

# The Daily Dispatch

February 27, 2020  
TODAY'S TOP NEWS

## Unionbank makes P6.8B from fresh debt note offer

Aboitiz-led Union Bank of the Philippines has raised P6.8 billion from its fresh issuance of debt notes qualifying as tier 2 capital, proceeds from which will be used to retire older tier 2 notes.

## Dito to tap alternative raw materials suppliers

China Telecom-backed Dito Telecommunity, the country's newest telco player, is planning to mitigate further delays in its network rollout as the supply of its required raw materials takes a hit from the COVID-19 outbreak.

## Cigarette tax take up 8% to P147.5B in 2019

Cigarette excise collections in--creased 8 percent to P147.5 billion in 2019 on the back of higher rates slapped under the Tax Reform for Acceleration and Inclusion (TRAIN) Act.

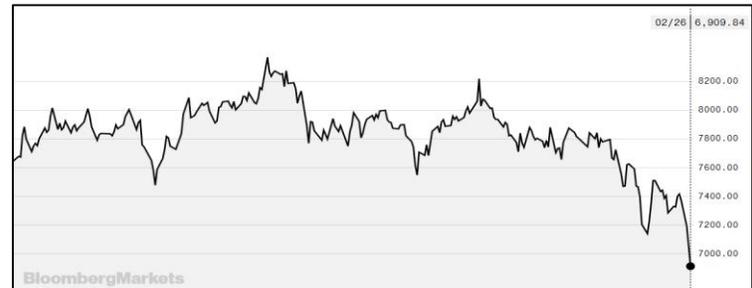
## MPIC going into 'less risky' ventures

As water concessionaire Maynilad Water Services Inc. grapples with hostile regulators, Manuel V. Pangilinan-led infrastructure firm Metro Pacific Investments Corp. (MPIC) plans to divert discretionary funds to "less risky" businesses like warehousing, real estate and tourism.

## MGen's solar power projects facing delays

Two solar power projects with a combined generating capacity of 135 megawatts that Meralco PowerGen Corp. (MGen) is building have hit a snag, with supplies and technicians from Chinese contractors not arriving because of the COVID-19 problem.

## Philippine Stock Market Update



**Previous Close:**

6,909.84

**1 Yr Return:**

-10.18%

**Open:**

6,890.02

**YTD Return:**

-11.08%

**52-Week Range:**

6,879.09 - 8,419.59

**Source:**

Bloomberg

## Foreign Exchange

As of Feb. 26, 2020

US Dollar	Philippine Peso
1	51.02

## BVAL Reference Rates

As of Feb. 26, 2020

Tenor	Rate
1Y	3.845
3Y	4.034
5Y	4.168
7Y	4.259
10Y	4.332
20Y	4.832

## Daily Quote

"You don't overcome challenges by making them smaller but by making yourself bigger."

-- John C. Maxwell

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## MORE LOCAL NEWS

### Pandemic fears jolt markets; PSEi falls below 7,000

Global markets took a beating yesterday as fears escalated that the coronavirus disease 2019 (COVID-19) outbreak would worsen into a global pandemic. Wall Street finally woke up to the damage the outbreak could do, and the jitters that hit US markets spilled across the globe yesterday, including the Philippines.

### BSP hikes standards for small, mid-sized banks

The Bangko Sentral ng Pilipinas (BSP) has enhanced the capital adequacy standards for mid-sized and small banks to ensure sufficient buffer for possible losses. The central bank's Monetary Board has approved the amendments to the risk-based capital adequacy framework for stand-alone thrift banks, rural banks and cooperative banks.

### Final draft of common tower policy out next month

The government is seeking to strike a balance in the crafting of the country's first ever common tower policy due to opposing views. Information and Communications Technology Secretary Gregorio Honasan said the agency is looking at releasing the final draft of the common tower policy next month.

### House: Fast-track BBB to mitigate COVID-19 risk

House leaders yesterday called on the executive branch to expedite infrastructure projects to help cushion the impact of coronavirus disease 2019 (COVID-19) on the country's tourism and economy.

### DOTr gives go-signal for SMC airport groundbreaking

Conglomerate San Miguel Corp. (SMC) can proceed any time with the actual construction of a new international airport in Bulacan despite the clarifications being sought by the Department of Finance (DOF) on certain provisions in the concession agreement.

### ADB targets record \$3.3B lending for PH this year

The Asian Development bank (ADB) is targeting to lend a record \$3.3 billion to the Philippines this year, with around half to be provided in support of the government's infrastructure program. This lending pipeline will likely include priority infrastructure projects.

