

The Daily Dispatch

June 24, 2020
TODAY'S TOP NEWS

Budget gap hits P202 billion in May

The national government recorded a P202.1-billion budget deficit in May, as spending continued to rise while revenues slumped to multi-year lows amid the pandemic. The budget gap ballooned to P562.2 billion in the first five months of 2020, from the P809-million deficit a year ago.

Chelsea Logistics posts P345-M loss

Chelsea Logistics and Infrastructure Holdings Corp. posted an attributable net loss of P345.08 million for the first quarter, a reversal of the P138.71-million profit it recorded in the same period last year.

BDO to buy out Nomura in joint venture

BDO Unibank, Inc. is seeking full control of its joint venture with Tokyo-headquartered Nomura Holdings, Inc. in a bid to consolidate its brokerage business. The lender currently owns 51% of BDO Nomura Securities, Inc. while Nomura holds the remaining 49% of the joint venture.

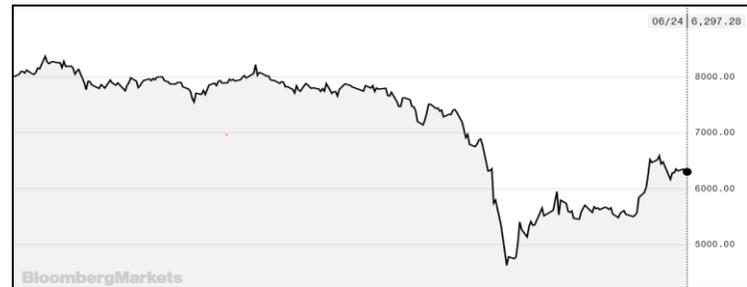
LabX, Spring Valley tie up for contact tracing

Rapid test distributor LabX Corp. will perform virus tracing capability for local software developer Spring Valley Tech Corporation's (SVTC) mobile contact tracing application after the two companies have formalized their partnership last week.

Prime Infra starts power generation portfolio

Prime Infra said Monday that it recently signed an agreement with Solar Philippines Power Project Holdings Inc. (Solar Philippines) to invest P1.5 billion for 50 percent of Solar Philippines Tarlac Corp. (SPTC), the owner of the largest solar farm in the country.

Philippine Stock Market Update



Previous Close:

6,297.78

1 Yr Return:

-21.86%

Open:

6,304.33

YTD Return:

-20.81%

52-Week Range:

4,039.15 - 8,419.59

Source:

Bloomberg

Foreign Exchange

As of June 23, 2020

US Dollar	Philippine Peso
1	50.11

BVAL Reference Rates

As of June 23, 2020

Tenor	Rate
1Y	2.547
3Y	2.785
5Y	3.011
7Y	3.208
10Y	3.418
20Y	4.170

Daily Quote

"Far and away the best prize that life has to offer is the chance to work hard at work worth doing."

-- Theodore Roosevelt

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MORE LOCAL NEWS

PNB mulls over hike in bad loan reserves

“For the rest of the year, the need for additional provisioning will depend if there are continued significant changes in the economic scenarios,” PNB Chief Financial Officer Nelson C. Reyes said during a stockholders’ meeting on Tuesday.

Chinese firm needs 30,000 online English teachers

China’s largest online English education company announced it needs 30,000 more online English teachers this year in addition to its existing 20,000 Filipino teachers to alleviate the shortage of 500,000 foreign English-language teachers in China.

Gotianuns not selling East West Bank

“We have been getting some queries from the media if the rumor that EastWest Bank (EW) is set to be acquired by another bank is true. No, it is not true. Filinvest Development Corp. (FDC) is not in any discussion nor does it plan to, with regards to any potential sale of EastWest Bank,” FDC CEO Josephine Gotianun-Yap said.

Local visitors to speed up tourism recovery

With domestic travel still mostly driven by local visitors than foreigners, the Philippines’ tourism sector is seen recovering faster than those in destinations reliant on foreign tourists, debt watcher Moody’s Investors Service said on Tuesday.

COVID-19 spending swelled May budget deficit

MANILA, Philippines — The national government’s budget gap swung to a deficit of P202.1 billion in May as spending for COVID-19 response exceeded still weak tax collection amid the pandemic.

