

The Daily Dispatch

February 20, 2024
TODAY'S TOP NEWS

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:

6,798.61

1 Yr Return:

0.37%

Open:

6,818.14

YTD Return:

5.84%

52-Week Range:

5,920.47 - 6,931.55

Source:

The WSJ

Foreign Exchange

As of February 19, 2024

US Dollar	Philippine Peso
1	56.070

BVAL Reference Rates

As of February 19, 2024

Tenor	Rate
1Y	6.107
3Y	6.171
5Y	6.253
7Y	6.291
10Y	6.309
20Y	6.385

GSIS posted P113B income in 2023

State-run Government Service Insurance System said Monday its revenues climbed 33% in 2023 to P311.3-bn from P234.9-bn in 2022. This translated into a 70% surge in net income from P66.4-bn to P113.3-bn, and a 3,903% rise in total comprehensive income from P3.6-bn to P143.4-bn.

MER investing P280M for a new switching station

Power retailer Manila Electric Co. (Meralco) said Monday it will invest P280-mn to develop a new switching station to ensure the provision of reliable and stable power for the country's underground mass transport system.

Ayala eyes \$400M from sale of LRMC

Conglomerate Ayala Corp. expects to raise up to \$400-mn from the planned divestment of its 35% stake in Light Rail Manila Corp. (LRMC) and the remaining 20% interest in Manila Water Co. Inc.

Quezon Power investing P71B in Quezon LNG project

Quezon Power (Philippines) Ltd. Co. (QPPL) plans to build a 1,200-megawatt liquefied natural gas (LNG) power plant and an onshore regasification and storage facility in Mauban, Quezon with estimated investments of about P71-bn.

DOTr plans to hold bidding for ops. of EDSA Busway

The Department of Transportation (DOTr) said it intends to privatize the operations and maintenance (O&M) of the EDSA Busway in Metro Manila through a solicited bidding process. "We're aiming for a solicited bidding process," DOTr Secretary Jaime Bautista told reporters.

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MORE LOCAL NEWS

PH wealth fund to prioritize energy projects

The Philippine energy sector will take the bulk of the initial investments of the country's first sovereign wealth fund, according to the head of the Maharlika Investment Corp. The president has touted the Maharlika Investment Fund as an engine to drive economic development through strategic investments both here and overseas.

BSP to further ease foreign exchange rules

The Philippine central bank seeks to complete a circular this year that would further ease the documentary requirements for foreign exchange (FX) transactions. The market should expect more waves of foreign currency reforms this year, Monetary Board member Anita Linda R. Aquino told an economic forum.

NAIA winning bidder faces negative profit outlook

The 82.16% revenue share offered by the San Miguel-led consortium to the government could lead to lower annual profits from the Ninoy Aquino International Airport (NAIA) even after finishing expansion works. This move could suggest San Miguel's "strong desire" to capture a large share of the air traffic market in Metro Manila.

SM Prime says income climbs 33% to P40B

Sy-led property developer SM Prime Holdings, Inc. logged a 33% increase in its net income to P40-bn in 2023, led by higher revenues across its business units. The company's net income for 2023 marks an improvement from the P30.1-bn recorded the year prior, SM Prime said in a stock exchange disclosure.

Del Monte eyes capital securities offering

Del Monte Pacific Ltd. (DMPL) is seeking more fundraising opportunities, as a subsidiary of its Philippine unit explores a US dollar senior perpetual capital securities offering. DMPL said in a regulatory filing that Jubilant Year Investments Ltd. has engaged UBS AG as the sole global coordinator, lead manager, and bookrunner.

IPAs get higher capital threshold

The Fiscal Incentives Review Board (FIRB) has hiked the investment capital threshold for projects handled by investment promotion agencies (IPAs) from P1-bn to P15-bn. Under the previous setup, IPAs were responsible for approving incentives for projects with investment capital below P1-bn, while the FIRB was tasked with selecting tax

Government to pitch Clark as new aviation hub

The Philippines will pitch Clark International Airport as the next Asian hub for aerospace investments in one of the largest aviation events this year. The Philippine delegation will hold a series of talks with aviation investors from around the globe beginning today, Feb. 20, at the Singapore Airshow 2024.

