements from the Fed minutes contributed to the upticks. Furthermore, U.S. Fed Chair Powell mentioned in his speech at the Jackson Hole Symposium that the Fed remains open to raise rates further amid stronger-than-expected U.S. economy which poses upside risks to inflation.

Table 7 - Spreads Between ROPs and U.S. Treasuries (bps)

Spreads between ROPs and U.S. Treasuries (bps)			
Date	3-year	10-year	20-year
30-Jun	-3.7	72.3	112.1
31-Jul	34.9	67.7	91.9
31-Aug	21.5	81.5	101.9

Sources: UA&P Direct Estimates from Federal Reserve Board, Philippine Dealing & Exchange Corporation (PDEx)

Figure 16 - Comparative Yield Curve Between ASEAN per Tenor
ASEAN+1: Yield Curves Hardly Moved in August



Sources: Asian Development Bank (ADB), Federal Reserve Board

The spread between ROP-24 and 1-year U.S. Treasuries slimmed by -13.4 bps to 21.5 bps in August as the latter remained constant. Meanwhile, the spread between ROP-33 and ROP-42 with their equivalent U.S. tenors expanded by 13.8 bps to 81.5 bps and 10 bps to 101.9 bps, respectively.

ASEAN+1: August Saw Mildly Flatter Yield Curves in US, ASEAN

U.S.: U.S. Q2-2023 GDP got sliced to 2.1% (SAAR) from the first estimate of 2.4%. But the economy added 187,000 jobs, aligned to the 10-year monthly average gains, while July and June data had large downward revisions of -80,000 to 105,000, and -30,000 to 157,000, respectively. Retail sales also surprised on the upside with a seasonally adjusted 0.7% MoM increase in July after an upward revised 0.3% gain in June. This reflected the jump in Consumer Expectations (University of Michigan's survey) to 68.1 in July from 61.5 in June. However, it eased to 65.5 in August. Manufacturing PMI continued to show declines since November 2022 as it clocked at 47.9 in August, down further from 49.0 in July. Seasonally adjusted MoM inflation in August jumped by 0.6% from 0.2% a month earlier as prices of petroleum products surged. This brought YoY headline inflation to 3.7% up from 3.2% in July. Nonetheless, the vast majority of economists polled in September thought that the Fed would pause in its September 19-20 meeting.

The yield curve flattened slightly with the negative steepness measure (10-year less 2-year bond yields) better at -76 bps from -91 bps in July.

CHINA: The annual inflation rate climbed to 0.1% in August following prior month's drop of -0.3%, the first decrease since February 2021. Furthermore, factory activity went back to expansionary mode as the Caixin General Manufacturing PMI rose to 51.0 in August, the strongest pace since February, from 49.2 in the prior month.

In August, both exports and imports slumped by -8.8% to $284.9-B and -7.3% to $216.5-B, respectively. With this, China posted its smallest trade surplus in three months to $68.4-B in August from $78.6-B a year ago as the former declined more than the latter.

The People's Bank of China's (PBoC) 1-year medium-term lending facility (MLF) rate remains at 2.50% in August. The spread between 10-year and 2-year bond yields contracted by 5 bps to 48 bps following the slash in 1-year MLF rates by 15 bps last August 15.

INDONESIA: Indonesia's manufacturing sector expanded for the 24th consecutive month in August as PMI jumped to 53.9 from 53.3 a month earlier. From a 16-month low of 3.1% in July, the country's inflation print advanced to 3.3% in August driven by higher food and transport prices.

Outward shipments plunged by -18% YoY to $20.9-B in July amid moderating commodity prices. On the other hand, imports dropped less by -8.3% YoY to $19.6-B in July. As a result, trade surplus sank sharply to $1.3-B in July from $4.2-B in the previous year.

For the 7th straight month, Bank Indonesia (BI) maintained its key interest rates at 5.75% in August noting that current levels remained adequate to contain inflation. The yield curve flattened by -6 bps to 12 bps in August.

MALAYSIA: Malaysia's economy grew by 2.9% in Q2-2023, the softest pace since Q3-2021, weighed down by easing private consumption and lackluster global demand.

Moreover, Manufacturing PMI contracted déjà vu in August to 47.8, unchanged from the previous month, for 12 months in a row of softer PMIs. On the inflation front, inflation slowed down to a near 2-year low of 2% in July from 2.4% a month earlier.

Exports and imports registered double digit losses in July by -13.1% to MYR 116.8-B ($24.9-B) and -15.9% to MYR 99.7-B ($21.3-B). The trade surplus widened to MYR 17.1-B ($3.6-B) in July from MYR 15.8-B ($3.4-B) in the prior year.

Bank Negara Malaysia (BNM) kept its policy rate at 3% in September amid signs of moderating economic growth and cooling inflation. The spread between 10-year and 2-year bond yields slimmed slightly by 2 bps to 47 bps in August.

THAILAND: The country expanded less than expected at 1.8% in Q2-2023 from a downward revision of 2.6% in the previous quarter. Private spending increased (7.8% vs 5.8% in Q1) benefitting from the long holidays, albeit offset by the decrease in fixed investments (0.4% vs 3.1%) and government spending (-4.3% vs 6.3%).

Meanwhile, inflation edged higher to 0.9% in August from 0.4% a month ago following the rise in global oil prices. The Manufacturing PMI shrank for the first time in 20 months to 48.9 in August from 50.7 in the previous month.

Global demand remained sluggish as exports shrank by -6.2% YoY in July to $22.1-B for the 10th consecutive month. Imports plummeted by -11.1%, the steepest drop in seven months, to $20.2-B in July. Its trade deficit slid to -$2.0-B from -$3.7-B a year earlier.

