

# The Daily Dispatch

May 19, 2020  
TODAY'S TOP NEWS

## Virus 2nd wave to deepen contraction

The Philippine economy may face a deeper contraction if a second or third wave of coronavirus infections emerges. In case there is a second wave that could mean 'W-shaped' recovery where the economy faces a bumpy ride where it would bounce back and sharply drop before a full recovery is seen.

## Big-ticket projects safe from budget cut

Big-ticket projects of the Department of Public Works and Highways (DPWH) and the Department of Transportation (DoTr) will not be affected by budget cuts, officials said on Monday. She said among the unaffected big-ticket projects are Metro Manila Skyway Stage 3 and the Tarlac-Pangasinan-La Union Expressway (TPLEX) Extension.

## Rent grace period applied to areas under ECQ

The grace period for rent payments will be applied to areas where more relaxed quarantine rules are in force. "The rent grace period applies during the ECQ, MECQ, and GCQ," Trade Secretary Ramon M. Lopez said.

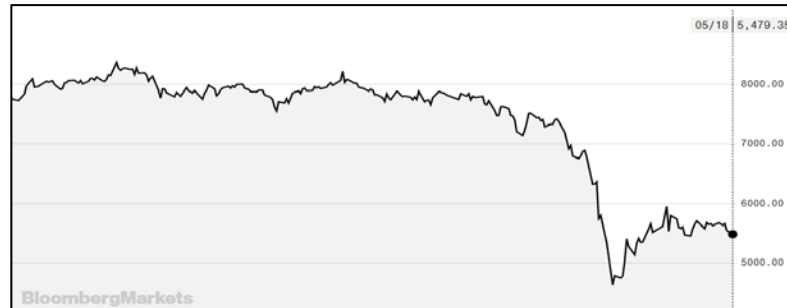
## House committee approves P568-billion PESA bill

A bill proposing a P568-billion stimulus package to help workers and businesses deal with the effects of the coronavirus disease 2019 (COVID-19) pandemic made it past committee level, a senior legislator said. The bill is much larger than the proposed P130-P160 billion recovery program proposed by the government's economic team.

## Ayala industrial unit chalks up P150M Q1 profit

Leading industrial estate developer AyalaLand Logistics Holdings Corp. (ALLHC) defied the downturn in the overall property market in Q1 on the back of higher industrial lot sales and warehouse leasing revenues. ALLHC chalked up P150M in net profit in the first 3 months, up 1.2% year-on-year, driven by a 21% growth in revenues to

## Philippine Stock Market Update



Previous Close:

5,479.35

1 Yr Return:

-25.54%

Open:

5,543.59

YTD Return:

-28.91%

52-Week Range:

4,039.15-8,419.59

Source:

Bloomberg

## Foreign Exchange

As of May 18, 2020

US Dollar	Philippine Peso
1	50.78

## BVAL Rates

As of May 18, 2020

Tenor	Rate
1Y	2.763
3Y	2.925
5Y	3.019
7Y	3.139
10Y	3.294
20Y	4.241

## Daily Quote

"When you lose, talk little. When you win, talk less."  
-- Tom Brady

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## MORE LOCAL NEWS

### Gov't readies perks to convert OFWs to agripreneurs

Without a vaccine to control the spread of the new coronavirus pandemic, several overseas Filipino workers (OFWs) have decided to move back to the Philippines to be with their families—a trend that the government sees as an opportunity to lure migrant workers to invest in local agri-ventures.

### Del Monte trims US consumer unit's debt

Six years after breaking into the American market and reuniting with its mother brand at the expense of an enlarged debt, Campos family-led Del Monte Pacific Ltd. (DMPL) completed the recapitalization of its American consumer arm.

### Globe gets green light for cell sites on LRT 2

Globe Telecom was given the go signal to install cell sites along the Light Rail Transit (LRT) Line 2 during the enhanced community quarantine (ECQ) in Metro Manila.

### Solon eyes tax on digital services

Albay Rep. Joey Salceda is pushing the imposition of a tax on digital services—specifically, subscriptions to video & music streaming apps, ads on social media and making online sales platforms as withholding tax agents—to offset P120B in forgone revenues once the gov't cuts corporate income taxes to 25%.

### PNOC-EC acquires 10% in Uy's Malampaya stake

State-run Philippine National Oil Company-Exploration Corporation (PNOC-EC) has firmed up its deal with businessman Dennis Uy's UC Malampaya Philippines Pte. Ltd. to acquire 10 percent of the latter's equity acquisition in the multi-billion Malampaya gas field project.

