

The Daily Dispatch

August 11, 2020
TODAY'S TOP NEWS

Gov't raises P20B from T-bills

The government made a full award of the Treasury bills (T-bills) auctioned off on Monday as rates eased across-the-board amid strong liquidity. The Bureau of the Treasury (BTr) borrowed P20 billion as planned on Monday via the T-bills as the offer was thrice oversubscribed, with bids reaching P60.298 billion.

Eagle Cement loses momentum as profit falls

Earnings of Eagle Cement Corp. fell about 92% in the second quarter as construction work was restricted in Luzon and several areas to contain the spread of the coronavirus disease 2019. Its net profit stood at P128 million in April to June, slumping from P1.7 billion in the same period last year.

Meralco seeks delay of 1,800-MW power

Manila Electric Co (Meralco) requested to defer the conduct of a competitive selection process (CSP) to procure 1,800 mw of power supply. The Department of Energy (DoE) disclosed to reporters that the listed utility wanted to proceed with the bidding process in October as the pandemic pushed it to further move its timeline.

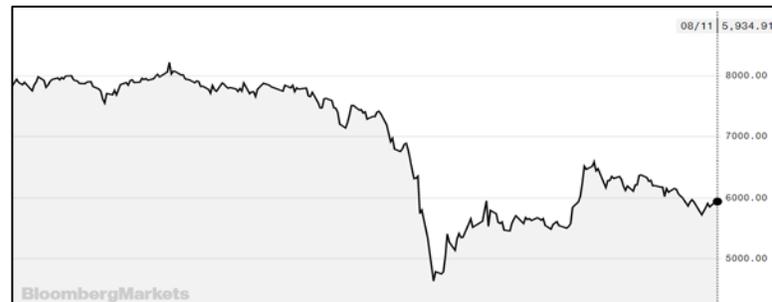
AUB posts double-digit drop in Q2 net income

Asia United Bank Corp. (AUB) booked a double-digit drop in its consolidated net income in the second quarter on higher loan loss provisions amid the coronavirus pandemic. AUB and its subsidiaries' net earnings dropped 24% to P1.114 billion last quarter from the P1.461 billion in the same period last year.

BSP sees no reason for further easing

The Bangko Sentral ng Pilipinas (BSP) is not inclined to cut rates further at this time and will likely keep rates steady in the next quarters, BSP Governor Diokno said. The central bank already slashed rates by a total of 175 basis (bps) points this year, with the latest cut worth 50 bps unleashed.

Philippine Stock Market Update



Previous Close:

5,930.92

Open:

5,934.91

52-Week Range:

4,039.15-8,419.59

1 Yr Return:

-22.75%

YTD Return:

-23.51%

Source:

Bloomberg

Foreign Exchange

As of Aug. 10, 2020

US Dollar	Philippine Peso
1	48.97

BVAL Rates

As of Aug. 10, 2020

Tenor	Rate
1Y	1.797
3Y	2.158
5Y	2.373
7Y	2.574
10Y	2.695
20Y	3.609

Daily Quote

"Have no fear of perfection. You'll never reach it."

-- Salvador Dali

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MORE LOCAL NEWS

Dominguez stands his ground on gov't stimulus plan

The Department of Finance would not bow down to pressure to increase the national government's economic stimulus. In a statement, Finance Secretary Carlos G. Dominguez III said the proposed P180 billion economic stimulus plan will remain unchanged to keep the national government's budget deficit in check.

GDP contraction temporary, economy strong

Despite the recession, Bangko Sentral ng Pilipinas (BSP) Governor Benjamin E. Diokno said the economy is not weak and because it is fundamentally strong, the GDP contraction will not be permanent.

Ayala Land braces for 'challenging' H2

Property developer Ayala Land Inc. said its net income in the first half plunged 70 percent to P4.51 billion, from last year's P15.15 billion, as most of the company's operations were hampered by the lockdowns in key Philippine cities.

Subic Freeport Expressway expansion 50% complete

The P1.6-billion capacity expansion of the Subic Freeport Expressway (SFEX), an 8.2-kilometer major infrastructure that will ease travel to and from the freeport zone, is 50 percent complete and will be finished by the end of 2020, NLEX Corporation yesterday (August 10) announced.

