

The Daily Dispatch

August 05, 2020
TODAY'S TOP NEWS

BSP sees GDP downturn to bottom out in Q2

The current assumptions for the economy and other indicators remain unchanged even as Metro Manila and nearby other areas returned on Tuesday to the stricter lockdown and containment measures under modified enhanced community quarantine (MECQ).

SMC's beer, liquor units see recovery

San Miguel Corporation (SMC) reported that its beer and spirits subsidiaries are showing signs of a strong recovery following the more than two months of enhanced community quarantine (ECQ) brought on by the COVID-19 pandemic starting mid-March.

Lands devoted to farming shrink to 13.32M hectares

Based on the Agricultural Indicators System (AIS) report on output and productivity of the Philippine Statistics Authority (PSA), the country's harvested area of agricultural crops as of 2019 went down by 1.3 percentage points to 13.32 million hectares.

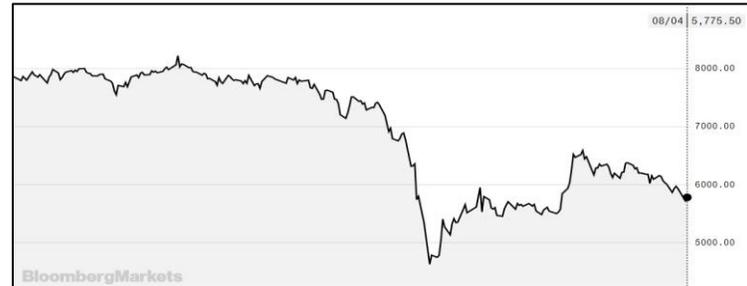
BSP joins NGFS for green banking

As part of climate change initiatives and to push for sustainable finance, the Bangko Sentral ng Pilipinas (BSP) has joined the Network for Greening the Financial System (NGFS) which is a group of 69 central banks and supervisors dedicated to enhancing the financial sector's global response to all risks to the environment.

House eyes full package stimulus bill in 2 weeks

THE cochairman of the economic cluster of the House of Representatives on Tuesday said the lower chamber is targeting to pass a "full package" stimulus bill within the next two weeks. Albay Rep. Joey Sarte Salceda, however, admitted that the leadership is still finalizing its final version of the Bayanihan to Recover as One or the Bayanihan 2.

Philippine Stock Market Update



Previous Close:

5,775.50

Open:

5,812.22

52-Week Range:

4,039.15 - 8,216.92

1 Yr Return:

-24.54%

YTD Return:

-25.19%

Source:

Bloomberg

Foreign Exchange

As of Aug. 4, 2020

| US Dollar | Philippine Peso |
|-----------|-----------------|
| 1 | 49.05 |

BVAL Reference Rates

As of Aug. 4, 2020

| Tenor | Rate |
|-------|-------|
| 1Y | 1.790 |
| 3Y | 2.173 |
| 5Y | 2.431 |
| 7Y | 2.635 |
| 10Y | 2.747 |
| 20Y | 3.631 |

Daily Quote

"The greatest lesson that I learned in all of this is that you have to start. Start now, start here, and start small. Keep it Simple."

-- Jack Dorsey

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MORE LOCAL NEWS

Banks told to improve borrower assessment

The Bangko Sentral ng Pilipinas (BSP) has ordered banks to conduct a comprehensive assessment of the impact of the COVID-19 pandemic on the industry's loan portfolio in anticipation of higher defaults.

Duterte's telco threat baseless — advocacy group

President Duterte's threat to "expropriate" the country's telecommunications giants Globe and PLDT is baseless and would violate the Constitution, according to advocacy group Tagapagtanggol ng Watawat. In a statement, the group expressed alarm over the recent threat of Duterte to expropriate the two companies.

Bank consortium to self regulate payment system

A consortium of banks will act as a payment system regulator after the Bangko Sentral ng Pilipinas (BSP) accredits the group as a payments system management body. BSP Governor Benjamin Diokno said the Monetary Board approved the accreditation of the Philippine Payments Management Inc. (PPMI) under Republic Act 11127.

PSE hikes minimum public ownership

The Philippine Stock Exchange, Inc. (PSE) increased the minimum public ownership (MPO) requirement for companies that plan to list on the stock market. The bourse operator said companies applying for an initial public offering (IPO) are required to offer at least 20% to 33% of their outstanding capital stock to the public.