The policy rate remained at 2.25% in September as markets await the Bank of Thailand (BOT) stance in its next policy meeting on September 27. The yield curve steepened by 10 bps to 48 bps in August.

Table 8 - Spreads Between 10-year and 2-year T-Bonds

Spreads between 10-year and 2-year T-Bonds									
Country	2-year Yields	10-year Yields	Projected Inflation Rates	Real 10-Year Yield	10-Year and 2-Year Spread (bps)		Spread Change (bps)	Latest Policy Rate	Real Policy Rate
					Jul-23	Aug-23			
U.S.	4.85	4.09	3.9	0.19	(91)	(76)	15	5.50	1.60
PRC	2.17	2.65	0.8	1.85	53	48	(5)	2.50	1.70
Indonesia	6.26	6.38	3.8	2.58	18	12	(6)	5.75	1.95
Malaysia	3.37	3.84	2.7	1.14	49	47	(2)	3.00	0.30
Thailand	2.30	2.78	1.5	1.28	38	48	10	2.25	0.75
Philippines	6.19	6.39	5.8	0.59	18	20	2	6.25	0.45

Sources: Asian Development Bank (ADB), The Economist & UA&P
**1-year yields are used for PH because 2-year papers are illiquid*

Outlook

- The 10-year U.S. T-bond yields rose modestly by 12 bps to 4.09% in August as the markets took delight with the slower headline inflation of 3.2% YoY in July. However, the yields raced higher in September as job numbers remained robust, while retail sales surprised on the upside. Economic data, however, emitted mixed signals as the inflation print in August speeded to 3.7% YoY due to soaring crude oil prices. Despite the inflation report card, 97% of polled economists expected correctly that the Fed would pause in its policy rate hiking cycle in its September 19-20 meeting. But this did not stop the yields from rising further to exceed 4.30% by mid-September. This may put a little pressure on PH bond yields in the month ahead.

- On the contrary, local PH 10-year bond eased by -1.9 bps to 6.394% by end August as BSP kept policy rates unchanged at 6.25% in its August 17th meeting. While yields rose again after a faster inflation at 5.3% YoY in August from 4.7% in the prior month, these tended to move sideways with a slight downward bias in September. It seems market players see the recent crude oil and rice price gains as transitory and had greater faith in BSP's statements that the YoY inflation rate will likely head back to within target (2% to 4%) in Q4. We agree with this latter view.

- NG domestic borrowing in the remaining months of 2023 does not seem large since it plans to issue Retail Dollar Bonds (RDB) in September and had added some P737.1-B to its cash hoard by the end of July. Thus, with these three major factors at play, we think local 10-year benchmark bond yields may move basically sideways within the 6.30% to 6.60% range. Some have expressed concern at the P2.46-T gross borrowing program for 2024, but when amortizations are deducted, the increase in net borrowing comes a little over 10%.

- Nonetheless, BSP Governor Remolona has expressed willingness to raise policy rates in 2023 to quell rising inflation expectations. But BSP may time it or expect it to match the Fed's own rate increase, which looks likely in either its November or December meeting.

- ROPs' spread over U.S. Treasuries widened in August due to the faster rise in U.S. bond yields as markets priced in the impact of Fed's policy rate hike in July. The spread will remain challenged, due to the jump in local inflation, but this may last only a month or two.

EQUITY MARKETS

RISK-OFF APPETITE FOR EQUITIES ABROAD BATTER LOCAL BOURSE AS WELL

Investors sell off equities in global and local markets in August amid the Fed's policy rate hike at the end of July. None of the eight monitored Advanced Economies (AEs) markets came unscathed, while only two out of four ASEAN countries—Thailand and Indonesia—eked out gains. PSEi got battered as it slumped by -6.3% MoM to end at 6,175.25. All six sectors of the PSE tumbled, with Mining & Oil sector losing least in value by -2.7%, followed by the Financial sector's -4.5% deadline. Only four counters among the PSEi constituent stocks ended in the green led by Semirara Mining & Power Corporation (SCC) with its 10.9% uptick followed by GT Capital Holdings Inc. (GTCAP) which gained by 5% as its Q2 net income surged by 148.1%.

***Outlook**: PSEi continued to trade sideways in September between 6,000 and 6,350 as a paucity of good news plagued the market. Unlike in the past months when local investors would take the slack left by foreign investors, local investors may have exhausted their bullets and/or had to satisfy margin calls. While PE of PSEi has dropped to levels last seen during the World Financial Crisis (2008-09), elevated local inflation rates and U.S. Treasuries seem to deter re-entering the market given the present uncertainties. However, we remain constructive specially with respect to oversold issues and those with high dividend yields.*

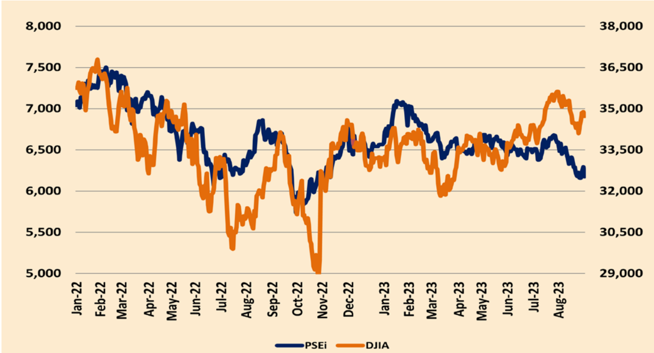
Table 9 - Global Equities Markets Performances