Meralco rates going down in August 2020

For the 4th straight month, the Manila Electric Company (Meralco) is slashing its rates. Meralco announced on Monday, August 10, that power rates for the month are going down by 20.55 centavos to P8.4911 per kilowatt hour (kWh).

Investors shrug off bad news, propel PSEi to 5,930

The local stock barometer started the week on a strong note despite a string of grim news on the local macroeconomy and corporate earnings.

DOTr eyes expansion of PUV service after MECQ

MANILA, Philippines — The Department of Transportation (DOTr) is eyeing the expansion of a program contracting public transport operators once Metro Manila is lifted from modified enhanced community quarantine (MECQ).

SM launches Mall 2 Mall Bus Service

In response to the clamor of the public for safe, convenient and comfortable public transportation, SM Supermalls has launched its new SM Mall 2 Mall, Premium Bus Service beginning Monday, August 10.

HSBC sees Philippine economy contracting 9.6%

According to HSBC economist Noelan Arbis, the company has revised its economic projections for the Philippines to a contraction of 9.6 percent for this year from the original forecast of 3.9 percent. For next year, HSCB expects the Philippines to post a shallower growth of 5.7 percent instead of seven percent.

Globe partners with Secureworks

The enterprise arm of Globe Telecom Inc. is teaming up with Secureworks to help businesses strengthen their security against cyberthreats. With more organizations embracing digital technologies, Globe said they also expand their attack surfaces and create new gateways for both opportunistic and targeted cyberthreats.

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MORE LOCAL NEWS

Agriculture to buoy Philippine economic recovery

The DA is banking on the momentum gained by the farm sector in the second quarter to help buoy the economy, which plunged into a recession for the first time in three decades. The agriculture sector pulled off a surprising 0.5 percent growth in the April to June period even as major sectors of manufacturing and services contracted.

TODAY'S TOP ASIAN NEWS

Temasek drops \$4 billion bid for Keppel Corp

Temasek Holdings is terminating its \$4 billion conditional offer for conglomerate Keppel Corp by invoking a material adverse change (MAC) clause following the company's poor financial results.

India's IndiGo to raise up to \$534m via share sale

Interglobe Aviation Ltd (INGL.NS), which runs India's largest airline IndiGo, said on Monday it will raise up to 40 billion rupees (\$533.70 million) through the sale of shares to institutional investors, as it looks to manage cash during the COVID-19 pandemic which has hit its operations.

SK Holdings pays USD300mn for stake in Chindata

SK Holdings, the parent of South Korean conglomerate SK Group, paid US\$300m for an 8.9% stake in Bain Capital-backed data centre provider Chindata Group, according to a person familiar with the matter. The deal valued the Chinese company at US\$3.1b, according to the person, who was not authorised to discuss the matter publicly.

HK media giant soars 344% as arrest spurs activists

Shares in a Hong Kong media group critical of Beijing soared more than 300% on Monday, August 10, as democracy activists hit social media urging investors to support the media company after its owner was arrested under the city's new security law.

ADB pushes for investments in green transport

In its new report "Guidance Note on COVID-19 and Transport in Asia and the Pacific," the multilateral bank said future investments in transportation among developing countries in Developing Asia should serve the immediate needs of the population amid the health crisis, but should also be more resilient to future disasters.

SG Q2 GDP plunges by 13.2%, worst on record

SINGAPORE'S second-quarter economic performance was its worst on record, while the full-year outlook was cut again, policymakers announced on Tuesday morning. Forecasters from the Ministry of Trade and Industry (MTI) have once more tightened their projection for the pandemic-driven full-year recession.

TODAY'S TOP GLOBAL NEWS

Microsoft faces challenges in TikTok carveout

Microsoft Corp's (MSFT.O) bid to carve out parts of TikTok from its Chinese owner ByteDance will be a technically complex endeavor that could test the patience of President Donald Trump's administration, according to sources familiar with the setup.

German vaccine developer looks to raise \$213m in IPO

German biotech CureVac B.V., which is in early stages of testing its coronavirus vaccine, said on Monday it expects to raise up to \$213 million in its U.S. initial public offering (IPO).

Kodak shares plunge after US blocks \$765m loan deal

Shares of Eastman Kodak Co (KODK.N) fell about 40% on Monday and were on track for their worst single-day decline after the U.S. government blocked a \$765 million loan to the company, which was going to make drug ingredients for use in possible COVID-19 vaccines, because of "alleged wrongdoing" by executives.