

The Daily Dispatch

May 20, 2020
TODAY'S TOP NEWS

DTI eyes tariffs on imports to raise revenues

The Department of Trade and Industry is studying the possibility of raising tariffs on some imported products to help shore up government revenue following the huge expenses incurred in the fight against COVID-19.

No need for IMF facility amid COVID-19 – Diokno

Bangko Sentral ng Pilipinas (BSP) Governor Benjamin E. Diokno said the Philippines does not need to tap the International Monetary Fund's (IMF) pandemic's response facility with still enough resources and reserves to fight against the threats of COVID-19.

22 Vista Malls reopen with safety protocols

Integrated developer Vista Land & Lifescapes announced that all its 22 malls are now open following the recent developments regarding area classifications. However, pursuant to the new IATF guidelines, mall hours will be shortened, services and shops will be limited, and more rigorous security and safety protocols will be implemented.

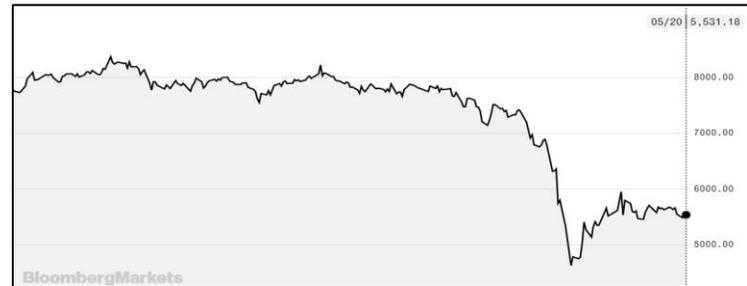
Globe builds LRT2 network capacity

To improve passengers' commuting experience once the new normal kicks in, the Light Rail Transit Administration (LRTA) permitted Globe Telecom Inc. to build its network capacity at the LRT2 while Metro Manila is under lockdown.

April taxes plummet amid crisis

Government tax collection continued to plunge in April, largely because of the extension of tax payment deadlines amid lockdown measures. However, Finance Secretary Carlos G. Dominguez III said there are no plans for new taxes to fund the fight against the coronavirus disease 2019 (COVID-19) pandemic.

Philippine Stock Market Update



Previous Close:

5,555.85

Open:

5,568.40

52-Week Range:

4,039.15 - 8,419.59

1 Yr Return:

-26.69%

YTD Return:

-29.28%

Source:

Bloomberg

Foreign Exchange

As of May 19, 2020

US Dollar	Philippine Peso
1	50.32

BVAL Reference Rates

As of May 19, 2020

Tenor	Rate
1Y	2.703
3Y	2.906
5Y	3.012
7Y	3.150
10Y	3.324
20Y	4.295

Daily Quote

"The world promises you comfort, but you were not made for comfort. You were made for greatness."

-- Pope Benedict XVI

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MORE LOCAL NEWS

Digital service tax could generate P29B in revenues

Imposing taxes on digital services may raise about P29 billion in annual revenues for the government. House Bill No. 6765 or the “Digital Economy Taxation Act, seeks to impose a 12% VAT on digital advertisements, internet-based subscriptions and transactions made on electronic commerce platforms.

Debt payments held under modified lockdown

The grace period for loan payments to financial institutions is further extended as some areas of the country continue to be under modified enhanced community quarantine (MECQ), the Bangko Sentral ng Pilipinas said. The application of the mandatory grace period shall cease once the ECQ and MECQ are lifted in the entire country.

Competition body resumes merger evaluations

The Philippine Competition Commission (PCC) said it is resuming some mergers and acquisitions evaluations during the modified enhanced community quarantine. PCC at the start of the lockdown in March suspended the acceptance and evaluation of merger notifications, after it adopted minimal staffing in its office in Metro Manila.

East West profit jumps 75% in Q1 to P 2.3B

Gotianun family-led East West Bank grew its net profit in the first quarter by 75 percent year-on-year to P2.3 billion even as the bank jacked up loan loss provisioning to prepare for the fallout from the coronavirus pandemic.

GT Capital income in Q1 drops 26% to P 2.54B

Ty family-led conglomerate GT Capital Holdings saw a 26-percent year-on-year drop in first-quarter net profit to P2.54 billion due to slower earnings contribution from its automotive, banking, infrastructure and insurance businesses.