Global Equities Markets Performances				
Region	**Country**	**Index**	**August M-o-M Change**	**2023 % Change**
Americas	US	DJIA	-2.4%	4.8%
Europe	Germany	DAX	-3.0%	14.5%
	London	FTSE 101	-3.0%	-0.2%
East Asia	Hong Kong	HSI	-8.5%	-7.1%
	Shanghai	SSEC	-5.2%	1.0%
	Japan	NIKKEI	-1.7%	25.0%
	South Korea	KOSPI	-2.9%	14.3%
Asia-Pacific	Australia	S&P/ASX 200	-1.4%	3.8%
Southeast Asia	Indonesia	JCI	0.3%	1.5%
	Malaysia	KLSE	-0.5%	-2.9%
	Thailand	SET	0.6%	-6.2%
	Philippines	PSEi	-6.3%	-6.0%

Sources: Bloomberg and Yahoo Finance

Figure 17 - PSEi vs DJIA

PSEi vs DJIA Correlation in August Increased to 0.81 from July

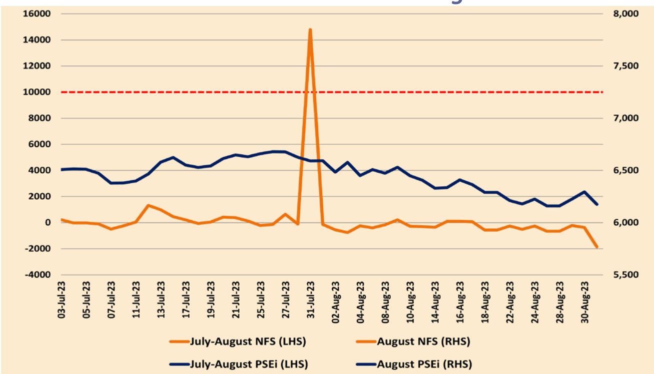


Sources: Wall Street Journal, Bloomberg

Global Picture. Majority of the global equities landed on the red, while two performed positively in August. Thailand SET recorded the highest upswing as it ended the month with a 0.6% month-on-month (MoM) uptick, piling on top of its 3.5% increment a month ago. Indonesia JCI followed suit as it ended the month with a 0.3% MoM increment, after its 4% gain in the previous month. Meanwhile, Hongkong HSI recorded the steepest decline with -8.5% MoM while PSEi recorded a -6.3% MoM loss to end August at 6,175.25, an 11-month low.

PSEi and DJIA. The Dow Jones Industrial Average (DJIA) closed a volatile month of trading. DJIA declined to end August at 34,721.91. Meanwhile, PSEi finished the month at 6,175.25 from the previous month's close of 6,591.47. The correlation between the two indices in August edged up to +0.81 from +0.78.

Figure 18 - PSEi vs Net Foreign Selling
PSEi vs NFS Posted a 0.4 Correlation in August



Sources: Bloomberg & Yahoo Finance

Table 10 - Monthly Turnover (in Million Php)

Monthly Turnover (in Million Pesos)				
	Total Turnover		Average Daily Turnover	
Sector	Value	% Change	Value	% Change
Financial	17,239.99	-45.9%	820.95	-45.9%
Industrial	16,216.44	-12.5%	772.21	-12.5%
Holdings	43,336.99	158.6%	2,063.67	158.6%
Property	19,065.86	7.9%	907.90	7.9%
Services	16,397.60	19.6%	780.84	19.6%
Mining and Oil	2,389.47	74.0%	113.78	74.0%
Total	**114,646.34**	14.8%	**5,459.35**	14.8%
Foreign Buying	45,719.57	-21.6%	2,177.12	-21.6%
Foreign Selling	53,095.94	32.5%	2,528.38	32.5%
Net Buying (Selling)	(7,376.36)	-140.4%	(351.26)	-140.4%

Source of Basic Data: PSE Quotation Reports

Table 11 - Top Foreign Buy in August (in Million Php)

Top Foreign Buy	
Company	Total Value
ALI PM Equity	2,161.99
GTCAP PM Equity	403.65
BDO PM Equity	203.26
GLO PM Equity	192.13
ICT PM Equity	159.22
Total Buy Value	**3,120.25**

Sources of Basic Data: Bloomberg, First Metro Investment Corporation (FMIC)

Net Foreign Buying/Selling. In terms of trading volume, four sectors landed on the green, with the Holdings sector leading the sector gainers having the largest uptick of +158.6% in August. In contrast, the Financial sector led the sectors with negative trading performance with its -45.9% plunge in August.

Foreign investors ended as net sellers in August to the tune of P7.3-B from net buying of P18.2-B a month earlier.

The top five favorite stocks (net buying) of foreign investors amounted to P3.1-B with Ayala Land, Inc. (ALI) (P2.1-B) and GT Capital Holdings, Inc. (GTCAP) (P0.4-B) leading the pack.

The top five favorite stocks (net selling) in August amounted to P5.8-B with SM Prime Holdings, Inc. (SMPH) (P1.7-B) and SM Investments Corporation (SM) (P1.2-B) in the front rows.

All six sectors of PSEi turned in a negative performance which resulted to a -6.3% MoM tumble by PSEi in August. The Property sector valuations fell by -7.5% MoM, emerging as the worst performer for the month. The Services sector followed suit with a -7% MoM decline. Despite weaker August, the Financial sector turned in the best year-to-date (YTD) performance with its +12.5% MoM increase.

