

# The Daily Dispatch

October 05, 2020  
TODAY'S TOP NEWS

## COVID-19 remains major threat to growth

The COVID-19 pandemic may continue to affect the country's growth prospects in the second semester, according to the Development Budget Coordinating Committee (DBCC). The DBCC said the ongoing health crisis has negatively impacted the government's macro-fiscal performance in the first semester.

## Manila jumpstarts huge reclamation projects

Proponents of the 418-hectare reclamation project in Manila are ready to jumpstart the massive reclamation of the sprawling development, targeting to break ground in the second quarter of next year. JBros Construction Corp. is the proponent of the 418-hectare Horizon Manila Reclamation Project.

## Agri-agra loans drop to P696 billion in Q1

Loans extended by domestic banks for agriculture and agrarian reform slipped by 2.1 percent to P696.35 billion in the first quarter from P711 billion in the same quarter last year as the industry continued to deliver the mandated threshold for the sector.

## 'Calibrated reopening of sectors key to recovery'

In his latest economic bulletin, DOF Undersecretary and chief economist Gil Beltran said the trade sector has seen improvements in the past months, reflecting the gradual reopening of the economy after Luzon was placed under enhanced community quarantine in mid-March.

## DITO telecom targets 880 towers across Mindanao

DITO Telecommunity Corp. is planning to install 880 cellular towers across Mindanao, including 237 in Davao City, hometown of its owner Dennis A. Uy. The company's chief technology officer, Rodolfo D. Santiago, said they are aiming to have these infrastructure in place in time for their March 2021 commercial launch.

## Philippine Stock Market Update



**Previous Close:**  
5,999.40

**1 Yr Return:**  
-21.01%

**Open:**  
6,005.58

**YTD Return:**  
-23.59%

**52-Week Range:**  
4,039.15 - 8,216.92

**Source:**  
Bloomberg

## Foreign Exchange

As of Oct. 2, 2020

US Dollar	Philippine Peso
1	48.483

## PDST-R2 Rates

As of Oct. 2, 2020

Tenor	Rate
1Y	1.8530
3Y	2.3070
5Y	2.6470
7Y	2.8120
10Y	2.8320
20Y	3.8870

## Daily Quote

"The greatest glory in living lies not in never falling, but in rising every time we fall."

-- Nelson Mandela

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## MORE LOCAL NEWS

### Shipowners sound alarm over domestic regulations

Domestic shipowners said the current regulatory climate worsened their plight amid the coronavirus pandemic, seriously impacting their business. As an example, he cited the government directive to domestic shipping lines to allocate 12% of their capacity for agricultural products and provide preferential rates for such cargo.

### DoE exploring energy initiatives in remote areas

The Department of Energy (DoE) is seeking to promote energy efficiency investment in remote areas, specifically for agriculture and the so-called “last mile” of power service delivery to rural communities. The new initiative hopes to achieve the full implementation of the Energy Efficiency and Conservation (EEC) Act.

### ‘Sin’ tax collections down 13% in 8 months

The Bureau of Internal Revenue (BIR) will soon roll out new and improved tax stamps for cigarettes, e-cigarettes and alcoholic drinks to ensure collection of the correct excise taxes.

### SMIC lists first P10B of debt program

The Sy family’s flagship holding company SM Investments Corp. (SMIC) announced the listing of P10 billion worth of bonds in the country’s fixed-income exchange, part of a running program to manage long-term debt.

### Telcos boost fiber rollout as demand, compet pick up

Industry giants PLDT Inc. and Globe Telecom are accelerating the rollout of fiber internet across the country, spurred by surging demand during the COVID-19 pandemic and the entry of competition.

### DA eyes fish importation to address supply shortfall

The Department of Agriculture (DA) is considering importing roundscad (“galunggong”) again this year as supply of the “poor man’s fish” in the market falls short of the demand.

