

# The Daily Dispatch

July 02, 2020  
TODAY'S TOP NEWS

## Exponential growth in online retail in the country

Trade and Industry Secretary Ramon M. Lopez expects the 2.0 percent projected growth in online retailing in the overall domestic retail market will be exceeded on strong government support to grow e-commerce, combined with the young Philippine demographic and the convenience offered by online shopping.

## Benchmark index drops in H1 on virus worries

“While the index may have recovered from oversold levels it has not been able to climb back to its pre-Covid-19 levels indicating that investors are still quite wary about the full impact of the virus on the economy and are concerned that the number of cases continue to increase...” PSE President and CEO Ramon S. Monzon said.

## Value of M&A deals doubled in 2019

In its 2019 Annual Report, titled “Keeping Unfair Competition in Check,” the PCC disclosed it received 46 merger and acquisitions last year. Of this, the agency approved 30 and prohibited the consummation of one, namely, the merger of two sugar millers in Southern Tagalog.

## Despite Wirecard, PH banking system sound—BAP

The Philippine financial system remains stable amid the Wirecard mess involving two local banking giants, the Bankers Association of the Philippines (BAP) guaranteed on Tuesday. The bankers’ group “assures the public that the country’s financial system is sound and that very strict rules regarding the issuance of bank certifications are in place.”

## Borrowing binge swells 5-month NG debt

THE national government’s outstanding debt for the first five months of the year swelled by 12.3 percent to P8.89 trillion from P7.916 trillion in the same period in 2019 as Manila borrowed more in May from local and foreign sources to fund its fight against the Covid-19 pandemic.

## Philippine Stock Market Update



Previous Close:

6,209.71

1 Yr Return:

-20.27%

Open:

6,211.51

YTD Return:

-18.61%

52-Week Range:

4,039.15 - 8,419.59

Source:

Bloomberg

## Foreign Exchange

As of July 1, 2020

US Dollar	Philippine Peso
1	49.806

## PDST-R2 Rates

As of July 1, 2020

Tenor	Rate
1Y	2.062
3Y	2.261
5Y	2.450
7Y	2.644
10Y	2.818
20Y	3.583

## Daily Quote

"Luck is a dividend of sweat. The more you sweat, the luckier you get."

--Ray Kroc

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## MORE LOCAL NEWS

### Manufacturing contraction eases

Factory activity fell for a fourth straight month in June, although the pace of contraction eased significantly as manufacturers were able to boost output for the first time since February, according to a survey by IHS Markit. The Philippines manufacturing Purchasing Managers' Index (PMI) jumped to 49.7 last month from 40.1 in May.

### PHL losses from tourism standstill could reach \$22.6B

The Philippines could lose up to \$22.64 billion (P1.13 trillion) or seven percent of GDP if the tourism standstill caused by the pandemic extends to 12 months, the United Nations Conference on Trade and Development (UNCTAD) said in a report.

### 7-Eleven offers P711-M loan to franchisees

The listed licensor of 7-Eleven convenience stores, Philippine Seven Corp. (PSC), has allocated P711 million as loan to its franchisees to prevent the closure of stores due to mounting losses from the coronavirus disease 2019 pandemic. The loans are offered interest-free and franchisees may borrow as needed and pay when able.

### PH's 3rd telco DITO to miss July 8 technical launch

MANILA, Philippines — DITO Telecommunity, the country's third major telco, is likely to miss the deadline for its "technical launch" set on July 8 this year.

### MerryMart's Q1 profit up 50.5%

Newly-listed grocery chain operator MerryMart Consumer Corp. grew its net profit in the first quarter by 50.5 percent year-on-year to P8.35 million with the rollout of new stores that carried essential household goods during the ongoing coronavirus (COVID-19) pandemic.

### Japan extends P23.5 billion loan to Philippines

The Philippines has secured a loan of 50 billion yen (P23.5 billion) from the Japan International Cooperation Agency (JICA) to augment funds for the government's coronavirus disease 2019 (COVID-19) response efforts.

### SMC optimistic of business recovery

San Miguel Corp. is optimistic its business will recover despite posting lower results in the first quarter of the year as a result of the COVID-19 pandemic. During the company's annual shareholders meeting, SMC president Ramon Ang said the company's major businesses are well-positioned to recover.

