

# The Daily Dispatch

June 14, 2021  
TODAY'S TOP NEWS

## BIR starts enforcing 12% VAT on exporters

THE BUREAU of Internal Revenue (BIR) issued rules over the weekend setting a 12% value-added tax (VAT) on export sales of companies that had previously been exempt, a move it said was authorized by the Tax Reform for Acceleration and Inclusion (TRAIN) law.

## Wells Fargo to retain BPO center in Manila

WELLS Fargo & Co. will maintain its business process outsourcing (BPO) presence in the country even as it leaves its Manila representative office to simplify the bank's international operations.

## AbaCore turns profitable in Q1 after loss

ABACORE Capital Holdings, Inc. posted P74.8 million in first-quarter (Q1) net income attributable to parent firm equity holders, soaring from the P2.52-million profit logged in the same period last year.

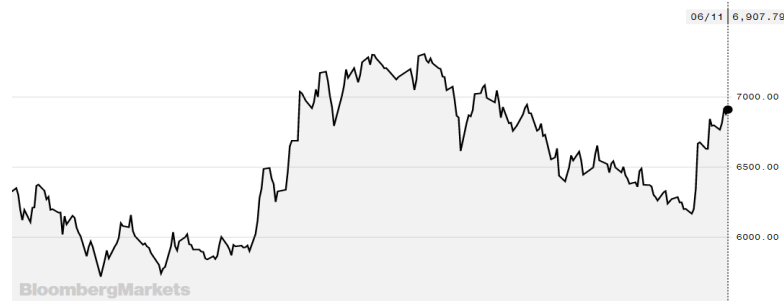
## Gov't debt service bill falls in April

THE NATIONAL GOVERNMENT paid P64.288 billion in debt in April, 57% lower year on year as principal payments dropped, the Bureau of the Treasury (BTr) said. However, debt repayments in the first four months of the year jumped 20% from year ago levels.

## BSP seen to maintain accommodative policy

THE BANGKO SENTRAL ng Pilipinas (BSP) is expected to maintain a loose monetary policy to support the economy's recovery as inflation risks are expected to subside by 2022. The BSP expects inflation for 2021 and 2022 to reach 3.9% and 2.8%, respectively, within target but much quicker than the 2.6% in 2020.

## Philippine Stock Market Update



**Previous Close:**  
6,907.79

**1 Yr Return:**  
8.21%

**Open:**  
6,898.20

**YTD Return:**  
-3.69%

**52-Week Range:**  
5,691.74 - 7,432.40

**Source:**  
Bloomberg

## Foreign Exchange

As of June 13, 2021

US Dollar	Philippine Peso
1	47.780

## PDST-R2 Rates

As of June 13, 2021

Tenor	Rate
1Y	1.6714
3Y	2.4055
5Y	3.0547
7Y	3.5092
10Y	3.8515
20Y	4.9927

## Daily Quote

"Don't be afraid to give up the good to go for the great."

-- John D. Rockefeller

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## MORE LOCAL NEWS

### Dito expands to 23 new areas

New telecommunications player Dito Telecommunity Corp. expects to attract 1M subscribers soon, as it expands its commercial service coverage to more areas nationwide. Dito is making available today its services commercially to 23 more cities and municipalities nationwide, bringing its coverage to a total of 123 areas at present.

### SMC sets P100 billion capex for 2021

San Miguel Corp. (SMC), the country's diversified conglomerate, is pouring in roughly P100B in capital expenditures this year as it gears up for continued recovery following a difficult business environment last year because of the onslaught of COVID-19. The P100B capex is higher than last year's P90B, according to SMC.

### MPIC remains keen on Sangley airport

Infrastructure conglomerate Metro Pacific Investments Corp. (MPIC) is among the companies that are in the running to submit a bid for the Sangley Point International Airport (SPIA).

### Torre Lorenzo sets P2 billion capex for 2021

Real estate developer Torre Lorenzo Development Corp. (TLDC) has set its capital expenditures at P2 billion this year, lower than its yearly P3 billion capex. However, the company is targeting to bring its capex level back to P3 billion by 2023.

### PLDT, Smart get DENR backing

PLDT Inc. and wireless subsidiary Smart Communications Inc. have signed a tripartite partnership with the Department of Environment and Natural Resources (DENR) and its accredited provider JMR Trade & Transport Services (JMR) for electronic waste disposal programs.

