

# The Daily Dispatch

August 12, 2020  
TODAY'S TOP NEWS

## Foreign tourist arrivals down 73% as of July

Foreign tourist arrivals in the first seven months of this year reached only 1.3 million a steep 73 percent decline from 4.64 million in the same period last year as the Philippines closed its borders staring mid-March to contain the spread of the coronavirus, according to Tourism Undersecretary Benito C. Bengzon, Jr.

## Banks funnel P84.2-B loans to MSMEs daily

The BSP, said that there are now 97 banks that have granted loans to MSMEs as an alternative mode of compliance with the reserve requirement ratio with an average daily balance of P84.2bn which was 750.5% higher than the P9.9bn average daily balance as of April 30.

## PH can recover without virus containment—DOF

The Department of Finance is optimistic that the country could still manage to sustain its economic recovery even as Filipinos grapple with coronavirus. Finance Secretary Dominguez said that changes in behavior patterns along with appropriate technology will help the country to better adapt with the new normal and recover.

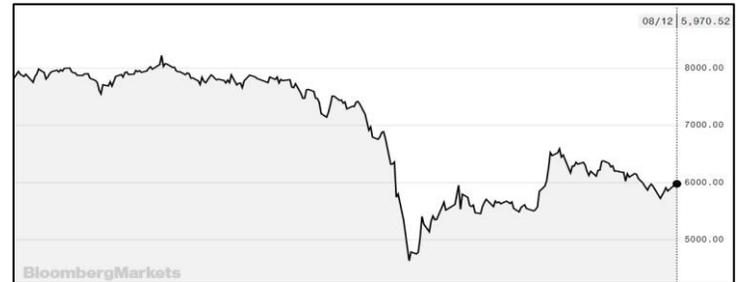
## Only 40% of rice import applications brought in

PRIVATE rice traders and importers have yet to import 2 million metric tons of rice (MMT) as they have only brought in about 40 percent of their total applied and approved volume this year, latest Bureau of Plant Industry (BPI) data showed.

## Palace: MECQ extension up to IATF

Malacañang said the extension of the modified enhanced community quarantine (MECQ) in the National Capital Region (NCR) and nearby areas would be up to the Inter-agency Task Force (IATF) for the Management of Emerging Infectious Diseases as it is a delicate decision to be made.

## Philippine Stock Market Update



Previous Close:

5,953.94

1 Yr Return:

-22.33%

Open:

5,980.49

YTD Return:

-23.34%

52-Week Range:

4,039.15 - 8,216.92

Source:

Bloomberg

## Foreign Exchange

As of Aug. 11, 2020

US Dollar	Philippine Peso
1	48.925

## BVAL Reference Rates

As of Aug. 11, 2020

Tenor	Rate
1Y	1.786
3Y	2.131
5Y	2.391
7Y	2.614
10Y	2.760
20Y	3.605

## Daily Quote

"Fail fast. Fail often... The most talented people in the world have bad ideas. That's a good thing to learn."

-- Rashida Jones

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## MORE LOCAL NEWS

### PEZA-approved investments fall 27%

Investments approved by the Philippine Economic Zone Authority (PEZA) for the first seven months declined by almost 30% as companies turned more cautious amid a coronavirus crisis. Before the pandemic, PEZA was targeting 5-10% investment growth this year.

### LRT-1 operator to lay off over 100 employees

Light Rail Manila Corp., the operator of Light Rail Transit Line 1, said it will terminate more than 100 employees, representing a fifth of its work force, by Sept. 15 because of the significant drop in passengers amid the COVID-19 pandemic.

### Peso strengthens, pierces 48 to \$1 barrier

The peso pierced the 48 to \$1 barrier yesterday, hitting its strongest level in almost four years due to weak demand for the greenback. The local currency gained nine centavos to close at 48.92 from Monday's close of 49.01 to \$1.

### Philippines needs to spend more – Fitch

The Philippines needs to spend more to soften the blow of the COVID-19 pandemic as the health crisis drags on, stalling economic recovery, according to Fitch Ratings. Fitch said it is becoming more difficult for the national government to curtail spending as COVID-19 cases continue to soar.

### Sy family gets PCC nod to divest from leasing unit

The Sy family received the approval of the Philippine Competition Commission (PCC) to divest the controlling stake of BDO Unibank Inc. in its leasing and finance unit. The PCC issued Commission Decision 10-M-012/2020 approving the acquisition by Victor Lim Jr. and Vittorio Lim of shares in BDO Leasing & Finance Inc. (BLFI).