### Ayala group pays ahead ₱9.86-B taxes

The Ayala group of companies settled taxes of about ₱9.86bn before the extended June 14, 2020 deadline to help boost the government's coffers and allotment to COVID-19 response. Ayala Corporation said these firms form the core value drivers of the Ayala group — Ayala Corporation, Ayala Land, BPI, Globe, Inc., AC Energy, and Manila Water.

### Cebu Air defers aircraft acquisition

The Philippines' Cebu Air, Inc. said it would defer previously planned aircraft capital expenditure and was in talks with the gov't for fiscal support as the coronavirus pandemic hits demand for travel. Cebu said it was reviewing its long-term fleet plan and had begun discussion with suppliers “to establish flexibility to adapt to current events.

### Metro Retail opens more branches

GAISANO-LED Metro Retail opened three other branches on Monday as the government-imposed enhanced community quarantine (ECQ) eased in some areas, which allowed the resumption of some essential businesses amid the coronavirus disease 2019 (Covid-19) pandemic.

### BSP readies guidelines for virtual assets risk

The Bangko Sentral ng Pilipinas (BSP) is finalizing the guidelines for virtual assets and the operations of virtual asset service providers to prevent the country from becoming a haven for the financial transactions of criminals and terrorists.

### PH strategic petroleum reserves remain a priority

The creation of the country's strategic petroleum reserve remains a priority despite difficulty in its implementation, according to Energy Secretary Alfonso Cusi. State-run Philippine National Oil Co. (PNOC) would still pursue its planned oil strategic reserve storage because the country needs it, Cusi said.

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## MORE LOCAL NEWS

### DA tries to lure OFWs to agriculture sector

The Department of Agriculture (DA) is offering zero-interest loans, free training and technical and marketing assistance for OFWs and those who want to go into farming and agri-business. An initial P2.5 billion has been allocated for three loan programs.

## TODAY'S TOP ASIAN NEWS

### Nomura to bolster private investment business

Nomura Holdings Inc will beef up its private investment business including advising start-ups, its chief executive said on Tuesday, after the firm surprised with its first loss in five quarters.

### SoftBank's first Vision Fund may be its last

Before the meltdown at WeWork and the outbreak of the coronavirus pandemic, Masayoshi Son said he would like to raise a new Vision Fund every two to three years after his initial US\$100 billion fund. Now the first Vision Fund looks like it could be the last.

### Starbucks says reopening many stores in Japan

Starbucks Coffee Japan said it was reopening many of its stores in Japan, including Tokyo, starting on Tuesday, although many of them will be limited to take-out and drive-through services. Starbucks (SBUX.O) has around 1,550 stores in Japan.

### Delta to resume flying several major routes in June

Delta Air Lines (DAL.N) said on Monday it would resume flying several major routes in June that were suspended due to the coronavirus pandemic, including some Trans-Atlantic and Caribbean destinations.

## TODAY'S TOP GLOBAL NEWS

### Nasdaq tighten listing rules, restricting CH IPOs

Nasdaq Inc (NDAQ.O) is set to unveil new restrictions on initial public offerings (IPOs), a move that will make it more difficult for some Chinese companies to debut on its stock exchange, people familiar with the matter said on Monday.

### Former Disney exec named TikTok boss

Former Disney executive Kevin Mayer will become the head of TikTok and COO of the popular video app's parent company. Mayer's surprise jump from one of the entertainment industry's most venerable companies is another victory for buzzy upstart TikTok, which has seen a surge in popularity among people locked down during the

### Total calls off plan to buy OXY.N's Ghana assets

Total (TOTF.PA) has called off a plan to acquire Occidental Petroleum's (OXY.N) assets in Ghana, which was conditional on the completion of the acquisition of Occidental's other assets in Algeria, the French energy company said on Monday.

### Uber to focus on core rides, delivery business

Uber Technologies Inc (UBER.N) will concentrate on its core businesses in ride-hailing and food delivery and cut 23% of its workforce in an attempt to become profitable despite the coronavirus pandemic, Chief Executive Officer Dara Khosrowshahi said in an email to employees on Monday.

### IMF warns global economic recovery unlikely in 2021

The global economy will take much longer to recover fully from the shock caused by the new coronavirus than initially expected, the head of the International Monetary Fund said, and she stressed the danger of protectionism.