### Cebu Pacific bringing back 'piso' fare

Cebu Pacific said over the weekend it is bringing back its "piso" fare to all domestic and international destinations to entice more passengers to travel amid the global pandemic. The budget carrier said passengers from June 12 to June 14 could enjoy base fares as low as P1 to over 30 domestic routes and 16 international routes.

### Stocks set to re-test 7,000 points

Share prices are expected to re-test the 7,000-point level over the near-term period amid optimism on the government's vaccination rollout program. Analysts said the equities market might go into higher territory this week on improving economic outlook as more people are being inoculated with the arrival of additional vaccines.

### Wholesale price index picks up in March

The general wholesale price index (GWPI) further went up to 2.8 percent in March from 2.5 percent in February, the PSA said. The PSA said double-digit annual increases were noted in the indices of crude materials, inedible except fuels at 44.4 percent; and mineral fuels, lubricants and related materials at 11.9 percent.

### Maynilad allots P1.8B for 2021 pipe projects

In a statement on Saturday, Maynilad announced it is targeting to replace a total of 173 kilometers of old, leaky pipes this year despite quarantine restrictions due to the coronavirus disease 2019 (Covid-19) pandemic. This is line with the company's program to upgrade the distribution system and reduce water losses.

### PHL rice inventory hits 4-month high in April

The country's rice inventory as of April 1 rose to a four-month high of 2.444 million metric tons (MMT), based on the latest data from the Philippine Statistics Authority (PSA). In its monthly report, the PSA said the April 1 rice inventory was 3.2 percent or 77,000 MT higher than the 2.367 MMT recorded a year ago.

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## TODAY'S TOP ASIAN NEWS

### Huawei aims to reach driverless car tech in 2025

[BEIJING] China's Huawei Technologies aims to develop driverless passenger car technology by 2025, an executive said on Thursday, as the world's largest telecommunications equipment maker diversifies its business in the face of US sanctions.

### Kanzhun almost doubles after US\$912m IPO

Kanzhun, the owner of Chinese online recruitment platform Boss Zhipin, rose 96 per cent in its trading debut after raising US\$912m in a US initial public offering. The first-day gain was the eighth biggest of the year on a US exchange, out of more than 450 listings of US\$100m or more, according to data compiled by Bloomberg.

### New law gives Xi power to shut down tech firms

[BEIJING] China's new data security regime gives President Xi Jinping the power to shut down or fine tech companies as part of his drive to wrest control of vast reams of data held by giants like Alibaba Group Holding and Tencent Holdings.

### Grab CEO confident Spac merger to close by year-end

Grab Holdings chief executive Anthony Tan said he is confident the merger of the ride-hailing and food-delivery giant and a United States blank cheque company will be completed by year-end, following a delay caused by a review of its financials.

### Citibank Singapore's SME unit to close in August

Citibank Singapore is closing its CitiBusiness arm, which serves small and medium-sized enterprises (SMEs). About 2,000 customers have been told that their deposit accounts will be closed with effect from Aug 11 and advised to transfer their balances before then.

## TODAY'S TOP GLOBAL NEWS

### BTC jumps as Musk says Tesla will use when cleaner

[NEW YORK] Bitcoin jumped above US\$39,000 after Elon Musk said Tesla would resume transactions with the cryptocurrency when mining is done with more clean energy.

### Airline industry sees long-term rebound for sector

AFTER flying into the financial turbulence of the Covid-19 pandemic, the airline sector expects passenger traffic to take off despite concerns about the industry's impact on climate change.

### Out-of-control shipping costs fire up prices

The skyrocketing price of shipping goods across the globe may hit your pocketbook sooner than you think - from that cup of coffee you get each morning to the toys you were thinking of buying your kids.

### Blue Origin auctions seat on first spaceflight

Jeff Bezos' space venture Blue Origin auctioned off a seat on its upcoming first crewed spaceflight on Saturday for \$28 million.

### Virgin Orbit in talks with SPAC for \$3b deal

Virgin Orbit, the satellite-launching spinoff of Sir Richard Branson's Virgin Galactic, is in advanced discussions to go public at about a \$3 billion valuation through a SPAC led by a former Goldman Sachs partner, CNBC confirmed Saturday.