Table 12 - Top Foreign Sell in August (in Million Php)

Top Foreign Sell	
Company	**Total Value**
SMPH PM Equity	-1,744.25
SM PM Equity	-1,236.20
MPI PM Equity	-1,023.90
TEL PM Equity	-966.63
MEG PM Equity	-855.31
Total Sell Value	**-5,826.28**

Sources of Basic Data: Bloomberg, First Metro Investment Corporation (FMIC)

Table 13 - Monthly Sectoral Performance

Monthly Sectoral Performance					
	31-July-2023		31-August-2023		2023 YTD
Sector	Index	% Change	Index	% Change	
PSEi	6,591.47	1.9%	6,175.25	-6.3%	-6.0%
Financial	1,940.59	5.1%	1,850.03	-4.7%	12.5%
Industrial	9,176.73	-0.6%	8,689.90	-5.3%	-7.1%
Holdings	6,328.99	-0.9%	5,904.97	-6.7%	-8.2%
Property	2,709.85	3.9%	2,507.86	-7.5%	-14.4%
Services	1,613.19	3.1%	1,500.54	-7.0%	-8.2%
Mining and Oil	10,364.31	4.6%	10,083.72	-2.7%	-6.7%

Source of Basic Data: PSE Quotation Reports

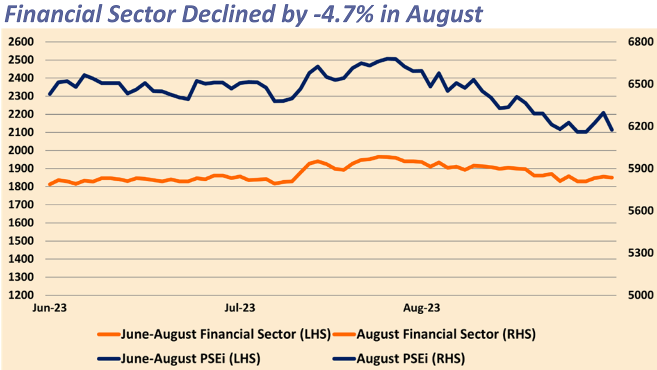
Table 14 - Financial Sector Constituent Stocks

Company	Symbol	7/31/2023 Close	8/31/2023 Close	M-o-M % Change	2023 YTD
Metropolitan Bank and Trust Company	MBT	60.00	55.20	-8.0%	2.2%
BDO Unibank, Inc.	BDO	145.10	139.30	-4.0%	31.8%
Bank of the Philippine Islands	BPI	114.50	110.00	-3.9%	7.8%
Unionbank of the Philippines	UBP	76.00	69.00	-9.2%	-19.9%

Source of Basic Data: PSE Quotation Reports

Figure 19 - Financial Sector Index (June 2023 - August 2023)

Financial Sector Declined by -4.7% in August



Source of Basic Data: PSE Quotation Reports

The Financial sector ranked second in the sectoral race, with a -4.7% MoM loss in August, which nearly wiped out its +5.1% increment a month earlier. After achieving favorable results in July, each of the four component stocks within the sector experienced a downturn in performance during August.

Unionbank of the Philippines (UBP) share prices dipped the most by -9.2% in August, handily reversing its +1.5% gain in the previous month. Nonetheless, UBP has recently formed a partnership with Infobip Philippines, a cloud communications platform, in order to use the latter's Moments platform so that the bank can expand its services even for their customers living abroad. Additionally, the Bangko Sentral ng Pilipinas (BSP) has also gave its approval for UBP to raise its authorized capital stock from P35.3-B to P60.3-B, a move designed to facilitate the bank's expansion and general corporate purposes.

Bank of the Philippine Islands (BPI) share prices contracted the least by -3.9% in August, after its +5.2% uptick a month earlier. Nevertheless, BPI has recently announced its plan to set up a subsidiary in Singapore by the first quarter of 2024 to serve Filipinos who are interested in offshore investment opportunities. Through this new subsidiary, BPI aims to achieve P3.0-T in assets under management (AUM) by 2026.

Table 15 - Industrial Sector Constituent Stocks

Company	Symbol	7/31/2023 Close	8/31/2023 Close	M-o-M % Change	2023 YTD
Meralco	MER	356.00	343.60	-3.5%	15.0%
Aboitiz Power	AP	36.05	35.70	-1.0%	4.8%
Jollibee Foods Corporation	JFC	255.00	237.00	-7.1%	3.0%
Universal Robina Corporation	URC	122.60	111.70	-8.9%	-17.9%
AC Energy Corporation	ACEN	5.22	5.01	-4.0%	-34.3%
Emperador Inc.	EMI	20.95	20.90	-0.2%	1.5%
Monde Nissin Corporation	MONDE	8.19	7.20	-12.1%	-35.0%

Source of Basic Data: PSE Quotation Reports

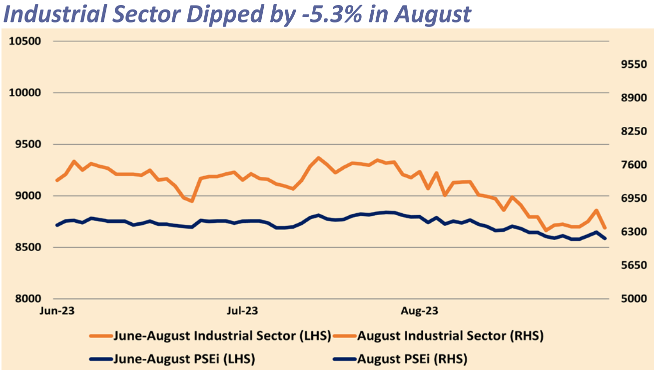
The Industrial sector index ranked third in the sectoral race, with a -5.3% MoM fall in August, from its -0.6% loss a month earlier. Similar to the Financial sector, all seven constituent stocks in the Industrial sector dropped to red territory in August.

Monde Nissin Corporation (MONDE) led the decliners after registering a -12.1% MoM loss in August from its +2.2% increment in July. MONDE reported that its net income for Q2-2023 went down by -23.9% YoY to P1.5-B from last year's P1.9-B. Overall, its H1-2023 net income had declined by -17.9% YoY to P3.5-B from P4.3-B a year ago due to reduced gross profit, rising costs, and foreign exchange losses. Nonetheless, MONDE expressed optimistic for H2 with the recent completion of the restructuring of its meat alternative business.