### Franchise industry shifts to high optimism

Optimism in the domestic franchising sector has shifted to a high gear, according to a recent survey by the Philippine Franchise Association (PFA). Dr. Carl Balita, said the PFA survey showed that 72% of participants had high to very high optimism before the conference started and shifted to 85% by the end of the conference.

### Wilcon rebuilds sales in new normal

Wilcon Depot Inc. reported that its sales have been encouraging in the third quarter of the year after the reopening of its stores and as consumers spent more for non e-core products such as appliances and home-improvement.

### Asiamoney: PNB as Best Bank for CSR in PH

Philippine National Bank (PSE: PNB) was honored by Asiamoney with Best Bank for Corporate Social Responsibility (CSR) in the Philippines during its annual Asiamoney Banking Awards. PNB President and CEO Wick Veloso said, “We are delighted that PNB’s efforts and CSR initiatives are recognized.”

### BSP tightens rules on banks’ personnel

The Bangko Sentral ng Pilipinas (BSP) is amending the guidelines for banks’ operational risk management particularly on “people risk” and is proposing to adopt more rigid rules on human resource-related risk. The BSP wants to ensure they will be subjected to tighter evaluation process when undergoing performance management review.

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## TODAY'S TOP ASIAN NEWS

### S.Korea factory activity shrinks at slowest pace

South Korea's factory activity in September shrank at the slowest pace in eight months, a private survey showed on Monday (Oct 5), adding to signs that global demand is improving although second waves of coronavirus infections remain a threat to the economic recovery.

### Malaysia Aviation Group says group is short of cash

Malaysia Aviation Group, the holding company for Malaysia Airlines, said in a letter to lessors that the group is unlikely to be able to make payments owed after next month unless it receives more funding from state fund Khazanah Nasional.

### Japan's jobless rate rises to 3%, a 3-year high

Japan's jobless rate rose in August to its highest in over three years and job availability fell to a more than six-year low, government data showed yesterday, indicating damage caused by the Covid-19 pandemic persisted through the month.

### HK home rental market faces tough 4Q from recession

Hong Kong's residential leasing market will be under pressure in the last three months of this year as the traditional low season coincides with the worst recession in decades, property agents said.

### Macau Pass to expand cashless service to HK in 2021

Macau Pass, the territory's sole mobile payment provider, said it's aiming to launch its MPay electronic wallet in Hong Kong by the second quarter of 2021, taking a step towards making financial services interoperable and daily life more convenient for people living within the Greater Bay Area.

## TODAY'S TOP GLOBAL NEWS

### NEC to buy Swiss financial software firm Avaloq

Japan's NEC Corp said on Monday it had agreed to buy Swiss financial software company Avaloq Group AG for 2.05 billion Swiss francs (\$3 billion), a move that will spearhead its entry globally into digital finance software.

### New Zealand's Fonterra to sell China dairy farms

New Zealand's Fonterra has agreed to sell its farms in China for a total of \$367.97 million as the dairy producer continues to focus on the domestic market and reduce debt. The company unveiled plans last year to halt overseas expansion after being criticised by the more than 10,000 farmers who make up its cooperative.

### U.S. oil refiners look to leapfrog Canadians

U.S. oil refineries are moving aggressively to produce renewable diesel, partly to cash in on Canada's greener fuel standard before Canadian refiners modify their own plants. Canadian Prime Minister Justin Trudeau's intends to present its Clean Fuel Standard this year, aiming to cut 30 million tonnes of emissions by 2030.

### Cineworld looking to close all UK, Ireland screens

Cineworld, the world's second-biggest cinema operator, is set to close all its screens in the United Kingdom and Ireland as soon as this week, London's Sunday Times reported last Saturday. The Regal cinema owner wrote to Prime Minister Boris Johnson and Culture Minister Oliver Dowden to say that the industry has become "unviable"

### Oil exploration up in the air as prices dive

The coronavirus pandemic that has slammed oil demand and prices is forcing energy majors to tighten their belts on exploration, even if finding new deposits remains essential to their existence.