### PSEi sustains gains as global outlook brightens

Share prices ended higher yesterday, sustaining Monday's gains, as leading economies worldwide showed signs of recovery in July, traders said. The benchmark Philippine Stock Exchange index or PSEi gained 23.02 points or 0.38 percent to finish at 5,953.94.

### GMA Network buys back PDRs

GMA Network Inc. is buying back its Philippine Depositary Receipts (PDRs) in a bid to remove foreign investors in the company. GMA Network said in a Philippine Stock Exchange filing on Tuesday its board of directors had approved the acquisition of PDRs issued by GMA Holdings Inc. at P4.55 per share or lower until Oct. 31 this year.

### DMCI 1st half profit falls by 69%

DMCI Holdings posted a 62% YoY decline in Q2 net profit to P1.4b as the lockdown of key regions battered most businesses. For the first sem, net profit amounted to P2b, down by 69% YoY as revenues from coal mining/power, property development, construction and water businesses all dropped at double-digit pace.

### Lucio Tan group H1 income down 9% to P 10.03B

Tycoon Lucio Tan-led conglomerate LT Group Inc. (LTG) saw a 9-percent year-on-year decline in first semester attributable net profit to P10.03 billion due to the slump in earnings contribution from the banking and beer businesses.

### Gov't seeks ways to balance health, economy

Without a COVID-19 vaccine, the Philippines may have to implement standards balancing Filipinos' health and the economy if it wants to recover from the recession soonest, President Duterte's chief economic manager said on Tuesday.

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## TODAY'S TOP ASIAN NEWS

### SoftBank returns to profit after record losses

SoftBank Group rebounded from a record loss to post a first-quarter profit as valuations for technology startups recovered from the coronavirus pandemic. Net income hit 1.26 trillion yen (\$16.30 billion) for the three months ended June 30, the Tokyo-based company said in a statement on Tuesday.

### Singapore economy plunges 13.2% in Q2

SINGAPORE — Singapore suffered a deeper recession in the second quarter than earlier estimated, prompting the Ministry of Trade and Industry (MITI) to trim its growth outlook for the year.

### Tuan Sing to sell Robinson Point for \$500m

Property developer Tuan Sing Holdings is proposing to divest Robinson Point for \$500 million. The mainboard-listed firm expects to realise a gain of about \$128.3 million on the sale. The proceeds may go towards committed investments, retiring existing debts and funding general corporate and working capital needs.

### Top Glove compensates migrant workers after ban

Malaysia's Top Glove Corporation said on Monday (Aug 10) it had begun making remediation payments to migrant workers who were employed by the world's largest medical glove maker before 2019, when it put in place ethical recruitment practices.

### AXA weighs sale of Sg business to raise cash

AXA is considering a sale of its Singapore business as it seeks to raise funds divesting peripheral operations, according to people familiar with the matter. The French insurer is working with an adviser on the potential sale, the sources said, asking not to be identified because it is a private matter.

## TODAY'S TOP GLOBAL NEWS

### Cannabis industry readies for M&A, COVID-19 boom

After nearly a year of next-to-no deal-making, cannabis companies are gearing up for mergers and acquisitions as realistic stock valuations and the prospect of U.S. legalization attract buyers to a sector that has been decimated by oversupply and other issues, executives and investors say.

### Airbnb to confidentially file for IPO in August

Short-term home rental company Airbnb Inc is close to confidentially filing paperwork for an initial public offering (IPO) with the U.S. Securities and Exchange Commission later in August. Earlier this year, Airbnb raised \$1 billion in funding from private equity firms Silver Lake and Sixth Street Partners.

### U.S. energy bankruptcy surge continues

Another 16 U.S. energy firms filed for protection from creditors last month, reflecting crude oil prices below levels that are profitable for many companies. More than 50 oil and gas firms have filed for bankruptcy since oil prices crashed in March, led by exploration and production companies with 29 filings.

### Apple on cusp of US\$2 trillion milestone

Apple is on the verge of becoming the first US\$2 trillion (\$2.7 trillion) American company following a gravity-defying surge that has highlighted the value of its iPhone ecosystem during the global pandemic.

### StoneCo to buy Brazil software firm Linx for \$1.1b

Brazilian credit card processor StoneCo (STNE.O) on Tuesday said it would buy software company Linx SA (LINX3.SA) in a 6.04 billion reais (\$1.12 billion) stock and cash deal that will transform it into an integrated provider of software and payments.