Layoffs, strategy shift in Aboitiz Group

MANILA, Philippines — The Aboitiz Group, one of the country’s largest conglomerates, is laying off employees as the coronavirus pandemic hurts its businesses and forces a change in strategy.

BPO firm hiring 2K WFH workers

Singapore-based BPO Everise is increasing its workforce in the Philippines by hiring 2,000 work-from-home employees to address requirements for its services from both new and old customers. In a statement, Everise said it is recruiting work-from-home staff to supplement its current headcount in the country which stands at 3,042.

Security Bank to tap domestic debt market

Security Bank is returning to the onshore debt market to raise at least P5 billion through the issuance of two-year fixed-rate peso bonds after doubling the size of its bond and commercial paper program to P100 billion. SBC told The STAR proceeds of the fund raising activity would be used to extend the tenor of the bank’s liabilities.

AMLC steps into Wirecard probe

The Anti-Money Laundering Council is ready to step into the probe of the \$2.1 billion missing funds of German financial technology leader Wirecard AG, according to its executive director Mel Georgie Racela. Racela said the AMLC is mandated to make sure that the Philippines is not used for laundering the proceeds of any unlawful act.

Pandemic gives debt-loaded firms a headache

The era of cheap borrowing in previous years, which resulted in a pile of debt, is now creating financial strain in local companies. Corporates lead local borrowers that may face difficulty paying debts as cashflows stagnated when business operations halted due to the pandemic.

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TODAY'S TOP ASIAN NEWS

Yoma to buy controlling stake in Wave Money

Yoma Strategic on Wednesday (June 24) proposed to increase its existing shareholding and take a controlling interest in mobile payments firm Digital Money Myanmar (Wave Money) via a US\$76.5 million (S\$106.2 million) deal.

Sg company to launch on-demand movie streaming

Mainboard-listed film production group mm2 Asia will be launching a new on-demand streaming platform offering movies in Singapore, with plans to expand into regional markets, it said in a bourse filing on Wednesday (June 24).

Mapletree Industrial Trust raises \$410m

The manager of Mapletree Industrial Trust (MIT) on Wednesday (June 24) said its private placement equity fundraising exercise was 8.2 times covered at an issue price of \$2.80 - the top end of its issue price range of \$2.732 to \$2.80.

KKR raises US\$10b for its biggest Asia buyout fund

KKR & Co has raised more than US\$10 billion for its third Asia fund, on track to amassing the biggest buyout war chest ever assembled by a US private equity (PE) firm for the region, people familiar with the matter said.

StanChart S'pore to invest \$5m in traineeships

Standard Chartered Singapore will invest \$5 million in creating traineeships and skills upgrading opportunities over the next three years. StanChart said yesterday that it will provide close to 350 traineeship places this year and intensify its SkillsFuture@SC programme

TODAY'S TOP GLOBAL NEWS

Mastercard to buy tech firm Fincity in \$825mn deal

Mastercard Inc said it would buy Fincity in a deal valued at \$825 million, adding a fintech firm that helps banks share customer data with other financial firms. Fincity will help Mastercard strengthen its open banking services, which allow customers to determine how third parties scan access information to initiate payments on their behalf.

Ex-CEO of Wirecard arrested over missing billions

BERLIN — The former CEO of German payment service provider Wirecard has been arrested in an accounting scandal that centers on a missing sum of 1.9 billion euros (\$2.1 billion), prosecutors in Munich said Tuesday.

Abu Dhabi's ADNOC sells pipeline firm stake

ABU DHABI, United Arab Emirates – Abu Dhabi National Oil Company (ADNOC) said on Tuesday, June 23, it has agreed to sell a 49% stake in its gas pipeline subsidiary to leading global investors for over \$10 billion.

Credit Suisse starts probe into SoftBank-linked funds

Credit Suisse Group has started a probe into funds that invest in loans arranged by billionaire financier Lex Greensill and are backed by Masayoshi Son's SoftBank Vision Fund.

MIT buying 60% stake in US data centres for \$294m

Mapletree Industrial Trust (MIT) will buy the remaining interest held by its sponsor in 14 US data centres for US\$210.9 million (S\$294 million). The 60 per cent stake to be acquired is held by Mapletree Redwood Data Centre Trust (MRDCT), in which MIT has a 40 per cent interest.