

The Daily Dispatch

May 18, 2020
TODAY'S TOP NEWS

PHL economy may lose up to P1.2T

New data from the ADB showed potential economic losses in the Philippines could range from \$12.9 billion up to \$23.9 billion, depending on the length of time it takes for the country to contain the coronavirus disease 2019 (COVID-19) outbreak and the government's policy response.

Deeper budget cuts expected

Some departments may face deeper budget cuts, as the government looks for more funds for its efforts to contain the coronavirus disease 2019 (COVID-19) outbreak and its economic fallout. The Department of Public Works and Highways (DPWH) suffered the biggest budget cut at P121.94 billion.

Yard utilization in ports hits bottom

Yard utilization in Metro Manila's two major ports may have hit bottom in May after they experienced 90% congestion in early April, with the Bureau of Customs (BoC) now expecting port activity to return to normal with the easing of the lockdown on the capital region.

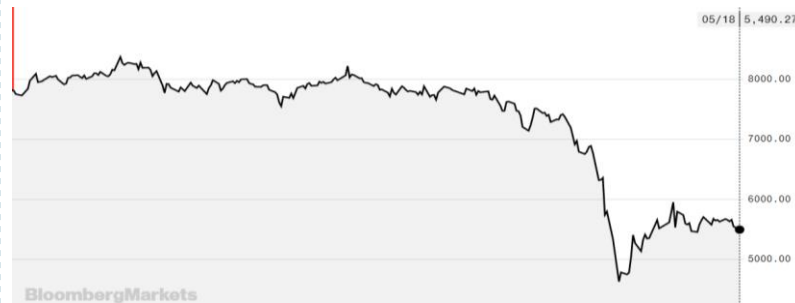
Subic Freeport transitions to modified ECQ

More businesses are expected to resume operations here on Monday, as the Subic Bay Metropolitan Authority (SBMA) on Saturday shifted from enhanced community quarantine (ECQ) to modified ECQ, a status expected to last until the end of this month.

Smart service revenues hit P20.2 billion in Q1

Smart Communications Inc. is now reaping the benefits of its network investments, with its chief saying that the company saw its top line growing by a fifth during the first three months of the year, as a result of a spike in mobile data usage.

Philippine Stock Market Update



Previous Close:
5,541.95

1 Yr Return:
-26.60%

Open:
5,557.99

YTD Return:
-29.98%

52-Week Range:
4,039.15 - 8,419.59

Source:
Bloomberg

Foreign Exchange

As of May 15, 2020

| US Dollar | Philippine Peso |
|-----------|-----------------|
| 1 | 50.830 |

PDST-R2 Rates

As of May 15, 2020

| Tenor | Rate |
|-------|--------|
| 1Y | 2.7330 |
| 3Y | 2.9090 |
| 5Y | 3.0190 |
| 7Y | 3.1480 |
| 10Y | 3.2990 |
| 20Y | 4.2260 |

Daily Quote

"The difference between winning and losing is, most often, not quitting."

-- Walt Disney

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MORE LOCAL NEWS

Senate panel frontloads franchise of ABS-CBN

THE Senate Public Services Committee is “ready” to hold a hearing via teleconferencing Tuesday on the pending franchise renewal of ABS-CBN, even as it awaits transmission of the House bill which will grant the network a five-month provisional franchise.

Ayala: PPP key to fighting Covid-19

Ayala Corp. is one of the early responders when the lockdown was implemented in Luzon and key cities of the Philippines, and it has since been working with the government to see what kind of economic stimulus would be necessary, Ayala Corp. Chairman and CEO Jaime Augusto Zobel de Ayala said.

Gov’t vows return to 3% budget deficit

Acting Socioeconomic Planning Secretary Karl Kendrick T. Chua said the projected 8.1 percent budget deficit to gross domestic product (GDP) ratio this year is only temporary, assuring the government is capable of gradually bringing it down again to a three percent level.

IC provides regulatory relief to insurance

The Insurance Commission (IC) has temporarily relaxed the rules on the insurance industry’s net worth and risk-based capital (RBC) requirements to provide relief to companies amid the coronavirus disease 2019 or COVID-19 outbreak.

MPTC to resume work on major projects

With the government ban on construction lifted, MPTC has restarted construction activities on several major projects that were stalled by the implementation of the community quarantine in mid-March. “We resumed works on some projects already and are preparing to resume construction of a few others,” MPTC CEO Rodrigo Franco said.

