

The Daily Dispatch

August 10, 2020
TODAY'S TOP NEWS

Bill on SPVs to buy banks' bad loans filed in Senate

A measure providing for the establishment and regulation of special purpose vehicles (SPVs) that will acquire bad loans from financial institutions has been filed in the Senate. The bill was filed in anticipation of the increase in bad loans in light of the Luzon-wide lockdown that led businesses to shut down operations.

Semirara Mining and Power posts 61% profit fall

Semirara Mining and Power Corp. reported a 61% drop in after-tax income to P2.2 billion in the first semester as quarantine policies enforced since March pulled down coal demand and electricity sales. The firm netted P1 billion in the second quarter, while it booked P1.2 billion in the first three months of 2020.

FDI slump seen to continue

The slump in foreign direct investment (FDI) inflows in the Philippines is expected to worsen in the coming months, as investors consider the country's pandemic response and the steep contraction in gross domestic product in the second quarter. Net FDI inflows in the first four months of 2020 slid by nearly a third to \$1.98 bn.

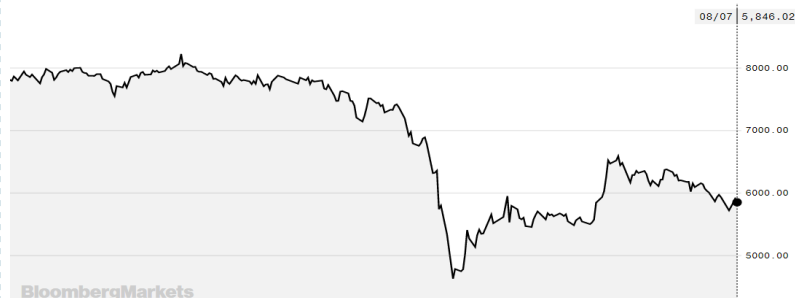
Banks told to ensure cash, services

The Bangko Sentral ng Pilipinas (BSP) reminded banks to ensure continuing financial services to the public such as in account opening and in the availability of cash during the modified enhanced community quarantine (MECQ).

MECQ to drag Q3 recovery -DOF

The Department of Finance is only expecting a moderate economic recovery in Q3 due to the reimposition of strict lockdown over Metro Manila and nearby provinces. While the economy remains in good shape, Fin. Sec. Dominguez admitted that the 2-week MECQ in key areas of Luzon is one-step backward for the country.

Philippine Stock Market Update



Previous Close: 5,846.02	1 Yr Return: -24.14%
Open: 5,853.12	YTD Return: -25.04%
52-Week Range: 4,039.15 - 8,216.92	Source: Bloomberg

Foreign Exchange

As of Aug. 9, 2020

US Dollar	Philippine Peso
1	49.100

PDST-R2 Rates

As of Aug. 7, 2020

Tenor	Rate
1Y	1.7900
3Y	2.1430
5Y	2.3810
7Y	2.5850
10Y	2.6930
20Y	3.5880

Daily Quote

"When you reach the end of your rope, tie a knot in it and hang on."

-- Franklin D. Roosevelt

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MORE LOCAL NEWS

DTI pitches PHL as India's drug production hub

In a webinar last week, the Department of Trade and Industry (DTI) asked Indian drug makers to make the Philippines their manufacturing hub in Southeast Asia. Senen M. Perlada, director at the DTI's Export Marketing Bureau, argued the country is ideal for medicine production, as it has capacity to produce natural components for drugs.

Hard scrutiny before bailout for PhilHealth

BEFORE the government considers any sort of bailout for the "troubled state insurer," lawmakers said the Philippine Health Insurance Corp. (PhilHealth) must undergo "thorough financial checkup" and "cleansing."

PLDT to stay on growth path despite challenges

PLDT Inc. said it hopes to sustain growth momentum throughout the rest of the year, even as it expressed concern over the prospects for the second half due to the technical recession. "We do expect the momentum that we created in the 2nd quarter to continue to the 2nd half subject to the caveats," Pres. Manuel V. Pangilinan said.

OFW remittances may drop by \$5 billion this year

Remittances from overseas Filipino workers (OFWs) may drop by \$5 billion this year as emerging markets, including the Philippines, face numerous challenges brought about by the coronavirus pandemic, according to Metropolitan Bank & Trust Co. (Metrobank).