Metro Retail net falls by 87%

Cebu-based retailer Metro Retail Stores Group Inc.’s (MRSGI) Q1 profit slid by 87.3% yoy to P7.98M as the lockdown hampered its department store operations while insurance recovery gains tapered from last year. MRSGI’s operating income for Q1 turned positive at P23.45M from an operating loss of P741,767 a year ago, the company told

First Gen 1st-quarter bottom line down 17.5%

First Gen Corp. saw its first-quarter net income fall by 17.5 percent year-on-year to P4.9 billion, as the coronavirus pandemic took its toll on power firms even at the tail end of the period.

UBX, Lazada team up on SME lending program

UBX, the fintech arm of Union Bank of the Philippines, has teamed up with e-commerce platform Lazada to offer credit lifeline to micro, small and medium enterprises (MSMEs) grappling with the coronavirus (COVID-19) pandemic.

Economists forecast sharp drop in remittances

Economists expect a bigger drop in remittances from overseas Filipino workers (OFWs) this year due to job losses resulting from lockdowns in host countries amid the coronavirus disease 2019 or COVID-19 pandemic.

Investors gobble up P15 billion T-bill offer

The Bureau of the Treasury (BTr) made a full award of P15 billion worth of 35-day debt papers as interest rates declined amid strong demand from investors. During yesterday’s auction, Treasury bills maturing in 35 days fetched an average rate of 2.024 percent.

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Layoffs loom at ABS if broadcast not resumed

Embattled media giant ABS-CBN Corp. may have to start laying off some of its 11,000 staff by August if it can't resume its free channel broadcast operations soon, putting at risk jobs at a time the coronavirus outbreak is displacing thousands of workers in the country.

TODAY'S TOP ASIAN NEWS

Economic recovery seen faster in Asia

Emerging Asia economies are likely to recover faster from the pandemic compared with other regions in the world, said London-based think tank Capital Economics. The research firm said while most economies in the region would contract by 10 to 20 percent in the first half of the year, these countries still have strong fundamentals.

Coronavirus crushes Asia's garment industry

Since the 1960s, Asia has grown into the world's garment factory, sending about US\$670 billion worth of clothes, shoes and bags a year to other countries. After non-essential stores were closed in many countries, factory owners in Myanmar, Bangladesh and Cambodia sent home workers with little or no pay.

Indonesia's capital extends measures until June 4

Indonesia's capital city Jakarta on Tuesday (May 19) extended its large-scale social curbs (PSBB) until June 4, maintaining restrictions that limited public transportation and gatherings in a bid to contain the spread of the coronavirus.

Hong Kong jobless rate hits 10-year high

Hong Kong's unemployment rate hit 5.2 per cent in April - the seventh straight month of increase and the highest in over a decade - as the pandemic continues to batter an economy already in recession.

China offers farmers cash to give up wildlife trade

Farmers in China are being offered cash to quit breeding exotic animals as pressure grows to crack down on the illegal wildlife trade that has been blamed for the coronavirus outbreak. The authorities have for the first time pledged to buy out breeders in an attempt to curb the practice, animal rights activists say.

TODAY'S TOP GLOBAL NEWS

Pandemic could push 60 mn into extreme poverty

World Bank warned Tuesday that the coronavirus crisis threatens to push some 60mn people into extreme poverty, wiping out the gains made over the past 3 years. The global lending institution is already financing aid programs in 100 countries, under its commitment to spend \$160bn over the next 15 months, bank president David Malpass said.

Coronavirus hammers U.S. homebuilding

U.S. homebuilding dropped by the most on record in April and permits for future construction tumbled, underlining fears that the coronavirus crisis would lead to the deepest economic contraction in the second quarter since the Great Depression.

Airlines say ticket cancellations slowing

Top U.S. airlines and Air Canada (AC.TO) on Tuesday reported slower ticket cancellations and an improvement in bookings on some routes, though executives said overall demand remained weak and changes to travel rules may force new business models.

Renault reaches deal on 5bn euro state-backed loan

French carmaker Renault (RENA.PA) has sealed a deal with banks on a 5 billion-euro (\$5.47 billion) state-guaranteed loan to help the company to cope with the coronavirus outbreak, two sources close to the matter told Reuters on Tuesday.