

The Daily Dispatch

August 04, 2020
TODAY'S TOP NEWS

P51-B airport railway launched

The country's first airport railway express service soon starts construction after the government and proponents signed the P50.8-billion contract packages for PNR Clark Phase 2 (Malolos-Clark) segment of the P777.5-billion North-South Commuter Railway (NSCR) virtually over the weekend (August 1, 2020).

Cash remittances dip 6.4% in January-May

"The decline in cash remittances was due to the negative effects of the continued limited operating hours of some banks and institutions that provide money transfer services during the lockdown and the repatriation of many OFWs (Overseas Filipino Workers) in March 2020," said the Bangko Sentral ng Pilipinas (BSP) in a statement Monday.

PCSO suspends lotto, other games in MECQ areas

After Metro Manila and nearby provinces were placed under the Modified Enhanced Community Quarantine (MECQ), the Philippine Charity Sweepstakes Office (PCSO) on Monday announced that its games will remain suspended in these areas indefinitely.

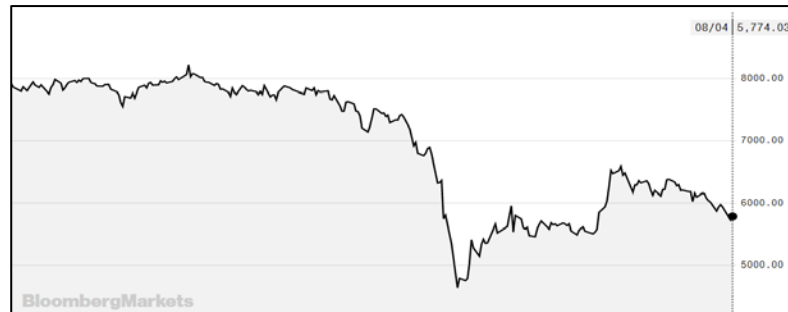
NTC: Telco permits valid until end-December

Due to imitations brought about by the Covid-19 pandemic, the National Telecommunications Commission (NTC) has extended the validity of all existing telecom and broadcast permits, certificates and licenses until the last working day of December.

SM Prime income halved in H1 due to pandemic

SM Prime Holdings Inc., one of the leading integrated property developers in Southeast Asia, posted a 46% drop in consolidated net income to P10.4bn in the first half of 2020 from P19.3bn in the same period last year. SM Prime said it continues to innovate and strategize to recover from the unprecedented effects of the COVID-19 pandemic.

Philippine Stock Market Update



Previous Close:

5,715.92

1 Yr Return:

-27.68%

Open:

5,691.74

YTD Return:

-26.12%

52-Week Range:

4,039.15-8,419.59

Source:

Bloomberg

Foreign Exchange

As of Aug. 3, 2020

US Dollar	Philippine Peso
1	49.10

BVAL Rates

As of Aug. 3, 2020

Tenor	Rate
1Y	1.794
3Y	2.182
5Y	2.450
7Y	2.639
10Y	2.759
20Y	3.594

Daily Quote

"Never let anyone try and make you into something that you're not. Remember what it is that you want, and always stay strong in that."

-- Abigail Breslin

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MORE LOCAL NEWS

BPO demand lifts Q2 office leasing activity

Despite the coronavirus pandemic-prompted lockdown measures in most parts of the country in the 2nd quarter, Philippine office property leasing activities picked up pace as demand from the business process outsourcing (BPO) sector compensated for the slump in the Philippine online gaming operator (Pogo) space.

Stocks dumped on economic pessimism from MECQ

Investors scrambled to sell out of the stock market on Monday as they braced for a bigger macroeconomic fallout from the reimposition of tighter lockdown protocols in Metro Manila and surrounding regions.

GERI profit declined by 23% in Q2

Megaworld group's leisure estate arm Global-Estate Resorts Inc. (GERI) saw a 23-percent year-on-year decline in second quarter attributable net profit to P296.83 million as the coronavirus (COVID-19) pandemic-induced lockdown protocols curbed residential development, hotel and commercial property leasing businesses.

PXP Energy net loss widened in H1

PXP Energy Corp. saw its net loss for the first semester balloon by more than three times, posting P56.4 million this year from the P17.9 million incurred in the same period of 2019.

Moody's: PH economy contracted by 8% in Q2

The research arm of debt watcher Moody's Investors Service expects an 8-percent steep drop in the Philippines' gross domestic product (GDP) during the second quarter due to the stringent COVID-19 lockdown.

