

The Daily Dispatch

February 19, 2024
TODAY'S TOP NEWS

2023 investment approvals climbed to a record P1.47T

Investment pledges in 2023 reached an all-time high of P1.47-tn, data collated by the Philippine Statistics Authority from various agencies show. The figure was up by 57% from P934-bn registered in 2022 and surpassed the previous record of P1.3-tn in 2019.

FGEN builds Jollibee's largest rooftop solar plant

The Jollibee Group tapped the expertise of First Gen Corp. (FGEN) unit Pi Energy Inc. to energize a third of the food company's manufacturing facility with solar-powered electricity. Executives of Jollibee and FGEN, together with Calamba City Mayor Roseller Rizal, led the recent switch-on rites in Canlubang, Calamba City, Laguna.

MONDE expands network, provides more jobs locally

Monde Nissin Corp. (MONDE) is doubling down on its commitment to empower Filipinos, announcing a significant expansion of its Community Distribution Network. This program connects consumers with Monde Bread and Dutch Mill Delight distribution through a growing network of independent brand experts who serve their local

Analysts remain bullish on PH stocks this week

Analysts remain bullish on Philippine Stock Exchange trading this week despite the selling pressures as the benchmark index attempts to reach the 7,000 level. Investors will also await the release of more fourth-quarter 2023 earnings reports of listed companies.

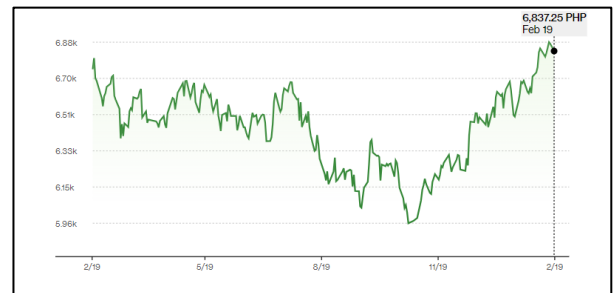
OwnBank drives fin. inclusion of unbanked Filipinos

OwnBank, the newest mobile banking app in the country, teams up with Mastercard enabling customers to access a wider array of digital financing solutions with Mastercard's technology for secure, efficient, and convenient online transactions.

Special Announcement

Deloitte and Primeiro Partners join forces in the Philippines in a move to strengthen Deloitte's end-to-end M&A capability in Southeast Asia

Philippine Stock Market Update



Previous Close:

6,873.23

1 Yr Return:

3.43%

Open:

6,882.32

YTD Return:

6.08%

52-Week Range:

5,920.47 – 6,931.55

Source:

Bloomberg

Foreign Exchange

As of February 16, 2024

| US Dollar | Philippine Peso |
|-----------|-----------------|
| 1 | 55.96 |

BVAL Reference Rates

As of February 16, 2024

| Tenor | Rate |
|-------|-------|
| 1Y | 6.079 |
| 3Y | 6.118 |
| 5Y | 6.198 |
| 7Y | 6.224 |
| 10Y | 6.258 |
| 20Y | 6.357 |

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MORE LOCAL NEWS

SMC told to show financial projections for NAIA

The offer of San Miguel Corp. (SMC) consortium to rehabilitate and operate the Ninoy Aquino International Airport (NAIA) may face challenges as the financial viability of the project will heavily depend on the changing market environment, an analyst said.

Lower ESS cost to spur RE adoption

The declining cost of energy storage systems (ESS) may facilitate the broader adoption of renewable energy (RE) sources, according to analysts. ESS refers to a facility capable of absorbing energy directly from an energy source and storing it for a time period, and injecting stored energy when prompted.

Any rate cuts before Fed may hurt peso

The Philippine central bank should cut borrowing costs at an off-cycle meeting before April to support consumer spending and investments, an economist said at the weekend, but others said any rate cuts before the US Federal Reserve starts its own easing could hurt the peso.

Bulacan, Laguna targeted for pharma ecozones

The Philippine Economic Zone Authority (PEZA) said it is in talks with three ecozone developers to build pharmaceutical industrial parks in Bulacan and Laguna. Under the Philippine Development Plan 2023-2028, PEZA is tasked with accelerating the development of new types of ecozone, including pharma industrial parks.

Ayala aims to finish divestments this year

Ayala Corp., the country's oldest conglomerate, plans to sell non-core stakes in Manila Water Co. Inc. (MWC) and Light Rail Manila Corp. (LRMC) within the year as part of efforts to raise \$1.0-bn in fresh capital. Ayala now holds just a 23.5% economic stake in the water company, now led by ports and gaming tycoon Enrique Razon Jr.