### Global Ferronickel loss expands by 16%

Global Ferronickel Holdings, Inc. posted a 16.1% increase in net loss attributable to the equity holders to P157.54 million in the first quarter after a double-digit fall in revenues. The holding firm with interest in mineral resource exploration reported a 38.4% fall in revenues to P39 million, versus P63.34 million it posted a year ago.

### Bangko Sentral to issue securities in 3rd quarter

The Bangko Sentral ng Pilipinas plans to issue securities in the third quarter after all the requirements and infrastructure needed to support the undertaking are in place, Governor Benjamin Diokno said Wednesday.

### RCBC launches DiskarTech app

Listed Rizal Commercial Banking Corp. (RCBC) seeks to promote financial inclusion with the launch of its virtual banking platform DiskarTech. The app aims to provide sachet banking services to many unbanked and underserved Filipinos, especially those living in grassroots communities.

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## TODAY'S TOP ASIAN NEWS

### 7 companies to relocate to Indo, invest \$850M

JAKARTA — President Joko “Jokowi” Widodo announced on Tuesday that seven foreign companies had confirmed plans to relocate production facilities to Indonesia, mostly from China, an encouraging signal for the country’s investment climate amid the pandemic.

### ByteDance takes ebook stake amid war with Tencent

TikTok owner ByteDance has taken a stake in a company that runs multiple online reading platforms, bringing it up against rival Tencent Holdings in yet another arena.

### Koufu plans to acquire fried food, dough suppliers

Koufu Group has proposed to acquire a group of four companies that are among its biggest suppliers of fried food and dough products. Mainboard-listed Koufu, which runs foodcourts, coffee shops and a mall, will fund the \$22 million deal using internal resources, including proceeds from its initial public offering.

### Bharti Airtel to sell 25% stake in data centre unit

Singtel's Indian associate Bharti Airtel is proposing to sell about 25 per cent of its wholly owned data centre unit Nextra Data for US\$235 million (S\$327.4 million). Nextra Data is based in New Delhi and offers services to leading Indian and global enterprises and governments through its 10 large centres

### NTT Data to set up research centre in Singapore

Top Japanese data solutions firm NTT Data is launching a centre of excellence in Singapore with LeapThought, a New Zealand strategic consultancy. It is aimed at boosting the construction sector's productivity and its resilience against Covid-19, labour shortages and supply chain disruptions.

## TODAY'S TOP GLOBAL NEWS

### U.S. seeks Warhol, Monet paintings for 1MDB scandal

The U.S. Department of Justice on Wednesday said it was looking to recover another \$96 million in assets in real estate and artwork linked to the 1Malaysia Development Berhad (1MDB) international money-laundering conspiracy. The agency has so far recovered or assisted Malaysia in recovering nearly \$1.1 billion in assets related to the alleged

### Macy's posts nearly \$4 billion in losses

Macy's Inc reported a staggering \$3.58 billion quarterly loss on Wednesday as coronavirus-related store shutdowns resulted in a \$3 billion impairment charge. The global health crisis has forced brick-and-mortar retailers to tap credit lines, lay off employees and suspend dividends and buybacks in a bid to stay afloat.

### Wirecard HQ raided in probe of accounting scandal

BERLIN — Investigators searched the headquarters of German payment systems provider Wirecard and four other locations Wednesday as part of their probe of an accounting scandal that led to the arrest of the company’s longtime CEO and forced the firm to file for bankruptcy protection.

### BlackRock eyes distressed property, PE

Jim Barry is in fighting spirits even as the ferocious market rebound drains his pool of cheap investable assets. The chief investment officer at BlackRock's alternative investment unit is looking to deploy some of his US\$23 billion cash war chest on companies laid low by the pandemic.

### Pizza Hut US operator NPC files for bankruptcy

NPC International, the largest franchisee of Pizza Hut restaurants in the US, filed for bankruptcy after coronavirus-related shutdowns added to competitive pressures in the restaurant industry. The closely held company sought Chapter 11 protection in the Southern District of Texas court on Wednesday.