

The Daily Dispatch

May 13, 2020
TODAY'S TOP NEWS

DoF proposes revisions to CITIRA bill

The Department of Finance is proposing to give the President the power to grant “tailor-fit” incentives to investors under the Corporate Income Tax and Incentives Rationalization Act (CITIRA) bill. Giving more flexibility to grant incentives under the bill will attract investors to relocate their businesses in the Philippines.

PH e-commerce projected at \$5–6 bn in 5 years

The e-commerce market is projected to grow to \$5–6 billion within five years from the \$1 billion in 2019, after having gained momentum during the current pandemic, a partner with Ernst & Young (EY) Singapore said. Growth will accelerate after the weakening of traditional retail channels due to the COVID-19 outbreak.

House leaders files P1.5 tn stimulus bill on infra

House leaders filed a bill providing for a P1.5-trillion stimulus program over three years focused on infrastructure spending, which its authors deemed as an effective counter to job losses and slowing growth arising from the coronavirus disease 2019 (COVID-19) crisis.

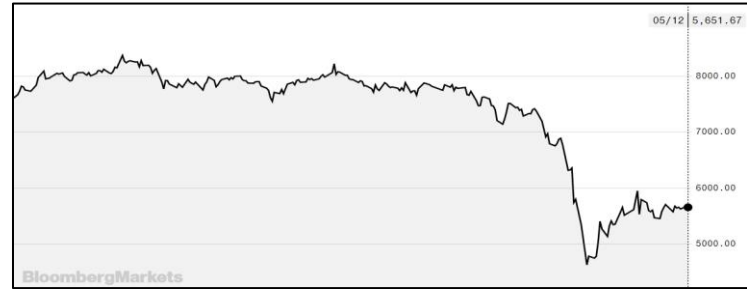
Gov't further lowers 2020 GDP estimates

The Development Budget Coordination Committee (DBCC) expects the economic contraction may further deepen this year as stringent measures to contain the coronavirus outbreak have brought the country to a standstill.

Cirtek unit unveils 5G antennas

The American unit of Laguna-based Cirtek Holdings Philippines Corp. has launched its new generation of antennas designed for the national rollout of 5G (fifth generation) services for the telecommunications industry in the United States.

Philippine Stock Market Update



Previous Close:

5,651.67

1 Yr Return:

-25.90%

Open:

5,656.19

YTD Return:

-27.63%

52-Week Range:

4,039.15 - 8,419.59

Source:

Bloomberg

Foreign Exchange

As of May 12, 2020

US Dollar	Philippine Peso
1	50.32

BVAL Reference Rates

As of May 12, 2020

Tenor	Rate
1Y	2.855
3Y	2.978
5Y	3.130
7Y	3.282
10Y	3.370
20Y	4.093

Daily Quote

"The world is full of wonderful things you haven't seen yet. Don't ever give up on the chance of seeing them."

-- J. K. Rowling

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MORE LOCAL NEWS

Ayala quashes ABS-CBN acquisition talk

Conglomerate Ayala Corp. on Tuesday denied that it is in talks with the Lopez group for the possibility of acquiring ABS-CBN Corp., which was forced to shut down the operations of its free-to-air television and radio broadcasts on May 5.

PLDT teams up with Orange

PLDT Inc. is partnering with France's Orange to improve its services for customers making international calls. The partnership with Orange's wholesale arm involves the latter's voice aggregation services to "deliver better quality of service to millions of customers globally."

BPOs, logistics seen to rebound sooner than others

The Philippine business process outsourcing (BPO) and industrial/logistics sectors are likely to bounce back within two to three months in a post-coronavirus (COVID-19) pandemic environment, as multinational corporations seek operational efficiency while e-commerce gains more traction.

Faster bank lending due to BSP's economic boosters

Philippine banks lent out money at a quicker pace in March in step with the central bank's moves to pump the local financial system with cheap funds and buttress the economy, the Bangko Sentral ng Pilipinas said on Tuesday (May 12).

Treasury sells P 30B in 3-year T-bonds

The Bureau of the Treasury on Tuesday sold P30 billion in three-year T-bonds amid robust demand for long-dated securities. The bonds with a remaining life of two years and 11 months were awarded at an average rate of 2.946 percent.