ADB allots \$655k for PH rural banks' digitalization

The Asian Development Bank (ADB) on Monday said it is giving a total of \$655,000 in grants to nine rural banks and a bank consortium in the Philippines to help them digitalize and boost financial inclusion. The awardees were chosen from among rural banks nationwide serving women, farmers, fisherfolk, and micro, small, and medium-sized enterprises.

Maharlika to make first investment by end of 2024

The Philippines' sovereign wealth is set to make its first investment by the end of the year as its operator said it is now in the process of finalizing its organizational structure. Maharlika Investment Fund (MIF) is likely to invest in renewable energy, with infrastructure and agriculture making the top three priorities.

SM Prime set to return to bond market

The Sy-led integrated property developer in a stock exchange filing said its board of directors approved yesterday a proposed application to issue shelf-registered bond in the aggregate amount of P100-bn.

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TODAY'S TOP ASIAN NEWS

China to centralise tech development

China's ruling Communist Party vowed to enhance its role in steering its science and technology industries, centralising decision-making power as the country navigates US trade curbs designed to limit its advancement. The party will refine a mechanism whereby technological works are led by the Central Committee.

Toyota faces crackdown for engine emission cheating

Japan's transport ministry is preparing action against a Toyota Motor Corp affiliate for cheating engine emissions tests, including possibly withdrawing certification for some engine types, Nikkei reported on Monday.

CHN state banks earmark +60B yuan for property proj.

China's state-owned lenders have earmarked at least 60-bn yuan in loans for property projects eligible for support. The announcements came after Beijing urged the local authorities in January to better support financing needs of developers and draft lists of eligible projects.

China cuts mortgage reference rate

China cut the benchmark reference rate for mortgages at a monthly fixing on Tuesday by more than expected, as authorities ramped up efforts to stimulate credit demand and revive the property market. Commercial banks' improving net interest margins earlier this month has paved the way for lenders to reduce borrowing costs.

FDI in China slumps to 30-yr low

Foreign businesses' direct investment into China in 2023 has increased by the lowest amount since the early 1990s, underscoring challenges for the nation. China's direct investment liabilities in its balance of payments stood at US\$33 billion in 2023, 82% lower than the 2022 level and the lowest since 1993.

TODAY'S TOP GLOBAL NEWS

Capital One, Discover enter \$35B all-stock deal

Capital One said that it will acquire credit card issuer Discover Financial Services in an all-stock transaction valued at US\$35.3-bn. The tie-up aims at building "a payments network that can compete with the largest payments networks and payments companies," chairman and CEO of Capital One said.

Whirlpool set to sell stake in Indian unit for ~\$451M

Appliance maker Whirlpool is selling a 24% stake in its Indian unit this week for up to \$451-mn via block deals, according to a term sheet seen by Reuters. Whirlpool said in a US filing in November that it planned to sell the stake in a bid to reduce debt.

GlobalFoundries awarded for semiconductor prod.

The US government is awarding \$1.5B to GlobalFoundries to expand semiconductor production, in a bid to strengthen domestic supply chains. The grant will be accompanied by \$1.6-bn in available loans, with the funding expected to generate \$12.5-bn in overall potential investment across the two states.

EU opens formal investigation into TikTok

The European Union will investigate whether ByteDance's TikTok breached online content rules aimed at protecting children and ensuring transparent advertising, an official said on Monday, putting the social media platform at risk of a hefty fine.

Microsoft to expand its AI infra in Spain

U.S. software giant Microsoft will expand its artificial intelligence (AI) and cloud infrastructure in Spain through an investment of \$2.1-bn in the next two years, the company's Vice Chair and President Brad Smith said. The move comes on the heels of its announcement of a 3.2-bn euros (\$3.45-bn) AI-focused investment in Germany.