Universal Robina Corporation (URC) share prices slumped by -8.9% MoM in August, after its large -10.8% loss in July. URC remained committed to offering convenient and diverse food options to its customers as evidenced by its recent expansion of footprint in the e-commerce space by introducing its TikTok shop. This enables customers to purchase top-quality products at budget-friendly prices and benefitting from exclusive offers and promotions during the company's live selling events.

Figure 20 - Industrial Sector Index (June 2023 - August 2023)

Industrial Sector Dipped by -5.3% in August



Source of Basic Data: PSE Quotation Reports

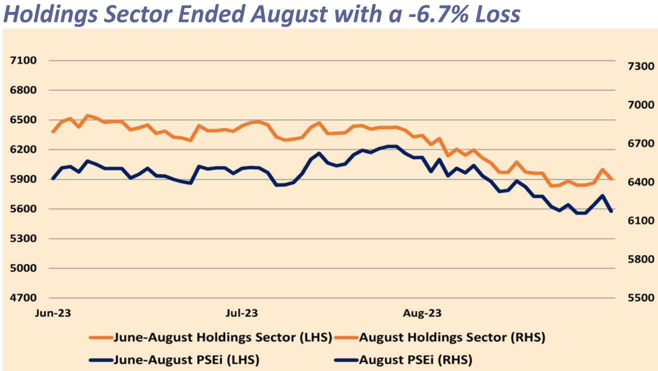
Jollibee Foods Corporation (JFC) share prices followed suit as it ended the month with a -7.1% MoM loss in August, negating its +6.6% gain a month earlier. JFC's Q2-2023 net income slipped by -8.2% YoY to P2.5-B from P2.7-B in the same quarter last year, thereby resulting in a -5.9% decline in its net income for H1-2023 from P4.9-B to 4.6-B. The company attributed the decline to the rise in inventory costs caused by inflationary pressures. Nevertheless, JFC posted double-digit growth of +16.9% to P85.5-B in its system-wide sales during Q2-2023, reflecting its strong revenue generation and resilience amid the external challenges.

Table 16 - Holdings Sector Constituent Stocks

Company	Symbol	7/31/2023 Close	8/31/2023 Close	M-o-M % Change	2023 YTD
Ayala Corporation	AC	615.00	616.00	0.2%	-11.4%
Metro Pacific Investments Corporation	MPI	4.87	5.05	3.7%	47.7%
SM Investments Corporation	SM	912.00	833.00	-8.7%	-7.4%
Aboitiz Equity Ventures	AEV	53.80	47.00	-12.6%	-18.5%
GT Capital Holdings, Inc.	GTCAP	545.00	572.50	5.0%	31.6%
San Miguel Corporation	SMC	108.90	104.50	-4.0%	12.4%
Alliance Global Group, Inc.	AGI	12.44	12.50	0.5%	5.0%
LT Group Inc.	LTG	9.60	9.12	-5.0%	-0.9%
JG Summit Holdings, Inc.	JGS	43.05	36.55	-15.1%	-27.3%
DMCI Holdings, Inc.	DMC	9.60	9.66	0.6%	-19.5%

Source of Basic Data: PSE Quotation Reports

Figure 21 - Holdings Sector Index (June 2023 - August 2023)
Holdings Sector Ended August with a -6.7% Loss



Source of Basic Data: PSE Quotation Reports

AC Energy Corporation (ACEN) share prices slid by -4% MoM in August, after its -3.2% contraction in the previous month. Despite this, ACEN's Q2-2023 net income grew by +24% to P2.2-B from P1.7-B in the same period last year due to its renewables expansion. ACEN recently reported its joint venture with Puri Usaha Group, an Indonesian-based firm, for the purpose of advancing large-scale renewable energy initiatives in Indonesia. This endeavor will primarily concentrate on the establishment of solar power facilities, battery energy storage systems, and green hydrogen projects.

The Holdings sector ranked fourth in sector rankings in August with a -6.7% MoM loss from its -0.9% slippage in July. Half of the 10 constituent stocks of the sector posted gains.

GT Capital Holdings, Inc. (GTCAP) gained the most among all the constituent stocks in the sector after its share prices inched up by +5%, piling on top of its +5.8% increment a month ago. GTCAP has recently reported a significant increase in its net income for Q2-2023, rising by +148.1% to P10.0-B from P4.0-B a year ago. This brought its H1-2023 net income surging by over 100% to P16.6-B from P8.1-B in the previous year, which can be attributed to the robust performance of its core businesses encompassing banking, financial services, automobile, and property development.

Metro Pacific Investments Corporation (MPI) share prices inched up by +3.7% in August after its +2.1% uptick in the past month. MPI reported a substantial uptick of +36.8% in its Q2-2023 net income, reaching P5.2-B from P3.8-B in the previous year. Its net income for H1-2023 also went up by +7.6% to P10.2-B compared from P9.5-B in the same period last year, thanks to the strong performance of its power generation segment and increased water tariff for its water concession.

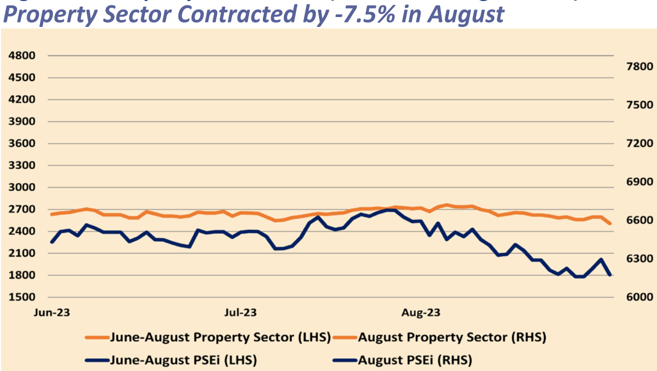
SM Investments Corporation (SM) share prices dipped by -8.7% in August, after its -1.4% decline in July. SM partly attributed this slump to the government's suspension of reclamation projects in Manila Bay and the slowdown in Q2 GDP growth which affected investor sentiment. Nonetheless, SM registered a +32% YoY increase in its net-income for H1-2023 amounting to P36.5-B, driven by robust consumer demand amid high inflation.

