

The Daily Dispatch

February 10, 2021
TODAY'S TOP NEWS

Stagflation unlikely despite current price surge

The Philippines is not suffering from stagflation and the risks of doing so in the future is nil as the economy is still expected to rebound despite what government said was a slow start this year. "There is no reason to worry about stagflation. At least not yet," Steven Cochrane, chief Asia Pacific economist at Moody's Analytics, said.

LalaFood Philippines to stop operations

LalaFood, the food delivery service of on-demand delivery technology company Lalamove, said Feb. 15 is its last day of operations. LalaFood said Lalamove would be redirecting its focus "entirely on its core" delivery business.

Property slump seen to continue

The Philippine property sector is not out of the woods yet as sluggish economic and business conditions continue to jack up office, residential, retail and hotel vacancies, property consulting firm Colliers International Philippines said.

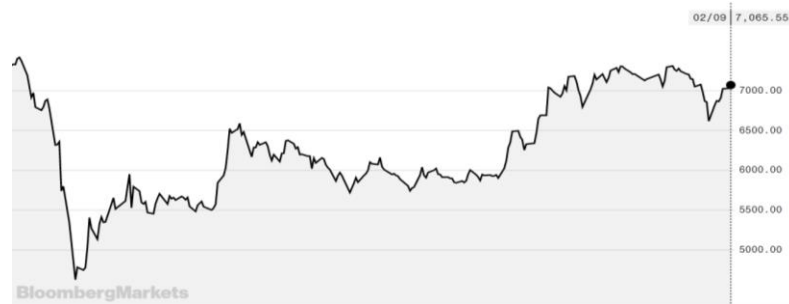
3-year retail T-bonds for sale at 2.375%

The Bureau of the Treasury on Tuesday sold an initial P221.22 billion in three-year retail treasury bonds (RTBs) and expects to sell more to small investors up to March 4.

SMFB streamlining pork biz but keeping Monterey

Amid a pork crisis caused by the African swine fever (ASF), San Miguel Food and Beverage Inc. (SMFB) plans to streamline its pork business and rely instead on outsourcing supply from local hog raisers to support its Monterey brand.

Philippine Stock Market Update



Previous Close:

7,065.55

Open:

7,076.38

52-Week Range:

4,039.15 - 7,510.84

1 Yr Return:

-2.31%

YTD Return:

-0.30%

Source:

Bloomberg

Foreign Exchange

As of Feb. 9, 2021

US Dollar	Philippine Peso
1	48.04

BVAL Reference Rates

As of Feb. 9, 2021

Tenor	Rate
1Y	1.434
3Y	2.118
5Y	2.609
7Y	2.865
10Y	3.046
20Y	3.976

Daily Quote

"A man is like a novel: until the very last page you don't know how it will end. Otherwise it wouldn't be worth reading."

-- Yevgeny Zamiatin

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MORE LOCAL NEWS

HMO sales up amid pandemic

The health maintenance organization sector's bottom line soared by 660.36 percent to P6.77 billion during the first nine months of 2020 as sales inched up amid the Covid-19 pandemic. The latest Insurance Commission data showed 24 HMO firms' total net income as of end-September last year jumped from P890.2 billion a year ago.

Inflation could hit above 6%

Deutsche Bank Chief Economist Michael Spencer said in a report that headline inflation will be above 6 percent for a few months because of elevated food price index, along with higher petroleum prices due to lower base last year. The figure, however, is expected to be back below 4 percent by the end of 2021.

Alsons targeting to raise P2b

Alsons Consolidated Resources Inc. said it will sell commercial paper worth some P2 billion to settle its short-term obligations that will mature from this month to April and to partially fund its hydro project. The company said its float of short-term debt is the first tranche of its P3-billion shelf registration program.

Holiday boost trims bad loans in December 2020

THE holiday boost may have provided some relief to the banking sector, which recorded a decline in bad loans by the end of 2020. Latest data from Bangko Sentral ng Pilipinas (BSP) shows that gross nonperforming loans (NPL) ratio slowed down to 3.61 percent in December from 3.78 percent in the previous month.

Igloo ties up w/ Philinsure to expand PH business

SG-based insurtech provider Igloo announced its partnership with homegrown surety broker Philinsure. "This pandemic brought about an urgent need for traditional industries to tap technology, and this is especially evident in the insurance sector in the Philippines," said Raunak Mehta, chief commercial officer of Igloo.

