

# The Daily Dispatch

May 12, 2020  
TODAY'S TOP NEWS

## GSIS loans to gov't workers exceed P4 bn

The Government Service Insurance System (GSIS) has extended a total of P4.14 billion worth of loans to some 60,000 government employees and pensioners to help them deal with the public health emergency. The emergency loan is payable over three years at a fixed interest rate of 6% per annum.

## Business group seeks longer loan extension

THE Philippine Chamber of Commerce and Industry (PCCI), the country's largest business organization, said loan maturities due between March 16 to Dec. 31, 2020 should be extended for at least one year as businesses struggle to survive amid lockdown measures to contain the coronavirus pandemic.

## Construction firms to provide housing under ECQ

The Inter-Agency Task Force for the Management of Emerging Infectious Diseases (IATF-EID) will require construction firms to provide worker housing and observe social distancing and other safety rules when work is allowed to resume on public and essential private projects under both modes of quarantine.

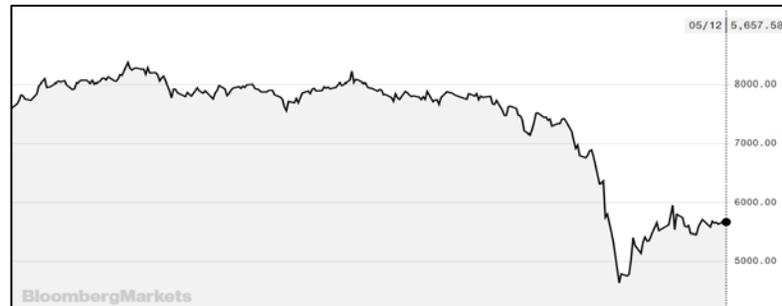
## 'NTC order vs ABS-CBN invalid'

Rodolfo A. Salalima, a lawyer and a former ICT secretary, said the order issued by the National Telecommunications Commission (NTC) is "void from the very beginning" given that it was issued with "precipitate haste" and did not follow the procedures required by the Constitution.

## SMC's \$2.15-bn cement deal with Holcim crumbles

San Miguel Corp.'s (SMC) bid to acquire Swiss cement firm Holcim Philippines Inc. for \$2.15 billion crumbled after the conglomerate said on Monday it is withdrawing its offer as it failed to secure the approval of the local antitrust body.

## Philippine Stock Market Update



Previous Close:

5,667.93

1 Yr Return:

-25.87%

Open:

5,667.93

YTD Return:

-27.74%

52-Week Range:

4,039.15-8,419.59

Source:

Bloomberg

## Foreign Exchange

As of May 11, 2020

US Dollar	Philippine Peso
1	50.37

## BVAL Rates

As of May 11, 2020

Tenor	Rate
1Y	2.912
3Y	2.978
5Y	3.130
7Y	3.282
10Y	3.381
20Y	4.306

## Daily Quote

"Don't be scared to live again."

--Abel Makkonen Tesfaye ("The Weekend")

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## MORE LOCAL NEWS

### Gas prices up P2/liter; diesel by P1.90/liter

As the country is still on a guessing game whether or not the enhanced community quarantine (ECQ) will already be eased by weekend, Filipino consumers are about to be welcomed not with impressive perks, but with massive oil price hikes at the scale of P2.00 per liter for gasoline; and P1.90 per liter for diesel.

### Exporters return to full operation unlikely soon

Even if government lifts the enhanced community quarantine (ECQ) in the National Capital Region and transitions into the general community quarantine (GCQ) by May 16, exporters can hardly go back to full operation in the next 6 months, according to the Philippine Exporters Confederation, Inc. (PhilExport).

### PH needs to prepare for 'New Economy' – Diokno

With various countries on different lockdown measures, the coronavirus pandemic has changed major and minor economies and the Philippines must adopt and be “technologically ready” and prepared to create emergency jobs for a “New Economy,” said the central bank chief.

### Fitch unit now sees GDP contracting

Fitch Solutions Country Risk & Industry Research now expects the Philippine gross domestic product (GDP) to contract by two percent instead of growing by 0.5 percent this year as the shock from the coronavirus pandemic would drag the country into recession.

### Philippines secures rice from Vietnam

The Philippines has secured enough rice supply as Vietnam, its biggest source of imports, has resumed its export policy amid the coronavirus disease 2019 or COVID-19 pandemic. In a letter to the Philippine government, Vietnam Industry and Trade Minister Tran Tuan Anh assured the country of the delivery of 400,000 metric tons of rice.