PH startups in a bind, lack cash amid COVID-19

Most local startups have neither the cash nor the capacity to keep their business alive for more than 12 months if current conditions prevail, a survey showed, but it remains to be seen if the government is willing to spend on the risky venture of saving startups.

Pandemic-stricken hospitals seek government relief

The coronavirus disease-2019 (COVID-19) pandemic is pushing some hospitals on the brink of financial collapse, prompting operators to seek government tax relief and complicating further the Philippines' struggling outbreak response.

Moody's sees GDP contracting to 2%

Moody's Investors Service now expects the Philippine economy contracting this year as the rapid and widening spread of the coronavirus disease 2019 or COVID-19 outbreak, deteriorating global economic outlook, falling oil prices and financial market turmoil are creating a severe and extensive economic and financial shock.

Fitch downgrades 4 Philippine banks

Fitch Ratings has taken negative ratings action on state-run Land Bank of the Philippines and Development Bank of the Philippines (DBP) as well as privately-owned China Banking Corp. and Philippine National Bank (PNB) as the outbreak is expected to take its toll on the economy and the banking sector's operating environment.

Slow revenue growth, low cash flow for PH telcos

Fitch Ratings expects the coronavirus disease 2019 or COVID-19 pandemic to slow revenue growth and reduce the near-term cash flow visibility of the country's telecommunications operators. Fitch said industry revenue may remain relatively flat this year amid the pandemic compared to a seven percent increase last year.

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TODAY'S TOP ASIAN NEWS

WeWork dumps about fifth of coworking space in HK

WeWork, the US real estate firm, is returning about 20 per cent of its Hong Kong premises to their owners, as start-ups, small enterprises and other short-term tenants failed to take up its offering of shared working space in the city.

S.Korea using phones, credit cards to trace infections

South Korea is tapping mobile phone data and credit card records in an all-out effort to reach people potentially exposed to the coronavirus in a new cluster outbreak linked to clubs in Seoul's nightlife district Itaewon, as the number of infections rose to 102.

SG, Chongqing working to keep supply chains open

Singapore is working closely with the Chinese city of Chongqing to keep supply chains open amid the Covid-19 pandemic, Trade and Industry Minister Chan Chun Sing said yesterday. Mr Chan said both sides also discussed ways to progressively resume travel.

All seats booked as India's trains start running

Tens of thousands of people have booked out seats on Indian trains that were due to restart yesterday, after a near seven-week lockdown, raising concerns over the spread of the coronavirus in the absence of social distancing.

India's Modi announces US\$266 bn economic package

Prime Minister Narendra Modi announced a 20 trillion rupee (\$376 billion) support package for India's economy on Tuesday (May 12) to help mitigate the damage caused by the novel coronavirus and the lockdown it has triggered.

TODAY'S TOP GLOBAL NEWS

U.S. reports record \$738 bn budget deficit in April

The United States reported a record \$738 billion budget deficit in April as an explosion in government spending and a shrinking of revenues amid the novel coronavirus pandemic pushed it deeply into the red. Roughly \$600 billion in outlays for April were attributable to government spending on coronavirus relief measures.

Uber approaches Grubhub with acquisition offer

Uber Technologies Inc is in negotiations to buy online food delivery company Grubhub Inc in an all-stock deal. A merger could give Uber Eats' money-losing restaurant delivery service a leg up on market leader DoorDash at a time when the coronavirus pandemic has upended Uber's core business of shuttling people from place to place.

Luckin Coffee fires CEO, COO

Luckin Coffee, often viewed as China's answer to Starbucks, has fired its chief executive and chief operating officer after an internal investigation into fabricated transactions.

Chile asks IMF for a US\$23.8b line of credit

Authorities in Chile have asked the International Monetary Fund for a flexible line of credit of around US\$23.8 billion over two years, the Washington-based institution said in a statement Tuesday. IMF managing director Kristalina Georgieva intends to recommend approval of the request.

Twitter to let some employees to WFH permanently

Twitter Inc (TWTR.N) on Tuesday became the first major tech company to allow employees who can work remotely to do so indefinitely, as the coronavirus outbreak forces unprecedented changes in work culture across the world.