BIR: No to deferring WH tax on online merchants

The Bureau of Internal Revenue (BIR) said on Friday that it is sticking to the 90-day transitory period it gave e-marketplace operators and digital service providers to comply with the new withholding tax system for online sellers, at least for now. That's despite the appeal of some digital finance service providers to be given more time to

Ayala Corporation to lower capex by 10% in 2024

Ayala Corporation, the country's oldest conglomerate, is set to lower its capital expenditure (capex) for 2024 by double digits, as a number of its business units have slightly reduced their respective spending programs. Ayala Corp. is looking at a 10% reduction from its P264-Bn capex in 2023, with the bulk set to finance maturing loans.

Sari-sari stores post P8-bn in sales in 2023

Small neighborhood variety (sari-sari) stores in the Philippines recorded sales of more than P8-bn in 2023, more than 21% higher than the previous year's tally of P6.6-bn. Sari-sari stores located in rural areas registered higher sales last year compared to those in urban areas.

Lagged impact of high rates to take toll on economy

The lagged effects of monetary policy adjustments last year will continue to take its toll on the economy, with growth likely to fall below government targets. The BSP said gross domestic product (GDP) growth could settle below the Cabinet-level Development Budget Coordination Committee's target of 6.5 to 7.5% for this year and even until

Manila Water exceeds service connection target

East zone concessionaire Manila Water Company Inc. on Friday said it exceeded its new water service connection target last year by nearly 20%. In a news release, Manila Water said new service connections last year reached 23,701 from January to November 2023.

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TODAY'S TOP ASIAN NEWS

Japan's Dec core machinery orders rise 2.7% m/m

Japan's core machinery orders in December rose slightly more than expected but remained down year-on-year, government data showed on Monday, although further gains are expected to be capped by global and domestic headwinds. That compared with the median forecast for a 2.5% rise by economists in a Reuters poll.

Nandina debuts recycled carbon fibre for aircraft, EVs

In a first for aviation, Singapore company Nandina REM (Nandina) will recycle carbon fibre from retired aircraft for use in new aircraft. Nandina announced the debut of its recycled carbon fibre material, which will be used for non-critical aircraft components as well as electric vehicles (EVs) on Monday.

CNY travel surge signals CN consumer spending

A resurgence in travel over the Chinese New Year holiday in China is offering some signs of a consumer spending pickup in the world's second-largest economy as it struggles with low confidence and deflation. More than 61 million rail trips were made in the first six days of the national new year holiday, per official reports.

Temasek divests 1.1% stake in Indian hospital chain

Temasek has sold a 1.1% stake in Indian private hospital chain Medanta for 3.95 billion rupees, sources close to the Singapore investment company have confirmed. After trimming three million shares via its unit Dunearn Investments, it still retains a stake of about 17% in Medanta.

Seven Group offers \$1.2B for full control of Boral

Australian diversified investor Seven Group Holdings has offered A\$1.9-bn (\$1.24-bn) to take full control of building products group maker Boral, in a bet Australia's infrastructure spending boom will be maintained in coming years. Seven Group, headed by billionaire Kerry Stokes and his family, already owns nearly 72% of Boral.

TODAY'S TOP GLOBAL NEWS

Goldman lifts S&P 500 target to 5,200

Goldman Sachs Group strategists have boosted their forecast for a second time as the stock market eclipsed the significant 5,000 milestone this month. "Increased profit estimates are the driver of the revision," a team led by David Kostin wrote in a note to clients dated Friday.

France cuts 2024 growth forecast as outlook darkens

French finance minister Bruno Le Maire said the government had lowered its forecast for 2024 GDP growth to 1% from 1.4% as war in Ukraine and Gaza and a slowdown at top trading partners Germany and China darkened the outlook. He also said that state spending would be cut by 10-bn euros across all departments and agencies.

OpenAI inks deal valuing it at US\$80B

OpenAI has concluded a deal with investors that reportedly values the California start-up at \$80-bn or more, after a roller-coaster year for the inventor of ChatGPT. The agreement, would mean the value of the company – a world leader in generative artificial intelligence (AI) – would have nearly tripled in under 10 months.

Nike to slash over 1,600 jobs in cost-cutting drive

Sportswear giant Nike plans to reduce its workforce by about 2 per cent, or more than 1,600 jobs, in a cost-cutting move, the Wall Street Journal (WSJ) reported. The job cuts are expected to start on Feb 16, and a second phase will be completed by the end of the quarter, the report said.

EU to fine Apple about €500M over music services

The European Union is close to hitting Apple with its first ever antitrust fine as well as a ban on App Store rules that the bloc believes thwart competition, according to the Financial Times. The fine of around €500-mn is expected to be announced in March 2024, the FT said, citing five sources it did not name.