Table 17 - Property Sector Constituent Stocks

Company	Symbol	7/31/2023 Close	8/31/2023 Close	M-o-M % Change	2023 YTD
Ayala Land, Inc.	ALI	27.40	27.15	-0.9%	-11.9%
SM Prime Holdings, Inc.	SMPH	33.40	29.20	-12.6%	-17.7%

Source of Basic Data: PSE Quotation Reports

Figure 22 - Property Sector Index (June 2023 - August 2023)
Property Sector Contracted by -7.5% in August



Source of Basic Data: PSE Quotation Reports

Table 18 - Services Sector Constituent Stocks

Company	Symbol	7/31/2023 Close	8/31/2023 Close	M-o-M % Change	2023 YTD
PLDT, Inc.	TEL	1,310.00	1,150.00	-12.2%	-12.7%
Globe Telecom	GLO	1,920.00	1,802.00	-6.1%	-17.3%
Converge ICT Solutions, Inc.	CNVRG	10.10	7.77	-23.1%	-51.1%
Puregold Price Club Inc.	PGOLD	29.00	27.90	-3.8%	-20.1%
Wilcon Depot, Inc.	WLCON	22.85	22.20	-2.8%	-24.7%
International Container Terminal Services, Inc.	ICT	217.00	207.20	-4.5%	3.6%

Source of Basic Data: PSE Quotation Reports

Aboitiz Equity Ventures (AEV) share prices contracted by -12.6% MoM in August, following its -1.1% dip a month ago. AEV has recently collaborated with Coca-Cola Europacific Partners PLC (CCEP) in a joint effort to acquire Coca-Cola Beverages Philippines Inc. (CCBP) for a sum of $1.8-B. Under this venture, CCEP will hold a 60% stake of CCBP while AEV will hold 40%. Should the proposed acquisition come to fruition, it would enable AEV to diversify its portfolio by entering the branded consumer goods sector.

JG Summit Holdings, Inc. (JGS) share prices posted the steepest decline of -15.1% MoM in August, continuing its -3.1% loss in July. Nevertheless, JGS registered a net income of P10.4-B in H1-2023, reversing its net loss of P2.7-B in the same period last year, driven by the growth in its food, airline, and property businesses. Additionally, JGS intends to boost its capacity by expanding Cebu Pacific's aircraft fleet in anticipation of the increased travel demand in the second half of the year.

The Property sector, now with only two PSEi-constituent shares, ranked last in the sectoral race as it ended August with a -7.5% dip, reversing its +3.9% uptick in July.

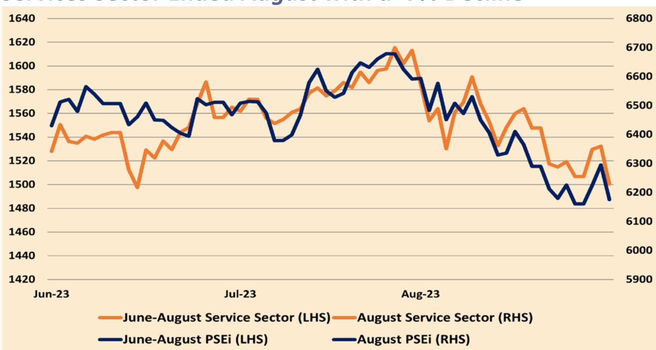
SM Prime Holdings, Inc. (SMPH) moved to negative territory with a -12.6% MoM drop in share prices in August, nullifying its +1.7% gain a month ago. Nevertheless, SMPH continues to expand its renewable energy portfolio after entering into a Memorandum of Agreement (MOA) with Citicore Renewable Energy Corporation (CREC), which will enable SMPH to procure 90 megawatts (MW) of energy from CREC's Lumbangan Solar Power Plant in Batangas. This move by SMPH is in line with its goal of achieving net zero carbon emissions by year 2040.

Ayala Land, Inc. (ALI) share prices suffered a -0.9% MoM slide in August, a minor cut from its +12.8% increment in July. Nonetheless, ALI's net income for Q2-2023 soared by +39.7% to P6.8-B from P4.9-B in the same period last year, which brought its H1-2023 net income up by +41% to P11.4-B. ALI attributed the increase in its net income for H1 to the strong revenue performances of all its business segments.

The Services sector took the next to last place in the sectoral race, as it ended August with a -7% MoM loss, wiping out its +3.1% increment in July. All six counters that formed part of PSEi ended in negative territory.

Figure 23 - Services Sector Index (June 2023 - August 2023)

Services Sector Ended August with a -7% Decline



Source of Basic Data: PSE Quotation Reports

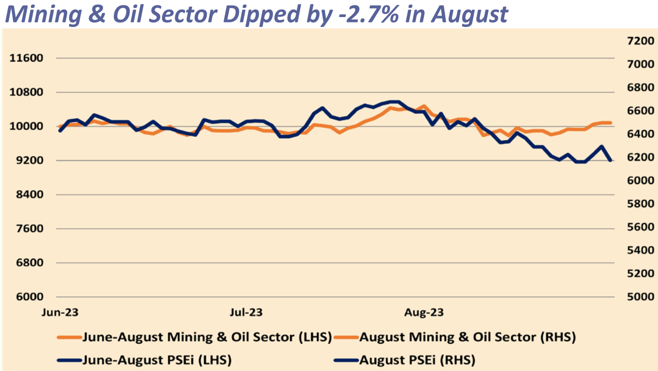
Table 19 - Mining and Oil Sector Constituent Stock