### Peso drops to P51:\$1 level on coronavirus

The Peso succumbed to the P51 level against the greenback on Wednesday as investors continue to prefer safe-haven assets amid fears of a continued rise in cases of the coronavirus disease 2019 (COVID-19) outside China and a sell-off in the local stock market. The local unit ended trading at P51.035 versus the dollar.

### Wilcon allots P2.9B for this year's spending

Wilcon Depot, Inc. is earmarking P2.9 billion for its capital spending in 2020, which it will use to fund plans to open more stores, extend existing ones and upgrade old depots. In a disclosure to the stock exchange Wednesday, the listed home improvement retailer said it is targeting to have a total of 65 stores by the end of the year.

### POGO crackdown, COVID-19 dampen office demand

THE CONTINUED global spread of the coronavirus disease 2019 (COVID-19), coupled with the Chinese government's crackdown on its citizens employed by Philippine Offshore Gaming Operators (POGO), may dampen office space demand in the country this year.

### Lawmakers move to act on ABS-CBN franchise issue

Senator Franklin M. Drilon has filed the concurrent resolution that will allow ABS-CBN Corp. to continue its operation beyond the May 4 expiration of its franchise, while its renewal is pending in Congress. This comes even as Senate President Vicente C. Sotto III stood firm that it would be best to pass the franchise bill.

# The Daily Dispatch

## TODAY'S TOP ASIAN NEWS

### Warburg Pincus to invest \$150m in Apollo Tyres

Private equity firm Warburg Pincus, through an affiliate, is investing about \$150 million (Rs 1,080 crore) in Gurugram-headquartered Apollo Tyres Ltd, the latter disclosed in a regulatory filing on Wednesday.

### Food delivery startup Dahmakan raises \$18m

Malaysia-based cloud kitchen and food delivery startup Dahmakan has raised \$18 million in a Series B funding round backed by White Star Capital, Rakuten Capital, JAFCO Asia, and the GEC-KIP Fund, according to a company announcement.

### Indo lender Bank Rakyat to merge with 2 state firms

Indonesia's state-owned enterprises' minister said on Wednesday the government is looking to merge state-controlled Bank Rakyat Indonesia (BRI) with two state financial firms in June, but the bank's CEO said a final decision on that was still pending.

### Australia evinces interest in Indonesia's fund

The Australian government has become the latest party to express interest in investing in Indonesia's proposed sovereign wealth fund. According to a report by IDN Financial, Australian treasurer Josh Frydenberg conveyed his government's interest during a bilateral meeting with Indonesian finance minister Sri Mulyani Indrawati

### HK banks face virus toll on asset quality, growth

Hong Kong's banks face at least two quarters of worsening asset quality and slowing loan growth as the coronavirus outbreak hits trade and consumer banking, analysts and bankers said. Lenders in the Asian financial hub, including HSBC and Standard Chartered, are seeing a drop in demand for mortgages, credit card usage and corporate loans.

### CATL aims to raise \$2.85b for EV battery projects

CATL (300750.SZ), China's top electric vehicle battery maker, said it aims to raise up to 20 billion yuan (\$2.85 billion) in a private placement of shares to fund its battery projects and boost working capital.

## TODAY'S TOP GLOBAL NEWS

### Xeraya Capital leads \$31m Series B for Aria CV

Malaysian private equity firm Xeraya Capital has led the \$31-million Series B round of financing in US-based developer of medical devices Aria CV Inc, according to a press statement. The financing is expected to fund the first clinical study of Aria's medical device treating pulmonary arterial hypertension (PAH) in the US.

### Microsoft expects Windows to miss revenue outlook

Microsoft Inc said on Wednesday it does not expect to meet its quarterly revenue forecast for its Windows and personal computing business as a result of the coronavirus outbreak, sending its shares down more than 1% in after-market trading. The company said the remaining elements of its fiscal third-quarter outlook were unchanged.

### Nokia explores strategic options

Finnish telecom network equipment maker Nokia Oyj is exploring strategic options and is working with advisers to consider potential asset sales and mergers, Bloomberg News reported on Wednesday, citing people familiar with the matter.

### Lloyds, Virgin Money cut jobs as shift online

Lloyds Banking Group (LLOY.L) and Virgin Money (VMUK.L) pressed ahead with hundreds of job cuts in the face of union opposition, as British banks try to keep up with customers moving online. Lloyds is planning to axe 780 jobs as part of ongoing cost-cutting at Britain's biggest domestic bank, union Unite said on Wednesday.