Ceza eyes fresh fintech investments

The Cagayan Economic Zone Authority is investing more than P400m to put up 2 commercial centers in anticipation of new investors in financial technology. Raul L. Lambino said his agency is constructing a 3-storey building and another 3-storey corporate center that have a combined total of 12,000sqm in office spaces for lease.

Petron may get tax exemption

Congress has given Petron Corp. a lifeline, exempting petroleum refineries from taxes and duties on crude oil imports. CEO Ramon Ang had warned last year that the company would shut down its petroleum refinery in Bataan, which directly employs about 1,000 people, unless the government leveled the playing field in the industry.

Bank earnings slump to 4-year low

The earnings of Philippine banks slumped to a four-year low, declining by 32.8 percent to P154.96 billion last year from a record P230.67 billion in 2019 as the industry's provision for potential loan losses arising from the impact of the pandemic almost quadrupled, according to the Bangko Sentral ng Pilipinas (BSP).

Foreign buying powers index up for 4th day

Stocks extended gains for the fourth straight session yesterday, powered by the largest net foreign buying so far in the year, buoyed by positive sentiment on the progress of the coronavirus vaccine rollout. The 30-company Philippine Stock Exchange index (PSEi) closed at 7,065.55, up by 41.07 points.

EDC to issue P15 billion green bonds

Lopez-led Energy Development Corp. (EDC) plans to issue green bonds worth P15 billion this year as part of its push for green and sustainable power development. In a regulatory filing, EDC said it secured board approval to undertake a bond shelf registration of up to P15 billion.

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TODAY'S TOP ASIAN NEWS

Indo sees room for rate cuts amid slower recovery

Indonesia's central bank governor Perry Warjiyo said on Tuesday, February 9, there was room to cut interest rates further to support Southeast Asia's biggest economy after a slower than expected pace of recovery.

Temasek's focus will be climate change

Incoming Temasek chief executive Dilhan Pillay Sandrasegara said the state investor's focus and biggest consideration is climate change. "It's impacting businesses in every sector, in every part of the world, and we have to think what that means for the various geographies that we're operating in," he told a briefing

Mapletree Logistics Trust secures \$200m green loan

Mapletree Logistics Trust (MLT) has secured its first green loan after two of its subsidiaries on Tuesday entered into an agreement for a \$200 million green revolving credit facility with OCBC Bank.

Razer co-founder exits Myanmar-linked investment

Razer co-founder and director Lim Kaling is selling an investment associated with the military-linked market leader in Myanmar's tobacco market. Mr Lim said yesterday that he had been monitoring the situation in Myanmar and recent events there caused him "grave concern".

Thailand targets 30% electric-car production

Thailand will target having electric vehicles account for 30% of car production by the end of the decade, as part of efforts to tackle toxic air pollution. The government wants to "accelerate the use and production of electric vehicles, with national strategies focusing on the environment and air pollution solutions".

TODAY'S TOP GLOBAL NEWS

GameStop tumbles nearly 20% as surge dies down

Shares of video game retailer GameStop tumbled nearly 20% Tuesday to their lowest levels since the start of a retail investor-led surge that echoed across Wall Street. Other Reddit favorites tumbled alongside GameStop, with AMC Entertainment Holdings Inc shedding nearly 12% and BlackBerry Ltd dropping nearly 4%.

Cisco revenue declines for fifth straight quarter

Cisco Systems Inc on Tuesday reported a decline in revenue for a fifth straight quarter, as enterprise clients spent less on its network infrastructure products for offices due to the rise of remote working.

Chesapeake Energy emerges from bankruptcy

U.S. shale producer Chesapeake Energy Corp exited Chapter 11 bankruptcy with business plan that nods to its founders' emphasis on natural gas after a recent push into crude oil. Once the second-largest U.S. natural gas producer, Chesapeake was felled by a long slide in gas prices and heavy debts from overspending on deals.

GM extends production cuts due to chip shortage

General Motors Co said on Tuesday it was extending production cuts at three North American plants until at least mid-March due to the global semiconductor chip shortage, while vehicles at two other factories would only be partially built.

Disney to pull the plug on studio behind 'Ice Age'

Walt Disney Co is closing the animation studio behind film franchises "Ice Age" and "Rio" due to the COVID-19 pandemic's impact on the entertainment industry, the company said on Tuesday.