Company	Symbol	7/31/2023 Close	8/31/2023 Close	M-o-M % Change	2023 YTD
Semirara Mining and Power Corporation	SCC	28.85	32.00	10.9%	-7.2%

Source of Basic Data: PSE Quotation Reports

Figure 24 - Mining & Oil Sector Index (June 2023 - August 2023)

Mining & Oil Sector Dipped by -2.7% in August



Source of Basic Data: PSE Quotation Reports

Converge ICT Solutions, Inc. (CNVRG) share prices remained in the red after experiencing a -23.1% MoM contraction in August, following its -7.5% loss a month earlier. This failed to consider the 10.3% YoY increase in earnings to P2.2-B for Q2-2023, and the highest ROIC of 15.4% in the telco space. CNVRG plans to invest at least $60.0-M in the construction of three new data centers in the Philippines, specifically in Pampanga, Quezon City, and Cebu. Each data center is expected to accommodate 600 racks, with the possibility of expansion to 1,000 racks, and will cost at least $20.0-M each. The construction of the data centers is slated to take place within the next 18 to 24 months.

PLDT, Inc. (TEL) share prices tumbled by -12.2% MoM in August, after its -0.2% loss in July. TEL has recently formed a partnership with Cartrack Technologies Philippines, Inc., granting them access to its Internet of Possibilities (IoP) platform. This platform will assist Cartrack in real-time asset monitoring and collecting valuable insights to enhance the efficiency of its fleet operations.

International Container Terminal Services, Inc. (ICT) share prices followed suit with a -4.5% MoM loss in August, cutting off its +6.5% increment in the previous month. ICT recently obtained its largest loan yet of $750.0-M from Metrobank, which will be used to address its short-term obligations and facilitate its global expansion efforts. This year, ICT has allotted $400.0-M for its capital expenditures, $152.2-M of which was spent in H1 for its expansion projects and equipment procurement in various ports, including those in Mexico, Australia, Congo, and Manila.

The Mining & Oil sector ranked first in the sectoral race, declining only by -2.7% in August cutting into its +4.6% gain a month ago. Semirara Mining and Power Corporation (SCC) share prices turned in a positive performance at 10.9% MoM in August, piling on top of its 3% gain in July. Although the upcoming rainy season and scheduled shutdowns may pose challenges for SCC in the latter half of the year, the company maintains its confidence in effectively overcoming these hurdles, thanks to its high starting inventory and strategic emphasis on the spot market. SCC's inventory for H1-2023 has risen by +40% to 2.8-M metric tons (MT) from 2.0-M MT. Weaker copper and nickel prices brought down Philex (PX) and Nickel Asia (NIKL) share prices that put the sector in the red.

Recent Economic Indicators

NATIONAL INCOME ACCOUNTS, CONSTANT PRICES (In Million Pesos)

	2021		2022		1st Quarter 2023			2nd Quarter 2023		
	Levels	Y-o-Y G.R.	Levels	Y-o-Y G.R.	Levels	Q-o-Q G.R.	Y-o-Y G.R.	Levels	Q-o-Q G.R.	Y-o-Y G.R.
Production										
Agri, Hunting, Forestry and Fishing	1,775,209	-0.3%	1,783,499	0.5%	444,603	-15.4%	2.2%	417,469	-6.1%	0.2%
Industry Sector	5,551,621	8.5%	5,914,703	6.5%	1,466,659	-13.7%	4.0%	1,555,126	6.0%	2.1%
Service Sector	11,213,252	5.4%	12,245,429	9.2%	2,996,231	-10.6%	8.4%	3,234,491	8.0%	6.0%
Expenditure										
Household Final Consumption	13,455,117	4.2%	14,570,218	8.3%	3,583,991	-11.9%	6.4%	3,583,956	-3.0%	5.5%
Government Final Consumption	2,842,705	7.2%	2,981,663	4.9%	715,279	1.2%	6.2%	838,500	17.2%	-7.1%
Capital Formation	4,051,799	20.0%	4,609,287	13.8%	1,129,136	-4.8%	12.6%	1,345,905	19.2%	0.0%
Exports	5,129,672	8.0%	5,688,704	10.9%	1,374,568	-4.2%	1.0%	1,416,845	3.1%	4.1%
Imports	6,939,209	12.8%	7,906,240	13.9%	1,989,383	2.7%	4.7%	2,026,420	1.9%	0.4%
GDP	18,540,084	5.7%	19,943,630	7.6%	4,907,493	-12.0%	6.4%	5,207,087	6.1%	4.3%
NPI	639,321	-51.6%	1,133,700	77.3%	412,531	16.2%	82.4%	495,415	20.1%	90.6%
GNI	19,179,405	1.7%	21,077,331	9.9%	5,320,024	-10.3%	10.0%	5,702,502	7.2%	8.6%

Source: Philippine Statistics Authority (PSA)

NATIONAL GOVERNMENT CASH OPERATION (In Million Pesos)