OFW remittances plunge further in May

Money sent home by OFWs contracted for the third straight month, plunging by more than 19 percent in May due to the impact of the COVID-19 pandemic, according to the BSP. Based on data released by the BSP, personal remittances fell by 19.2 percent to \$2.34 billion in May from \$2.89 billion in the same period last year.

Philippine economy likely contracted 8% in Q2

Moody's Analytics said the Philippine economy may book a deeper contraction of eight percent in the second quarter of the year from 0.2 percent in the first quarter due to the containment measures against the deadly coronavirus disease 2019.

Phoenix Petroleum sets P7 billion CP issue

Listed independent oil player Phoenix Petroleum Philippines Inc. is planning to issue new commercial papers (CP) of up to P7 billion. In a disclosure to the Philippine Stock Exchange yesterday, Phoenix Petroleum's board approved the registration of commercial papers with an aggregate principal amount of P7 billion.

Phinma acquires Laguna college for P449 million

The education unit of Phinma Corp. has invested P449 million to buy a controlling stake in a Laguna-based college to beef up its portfolio. Phinma Education bought 300 shares representing 100% of Rizal College's outstanding shares at P1.5 million each, resulting in a total investment of P448.76 million.

Gov't expands 2021 budget to prepare for pandemic

The proposed 2021 budget was increased to more than P4.5 trillion with the economic team assuming a prolonged pandemic. Finance Undersecretary and the department's Chief Economist Gil S. Beltran said that the economic team's latest estimates showed the pandemic will last longer and its impact worse than initially expected.

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TODAY'S TOP ASIAN NEWS

Grab snags US\$200m from S Korean PE firm

Grab Holdings is raising US\$200 million from South Korean private equity firm Stic Investments, according to people familiar with the matter. Seoul-based Stic Investments is looking to increase its exposure to the region and will invest about US\$100 million from one of its funds while raising the remainder from co-investors.

Japan's Seven & i seals \$21bn deal for gas stations

The Japanese owner of 7-Eleven convenience stores has agreed to buy Marathon Petroleum Corp's (MPC.N) Speedway gas stations for \$21 billion, brushing aside coronavirus concerns to return to the table five months after initially baulking at the deal. The deal boosts its 7-Eleven store count in the USA and Canada to about 14,000.

Singapore tourism companies boost digital offerings

Companies that catered mostly to tourists before Covid-19 are beefing up digital offerings and redeploying resources amid prolonged travel restrictions. For instance, travel firm Nam Ho Group is planning to launch virtual tours of travel destinations as well as an online store selling popular overseas snacks and produce.

UOB launches digital bank TMRW in Indonesia

United Overseas Bank (UOB) yesterday launched its digital bank TMRW in Indonesia. This follows TMRW's first launch in Thailand in March last year, and is part of the lender's strategy to accelerate growth and scale up its regional customer franchise to capture a \$10 billion market opportunity in Asean.

Asia's factory pain eases

Asia's factory pain continued to ease last month with contraction slowing in big export-reliant nations, adding to hopes that the region is steadily emerging from the devastating hit of the coronavirus pandemic.

TODAY'S TOP GLOBAL NEWS

Microsoft says in talks to buy TikTok's US ops

Microsoft Corp said it will push ahead with talks to acquire the US operations of Chinese-owned short-video app TikTok, a potential blockbuster deal that could re-shape the social media industry and further inflame crumbling US-China relations.

Alphabet issues \$10 bn bond at lowest-ever price

Alphabet Inc borrowed \$10 billion in the investment-grade corporate debt market on Monday, the Google parent's largest ever bond issue, which it secured at its lowest-ever cost of financing. Investor appetite was fierce for the tech giant's six-part bond, as low interest rates and corporate bond buying from the Federal Reserve continues to support

Crypto venture fund raises \$110mn from universities

Electric Capital, a San Francisco-based venture fund, said it will use \$110 million raised from university endowments and other nonprofits to invest in cryptocurrencies and related businesses. Electric is known for its earlier investments in crypto projects such as Bitwise, Anchorage and Celo.

EV maker Lordstown Motors to go public

Lordstown Motors has agreed to go public through a merger with blank-check company DiamondPeak Holdings in a deal that values the electric pickup truck start-up at \$1.6 billion, the companies said on Monday.

Google to buy stake in ADT in home security push

Alphabet Inc's (GOOGL.O) Google is picking up a 6.6% stake in ADT Inc (ADT.N) for \$450 million, betting on the home security company's strong customer base and an army of technicians to drive sales of its Nest devices.