

# The Daily Dispatch

July 01, 2020  
TODAY'S TOP NEWS

## Cebu City under ECQ; Metro Manila under GCQ

Cebu City will remain under the enhanced community quarantine, the most stringent form of lockdown, as it became the “hotspot” of COVID-19 given the sharp surge in infections, President Duterte announced Tuesday night. The President has also kept Metro Manila and several other areas still under GCQ

## Duterte threatens to shut down courier company

President Duterte has threatened to shut down the operations of a courier company and file charges if allegations of mishandling cargoes are proven in an official investigation. The President has ordered authorities to probe the alleged irregularities committed by courier service J&T Express in the wake of “so many complaints.”

## SMC vows to continue big-ticket projects

“The best way we can do this is to continue, and not scale back, on investments in infrastructure and capacity expansion, as well as provide support for the poor, and other key sectors such as agriculture and the health industry,” San Miguel President and COO Ramon S. Ang said

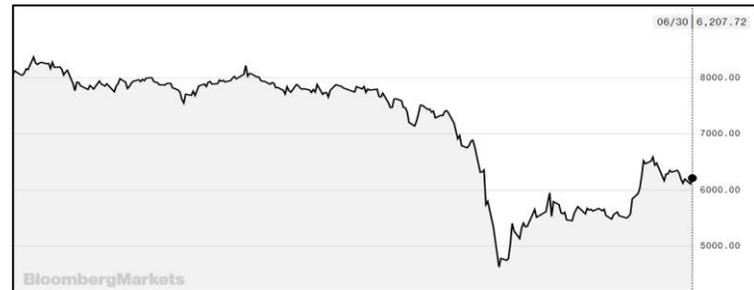
## Meralco: Demand picking up in franchise area

Electricity demand in the franchise area of Meralco during Q2 peaked at 7,000MW, slightly lower than what the firm recorded in Q1. While demand is slowly picking up, the numbers are still far from pre-lockdown levels, he added.

## Phoenix focuses on retail to boost margins

Phoenix Petroleum is diversifying its portfolio toward high growth, high margin businesses. “We need to adapt our core business to changes and disruptions in markets. Commercial accounts fueled our growth over the last decade but going forward, retail is going to be the major force driving Phoenix,” Henry Fadullon, company president, said.

## Philippine Stock Market Update



**Previous Close:**

6,207.72

**1 Yr Return:**

-22.23%

**Open:**

6,223.54

**YTD Return:**

-21.23%

**52-Week Range:**

4,039.15 - 8,419.59

**Source:**

Bloomberg

## Foreign Exchange

As of June 30, 2020

US Dollar	Philippine Peso
1	49.76

## BVAL Reference Rates

As of June 30, 2020

Tenor	Rate
1Y	2.161
3Y	2.262
5Y	2.439
7Y	2.632
10Y	2.795
20Y	3.543

## Daily Quote

"I have just three things to teach: simplicity, patience, compassion. These three are your greatest treasures."

-- Laozi

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## MORE LOCAL NEWS

### PHL debt nears P9 trillion in May

Outstanding debt jumped to nearly P9 trillion as of end-May, as the government issued more domestic securities and availed of additional foreign loans to fund its ongoing fight against the pandemic, the Treasury said on Tuesday.

### Digital cities seen to attract P70B in investments

A partnership between the government and private sector identified 25 new cities for outsourcing development, as part of efforts to redirect opportunities towards the countryside. The so-called “digital cities” hope to attract an estimated P70 billion in investments from business process outsourcing companies in the next few years.

### Lucio Tan firm sets P7-billion capex

Lucio Tan’s LT Group, Inc. is maintaining a P7-billion budget for capital expenditures (capex) this year while keeping a “guarded outlook” due to challenges posed by the coronavirus disease 2019 (COVID-19) pandemic.

### Online payments hit 77% of total tax collections

Around 77% of all taxes collected as of mid-June were coursed through electronic payment (e-payment) channels, the Bureau of Internal Revenue (BIR) reported, after the lockdown coincided with income tax season.

### Cash-strapped start-ups to tap large companies

Start-ups struggled during the lockdown because of restrictions on movement and declining cash, and are now looking to companies to partner with and provide investment, QBO Innovation Hub President Meily said. Start-ups, he said in an online interview Wednesday, typically cannot go to banks for financing because they lack collateral.