SSS approves over P15bn in calamity loans

The Social Security System (SSS) said it approved P15.63 billion worth of calamity assistance loans during the pandemic as well as P190.2 million in unemployment insurance benefits (UIBs) as of July. One million applicants were approved for the Calamity Loan Assistance Package (CLAP) between June 15 and July 28.

PhilHealth may collapse by 2022 if pandemic cont.

Philippine Health Insurance Corp. (PhilHealth) faces the risk of collapse by 2022 if the pandemic continues and it fails to secure additional subsidies from the government. The Senate began an investigation into alleged corruption at PhilHealth, with a whistleblower accusing former officials of stealing some P15 billion through fraudulent programs.

Petron sheds P14 billion in first semester

Petron Corp. posted P14.2 billion in total net loss in the first six months of 2020 as the coronavirus pandemic brought down the demand for fuel products, leading to poor refining margins and collapse in prices. Its consolidated revenues plunged by a fourth to P152.4 billion with total sales volume down 19%.

JFC's Q2 net loss at P10.2B

Homegrown fast-food giant Jollibee Foods Corp. (JFC) suffered worse financial bleeding in the second quarter as its businesses across the globe felt the full brunt of the coronavirus (COVID-19) pandemic and the consequent lockdown measures.

Lockdown cuts Globe H1 core profit by 8% to P 11B

Globe Telecom said earnings took a hit in the first semester of 2020 due to the COVID-19 lockdown, whose movement restrictions also forced the company to slow down on network upgrades.

Farm sector borrowers get P5.5B guarantee coverage

State-run Philippine Guarantee Corp. (PhilGuarantee) on Tuesday said it extended during the first quarter P5.5 billion in guarantee lines that benefited more than 31,000 workers in the agriculture sector.

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Inflation stays low at 2.7% in July 2020

The rate of increase in the prices of consumer goods and services remained within desirable range, with inflation at 2.7% in July, said the Philippine Statistics Authority on Wednesday, August 5.

TODAY'S TOP ASIAN NEWS

KKR raises record \$16.4b with Asia funds in demand

KKR & Co attracted a record amount of cash in the second quarter as investors looked to capitalise on the turmoil unleashed by the Covid-19 pandemic. The New York-based alternative asset manager raised US\$16.4 billion, it said Tuesday, surpassing its previous peak from the fourth quarter of 2017.

Singapore looks to add more business visitors

Singapore plans to expand the range of business visitors to boost its hard-hit tourism sector, with the return of mass travel still a long way off amid the pandemic, according to the head of the country's tourism agency.

GIC, Temasek buy shares in India's Bandhan Bank

BlackRock and Singapore's sovereign wealth fund GIC bought shares in Bandhan Bank as the main shareholder of India's most profitable bank sold 106 billion rupees (\$1.9 billion) of its stake to meet the regulator's ownership rules. Temasek and SBI Mutual Fund also bought shares, the bank's founder Chandra Shekhar Ghosh said

Synagie proposes \$61.2m sale of e-commerce arm

Synagie Corporation is looking to dispose of its e-commerce business for about \$61.7 million to a consortium of investors - including the company's three founders and Alibaba Singapore - to allow Synagie to focus on its insurtech business.

TODAY'S TOP GLOBAL NEWS

Google's US\$2.1b Fitbit deal hits roadblock

Alphabet unit Google's bid to take on Apple and Samsung in the wearable technology market by buying Fitbit hit a hurdle on Tuesday as EU antitrust regulators launched an investigation into the US\$2.1 billion deal. The move came despite Google's pledge last month not to use the fitness tracker's data for advertising purposes.

Trump bids for a piece of Microsoft-TikTok deal

President Donald Trump's unprecedented demand that the United States get a cut of the proceeds from the forced sale of Chinese internet giant ByteDance's short-video app TikTok is based on an interpretation of U.S law that regulatory lawyers say may be open to challenges.

French hotel group Accor to cut 1,000 jobs

France's Accor, the world's 6th largest hotel chain, said on Tuesday, August 4, it was slashing 1,000 jobs worldwide in a major cost-cutting plan accelerated by the effects of the coronavirus pandemic.

Disney takes \$5b hit but Covid-19 impact not as bad

Walt Disney Co on Tuesday (Aug 4) avoided the unmitigated disaster some investors feared as it eked out an adjusted profit amid the coronavirus pandemic that shut down parks, movie theaters and sporting events across the globe.

Grab launching micro-investment product

Grab's financial services arm, Grab Financial Group (GFG), is rolling out a micro-investment product and a third-party loan platform for its users. The investment product, called AutoInvest, will allow users to invest sums as small as \$1 while spending in Grab's ecosystem.