Airlines face tough task to encourage people to fly

Aside from dealing with mounting losses and potential bankruptcy, airlines are facing a formidable challenge of encouraging people that it is safe to fly again once commercial flights are allowed to resume. PAL COO Gilbert Santa Maria believes the airline industry is more prepared than most industries in dealing with health issues.

DOE to push for development of oil, gas sector

The Department of Energy (DOE) will continue to push for the development of the country’s oil and gas sector through its Philippine Conventional Energy Contracting Program (PCECP) to build energy security. This is despite the low price environment the oil sector is experiencing globally.

Cold chain logistics firm gets \$18M for expansion

Integrated cold storage solutions provider Glacier Megafridge Inc. (GMI) has obtained \$18 million in fresh funds from private equity firm Ikhlas Capital Singapore Pte. Ltd., allowing the company to scale up capacity and expand its nationwide footprint.

Filinvest defers some plans, cuts capex for 2020

Gotianun-led Filinvest Land Inc. (FLI) is trimming its capi-tal outlays for this year to P16 billion from the original capital expenditure (capex) budget of P30 billion to prepare for a challe-ning operating environment that may persist due to the new coronavirus disease (COVID-19) pandemic.

Restaurants, condo sector face bleak prospects

In postcoronavirus (COVID-19) lockdown Philippines, half of the restaurants may fold up, work-from-home (WFH) arrangements may not work for many businesses and a number of upper-middle residential condominium stock may be up for fire sale, according to veteran property consultant David Leechiu.

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MORE LOCAL NEWS

Exporters back cut in corporate income tax to 25%

The country's exporters are backing the proposal of economic managers to reduce the corporate income tax (CIT) across the board to 25 percent this July, after the pandemic has prompted the government to revisit its tax reform package.

90% of P4.1-T 2020 budget released as of April

Budget release quickened in April as the government fast-tracked funding for new coronavirus disease (COVID-19) response, the latest Department of Budget and Management (DBM) data showed.

TODAY'S TOP ASIAN NEWS

Japan slips into recession, worst yet to come

Japan's economy slipped into recession for the first time in 4 1/2 years, GDP data showed, putting the nation on course for its deepest postwar slump as the coronavirus crisis takes a heavy toll on businesses and consumers. The world's third-largest economy shrank for the second consecutive quarter in the three months to March.

China injects US\$2.25b into local chip firm

China's state-backed funds pumped US\$2.25 billion into a Semiconductor Manufacturing International wafer plant to support advanced-chip making as Washington tightens technology restrictions on the Asian nation. The Semiconductor Manufacturing International plant's registered capital jumps from US\$3.50 billion to US\$6.50

China urges food companies to boost supplies

China has asked trading firms and food processors to boost inventories of grains and oilseeds as a possible second wave of coronavirus cases and worsening infection rates elsewhere raise concerns about global supply lines.

Reliance in \$870 million General Atlantic deal

India's Reliance Industries (RELINS) on Sunday announced U.S. fund General Atlantic will invest 65.98 billion rupees (\$870 million) in Jio Platforms, a fourth deal that takes investment in its digital unit to over \$8 billion in less than a month.

TODAY'S TOP GLOBAL NEWS

Alibaba's Jack Ma resigns from SoftBank board

SoftBank Group Corp said on Monday that Alibaba co-founder Jack Ma will resign from its board, in the latest departure by a high-profile ally of CEO Masayoshi Son. The departure of Ma, who retired as Alibaba's executive chairman in September, comes as he pulls back from formal business roles to focus on philanthropy.

GM tells Mexico workers it plans May 20 restart

General Motors Co is tentatively planning to restart operations at its auto assembly plant in the Mexican city of Silao on May 20, according to a message to workers seen by Reuters on Sunday, as the car industry prepares to exit the coronavirus lockdown.

Thyssenkrupp in talks w/ peers over steel business

German ailing conglomerate Thyssenkrupp is in talks with international peers about consolidating its loss-making steel business. The talks, to be unveiled as part of a strategy revamp which is likely to include shutting or selling assets, follow a \$402 million loss posted in the first half of the group's fiscal year.

Emirates plans to cut about 30,000 jobs

Emirates Group is planning to cut about 30,000 jobs to reduce costs amid the coronavirus outbreak, which will bring down its number of employees by about 30% from more than 105,000 at the end of March, Bloomberg News reported on Sunday.