### Metro ecozone ban seen to benefit India

Malacañang’s ban on new economic zones in Metro Manila will ultimately benefit India since the business process outsourcing (BPO) industry in the Philippines will not have enough office space to support any increase in new investments, the country’s top real estate adviser said.

### Century Pacific to double business in 5 years, again

Leading canned food producer Century Pacific Foods Inc. (CNPFI) – one of the few business groups that are booming during this coronavirus pandemic – is front-loading its expansion program while plotting to double its business anew in the next five years.

### AGI’s Q1 net profit down 32%

Tycoon Andrew Tan-led Alliance Global Group Inc. (AGI) saw a 32-percent year-on-year drop in first quarter attributable net profit to P3 billion as the eruption of Taal volcano and the start of the local coronavirus contagion battered its property, gaming, liquor and fast-food businesses.

### Fruitas’ Q1 profit up 41%

Leading local multi-brand kiosk operator Fruitas Holdings Inc. (FHI) grew its first quarter net profit by 41 percent year-on-year to P14.6 million on the back of higher margins from price increases and cost-cutting measures.

### BSP sees inflation uptick

Inflation for June likely settled within the 1.9 to 2.7 percent range from 2.1 percent in May as the uptick in the price of rice as well as the rising pump prices of petroleum products continued to put upward pressure on inflation, according to the Bangko Sentral ng Pilipinas (BSP).

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## MORE LOCAL NEWS

### RCBC to raise \$300M from foreign debt market

Yuchengco-led Rizal Commercial Banking Corp. (RCBC) is returning to the offshore debt market to raise as much as \$300 million to augment its funding for loans under its sustainable finance framework.

### Mid-size banks push RRR cut

The Chamber of Thrift Banks (CTB) has asked the Bangko Sentral ng Pilipinas (BSP) to further reduce the level of deposits mid-size banks are required to keep with the central bank and for more regulatory relief measures to help the industry survive the global health crisis.

## TODAY'S TOP ASIAN NEWS

### Sg IPO market expected to be livelier in 2nd half

A new crop of listings may emerge as recovery takes hold in the second half after a volatile six months for capital markets. The coronavirus pandemic and the subsequent slump in economic activity caused by the lockdown have weighed down Singapore's initial public offerings (IPOs) market.

### HK home prices rise at fastest pace in 13 months

Hong Kong private home prices gained 1.9 per cent in May, their fastest pace of growth in more than a year, helped by low interest rates and pent up demand as the economy gradually picked up after the Covid-19 outbreak.

### FCT to raise stake in owner of suburban malls in Sg

Frasers Centrepoint Trust (FCT) is acquiring an additional 12.07 per cent stake in PGIM Real Estate Asia Retail Fund (ARF) for \$197.2 million, in line with plans to bolster its presence in Singapore's suburban retail sector.

## TODAY'S TOP GLOBAL NEWS

### Shell takes \$22b hit on lower oil, gas prices

LONDON — Energy producer Royal Dutch Shell warned Tuesday it will slash the value of its assets by \$22 billion to account for lower oil and gas prices amid the COVID-19 pandemic.

### Uber makes offer to buy delivery service Postmates

Uber has made a takeover offer to buy Postmates, the upstart delivery service, according to three people familiar with the matter, as the on-demand food delivery market consolidates and Uber looks for new ways to make money. The two companies could reach a deal this week.

### Airbus cuts 15,000 jobs

European aircraft maker Airbus said on Tuesday it is planning to cut around 15,000 jobs worldwide, 11 per cent of its total workforce, in response to the coronavirus which it described as the "gravest crisis" the industry has seen.

### UK economy shows biggest drop in 40 years

Britain's economy shrank by the most since 1979 in early 2020 as households slashed their spending, according to official data that included the first few days of the coronavirus lockdown.

### Global M&A deals in first half the lowest since 2012

The value of mergers and acquisitions (M&A) fell 50 per cent in the first half from the year-earlier period to the lowest level since the depths of the euro-zone debt crisis, as the Covid-19 pandemic brought global deal-making to a halt.