	2021		2022		June-2023			July-2023		
	Levels	Y-o-Y G.R.	Levels	Y-o-Y G.R.	Levels	M-o-M G.R.	Y-o-Y G.R.	Levels	M-o-M G.R.	Y-o-Y G.R.
Revenues	3,005,539	5.2%	3,545,505	18.0%	267,315	-19.8%	-7.9%	411,729	54.0%	33.4%
Tax	2,742,721	9.5%	3,220,315	17.4%	241,042	-18.0%	-4.3%	348,504	44.6%	23.2%
BIR	2,078,145	6.5%	2,335,674	12.4%	164,736	-22.8%	-5.1%	273,134	65.8%	38.4%
BoC	643,563	19.7%	862,420	34.0%	74,125	-4.9%	-2.7%	73,058	-1.4%	-12.6%
Others	21,013	33.7%	22,221	5.7%	2,181	-23.2%	8.0%	2,312	6.0%	19.6%
Non-Tax	262,464	-25.3%	324,082	23.5%	26,115	-33.7%	-32.0%	63,146	141.8%	148.6%
Expenditures	4,675,639	10.6%	5,159,640	10.4%	492,713	8.1%	-2.6%	459,543	-6.7%	16.2%
Allotment to LGUs	892,698	11.0%	1,103,284	23.6%	81,485	8.7%	-8.9%	76,795	-5.8%	-11.1%
Interest Payments	429,432	12.9%	502,858	17.1%	52,884	27.9%	43.9%	63,550	20.2%	22.0%
Overall Surplus (or Deficit)	(1,670,100)	21.8%	(1,614,135)	-3.4%	(225,398)	84.4%	4.6%	(47,814)	-78.8%	-44.9%

Source: Bureau of the Treasury (BTr)

POWER SALES AND PRODUCTION INDICATORS
Manila Electric Company Sales (In Gigawatt-hours)

	2022		May-2023			June-2023		
	Annual Levels	Growth Rate	Levels	Y-o-Y G.R.	YTD	Levels	Y-o-Y G.R.	YTD
TOTAL	48,270.70	6.0%	4,531.50	7.6%	3.2%	4,581.80	4.0%	3.4%
Residential	17,140.40	1.4%	1,689.40	7.7%	0.5%	1,700.20	5.6%	1.5%
Commercial	17,052.40	14.1%	1,630.70	11.0%	10.6%	1,673.50	8.5%	10.2%
Industrial	13,296.80	3.1%	1,103.20	-1.8%	-4.1%	1,116.70	-6.6%	-4.5%

Source: Meralco

BALANCE OF PAYMENTS (In Million U.S. Dollar)

	2021		2022		1st Quarter 2023		2nd Quarter 2023	
	Levels	Y-o-Y G.R.	Levels	Y-o-Y G.R.	Levels	Y-o-Y G.R.	Levels	Y-o-Y G.R.
I. CURRENT ACCOUNT								
Balance of Trade	-5,943	-151%	-18,116	205%	-4,619	11.4%	-3,595	-54.9%
Balance of Goods	-52,806	56%	-69,682	32%	-17,183	8.9%	-16,040	-17.0%
Exports of Goods	54,228	12%	57,726	6%	12,772	-10.0%	13,803	-0.6%
Import of Goods	107,034	31%	127,408	19%	29,954	0.0%	29,843	-10.1%
Balance of Services	14,039	1%	15,879	13%	4,443	38.1%	4,241	43.4%
Exports of Services	33,570	5%	41,127	23%	10,813	24.4%	11,034	20.2%
Import of Services	19,531	9%	25,248	29%	6,370	16.3%	6,793	9.2%
Current Transfers & Others								
II. CAPITAL AND FINANCIAL ACCOUNT								
Capital Account	80	26%	0	-100%	18	-180.0%	18	-4.5%
Financial Account	-6,433	-7%	-12,896	100%	-6,379	37.3%	-1,981	-34.9%
Direct Investments	-9,732	199%	-5,380	-45%	-739	-54.1%	-1,326	-6.1%
Portfolio Investments	10,237	-709%	-1,309	-113%	-706	-1939.1%	823	-572.7%
Financial Derivatives	49	-125%	-48	-198%	20	3424.0%	-72	189.8%
Other Investments	-6,987	295%	-6,158	-12%	-4,955	61.3%	-1,406	-2.0%
III. NET UNCLASSIFIED ITEMS	774	-131%	-2,042	-364%	1,674	9256.3%	403	-69.3%
OVERALL BOP POSITION	1,345	-92%	-7,263	-640%	3,453	597.6%	-1,193	-66.8%
Use of Fund Credits								
Short-Term								
Memo Items								
Change in Commercial Banks	1,092	-86%	-3,109	-385%	-2,822	-1090.6%	-338	-74.7%
Net Foreign Assets	952	-88%	-2,839	-398%	-2,841	-604.9%	-205	-84.7%
Basic Balance	n.a	n.a	n.a	n.a	n.a	n.a	n.a	n.a

Source: Bangko Sentral ng Pilipinas (BSP)

MONEY SUPPLY (In Million Pesos)

	2022		May-2023		June-2023	
	Average Levels	Y-o-Y G.R.	Levels	Y-o-Y G.R.	Levels	Y-o-Y G.R.
RESERVE MONEY	3,482,242	5.4%	3,551,964	0.5%	3,604,420	8.1%
Sources:						
Net Foreign Asset of the BSP	6,423,727	2.0%	6,554,703	2.7%	6,339,128	-2.8%
Net Domestic Asset of the BSP	15,667,570	10.2%	17,010,896	11.4%	17,194,353	10.1%
MONEY SUPPLY MEASURES AND COMPONENTS						
Money Supply-1	6,317,720	11.6%	6,444,353	1.9%	6,458,452	1.2%
Money Supply-2	14,877,668	7.8%	15,837,483	7.7%	15,900,118	6.8%
Money Supply-3	15,432,545	6.9%	16,285,259	6.6%	16,350,071	5.9%
MONEY MULTIPLIER (M2/RM)	4.28		4.46		4.41	

Source: Bangko Sentral ng Pilipinas (BSP)

CONTRIBUTORS

Jose Patricio A. Dumlao	President, FMIC
Dr. Victor A. Abola	Senior Economist, UA&P
Michaela Nicole Meriño	Research Assistant, UA&P
John Angelo Cristobal	Research Assistant, UA&P

FIRST METRO INVESTMENT CORPORATION
Metrobank Group

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UNIVERSITY OF ASIA AND THE PACIFIC