NFA rice inventory stands at only 7 million bags

The current rice inventory of the National Food Authority (NFA) stands at only seven million bags due to huge demand from local governments units and relief agencies amid the coronavirus lockdown. Despite the thin inventory, NFA administrator Judy Dansal said there is no reason to worry even as the lean season has already started.

Cebu Pacific sends 14 planes for storage

Cebu Pacific has now sent a total of 14 aircraft for storage at Alice Springs in Australia, with more possibly eyed as travel demand is not expected to return to its robust state anytime soon. On top of the 14 aircraft that have been sent so far, Cebu Pacific spokesperson Charo Logarta Lagamon said the next batch is still under study.

Peso seen to weaken to 50: \$1

Bank of the Philippine Islands (BPI) expects the peso to weaken back to 50 to \$1 level on the back of declining foreign exchange inflows amid the displacement of more overseas Filipino workers (OFWs) due to the global coronavirus pandemic.

RLC's H1 profit down 8%

Gokongwei-led Robinsons Land Corp. booked P3.7 billion in first semester net profit, down 8 percent year-on-year, as the coronavirus (COVID19) pandemic and the consequent lockdown protocols took a heavy toll on mall operations in the second quarter.

UnionBank, Lazada unveil e-commerce credit card

Riding on the exponential rise in online shopping during the coronavirus (COVID19) pandemic-induced lockdowns, Aboitiz-led Union Bank of the Philippines has teamed up with leading e-commerce platform Lazada to unveil what is touted to be the country's first-ever e-commerce credit card.

TODAY'S TOP ASIAN NEWS

China's mask makers struggle after price drop

Tens of thousands of mask-making companies mushroomed across China at the start of the coronavirus pandemic, but many are struggling to survive as they face stricter quality-control measures and falling domestic demand.

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MORE ASIAN NEWS

Accordia Golf raises offer price for 88 golf courses

Accordia Golf, the sponsor of mainboard-listed Accordia Golf Trust (AGT), is now willing to fork out 65.2 billion yen (S\$848.4 million) to buy over the trust's 88 golf courses in Japan. This is an increase of 3.4 billion yen from the original purchase price of 61.8 billion yen announced in June.

Online shoppers could soon hit 2025 forecast

The ongoing Covid-19 pandemic has accelerated the growth of digital consumption in South-east Asia so much that the number of online shoppers may soon hit targets that experts had forecast would be reached only in 2025.

Real estate platform Beike aims to raise \$2B in IPO

KE Holdings, a Chinese online property platform backed by Tencent Holdings and SoftBank Group, is looking to raise about US\$2 billion in a US initial public offering (IPO).

LOGOS raising \$1.2B for logistics in Vietnam, SKOR

ARA Asset Management-backed logistics real estate group LOGOS property is raising \$1.2 billion for a foray into Vietnam and South Korea, according to a top executive of the firm.

TODAY'S TOP GLOBAL NEWS

Saudi Aramco's profit plunges

State oil giant Saudi Aramco's profit plunged 73% in the second quarter of the year, as a slump in energy demand and prices due to the coronavirus crisis hit sales at the world's biggest oil exporter. All major oil companies have taken a hit in the second quarter as lockdowns to contain the coronavirus limited travel.

Amazon looks at malls becoming fulfillment centers

Mall operator Simon Property Group Inc has been in talks with Amazon.com Inc about turning some of its department-store sites into Amazon fulfillment centers. Simon's discussions with Amazon have been under way for months and began before the coronavirus pandemic, according to the report.

Twitter expressed interest in buying TikTok US ops

Twitter has approached TikTok's Chinese owner ByteDance to express interest in acquiring the US operations of the video-sharing app, two people familiar with the matter told Reuters, as experts raised doubts over Twitter's ability to put together financing for a potential deal.

Shipping industry focusing on smooth crew changes

The shipping business has been rocked by the coronavirus pandemic despite the fact that maritime trade routes were largely kept open to maintain supply lines. For the industry to sail past the crisis, jobs in the marine sector need to remain secure and crew changes need to take place smoothly despite closed borders.

Electric vehicle maker Xpeng files for US listing

Chinese electric vehicle (EV) maker Xpeng, backed by Alibaba and Xiaomi, has filed to list its shares in New York, seeking to ride enthusiasm for EVs even as US-China relations are strained.

Berkshire Hathaway buys back more than \$5B shares

Berkshire Hathaway, the holding company of Warren Buffett, bought back approximately \$5.1 billion of its own shares in the 2nd quarter as it was hit hard by economic fallout from the coronavirus pandemic.