### Ayala Land slashes capex plans by 36%

Ayala Land Inc. (ALI) scaled down on Monday its spending plans this year to avoid strain on its balance sheet as profits take a heavy beating from disruptions triggered by lockdowns imposed to fight the coronavirus disease-2019 (COVID-19) outbreak.

### COVID-19, Taal cut ALI income by 41% in Q1

Property giant Ayala Land Inc. (ALI) saw a 41% year-on-year decline in first quarter net profit to P4.3B due to the double whammy arising from the eruption of Taal Volcano and the COVID-19 pandemic that led to the lockdown of Luzon and other key regions starting mid-March.

### Wilcon's Q1 profit down 32.1%

Home improvement retailer Wilcon Depot Inc. saw a 32.1 percent year-on-year decline in first quarter net profit amounting to P328 million due to the mandatory shutdown of stores in Luzon starting mid-March alongside higher depreciation expenses arising from the shift to new accounting regulations.

### ABS-CBN is not for sale – Lopez family

MANILA, Philippines – ABS-CBN Corp. rejected buyout rumors as murmurs swirled that billionaires are keen on taking ownership of the beleaguered media giant after it was ordered by the Duterte administration to close its main broadcast operations last week.

### P 110-B transport stimulus plan pushed

A coalition of mobility advocates is asking lawmakers for a P110-billion stimulus package to support a host of sustainable projects that will help avert an expensive public transportation crisis once strict quarantine measures are lifted.

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## MORE ASIAN NEWS

### Wuhan sees first new cases since lockdown lifted

Wuhan, where the global coronavirus epidemic first started, reported its first new infections since the Chinese city ended its 76-day lockdown on April 8. The six locally transmitted cases, reported on May 9 and 10, were found in people already under quarantine who were asymptomatic before testing positive.

### Abe follows Trump in fast coronavirus drug approvals

Japanese Prime Minister Shinzo Abe's government is following the United States in speeding up the approval of still unproven virus drugs, as he faces new criticism over his plan for exiting a state of emergency and reviving Japan's economy.

### Indonesia's 'rice ATMs' provide staple

The coronavirus pandemic has left millions of Indonesians struggling to make ends meet. Now the authorities are rolling out "rice ATMs" in a bid to ensure greater access for those in need to the essential Asian staple.

### IDN drafts US\$1b rescue plan to save flag carrier

Indonesia is finalizing a US\$1 billion financial bailout plan for its flag carrier to help it stave off a debt default after the coronavirus crisis forced the airline to ground most of its planes. The rescue plan includes a proposal to restructure PT Garuda Indonesia's US\$500 million sukuk due next month.

### Indonesia eyes \$1B rescue for national airline

JAKARTA — Indonesia is drawing up a \$1.0 billion rescue plan for struggling national airline Garuda after the coronavirus forced the company to ground most of its planes, Bloomberg News reported Monday.

## TODAY'S TOP GLOBAL NEWS

### LafargeHolcim to keep PH business, deal collapses

LafargeHolcim (LHN.S) has decided to keep its \$2.15 billion Philippines business after a deal to sell the operation collapsed. The agreement to sell four cement plants and one grinding plant to San Miguel Corporation (SMC.PS) fell apart after the Philippines Competition Authority (PCC) did not give approval in time.

### Trump not interested in reopening China trade deal

U.S. President Donald Trump said on Monday he opposed renegotiating the U.S.-China "Phase 1" trade deal after a Chinese state-run newspaper reported some government advisers in Beijing were urging fresh talks and possibly invalidating the agreement.

### Starbucks to reopen 150 drive-thru locations in UK

Starbucks Corp (SBUX.O) said on Monday it would begin a phased reopening of 150 of its drive-thru locations and some takeaway-only stores in the United Kingdom as the country eases coronavirus-led restrictions on road travel.

### New global cases spark fears of 2nd wave of Covid-19

A potential second wave of coronavirus infections has started emerging in several countries that have eased their lockdowns, putting governments around the world on tenterhooks as they chart plans to reopen their badly dented economies.

### Virgin Australia has 19 potential buyers: admin

Virgin Australia's administrator said 19 parties interested in purchasing the airline had been granted access to a data room as of May 11 and non-binding indicative offers are due on May 15, according to an affidavit. The airline entered voluntary administration last month.