

# The Daily Dispatch

October 07, 2020  
TODAY'S TOP NEWS

## UnionBank upsizes medium term note program to \$2bn

Unionbank of the Philippines, Inc. has doubled its medium term note (MTN) program to \$2 billion. The bank has completed the update of its MTN to increase the program's size to \$2 billion from the original \$1 billion. Proceeds from the MTN program will support the bank's debt management and lending activities, it earlier said.

## FedEx Express allots \$30m for Clark gateway facility

FedEx Express is investing in a \$30 million (P1.45 billion) international gateway facility in Clark that is set to open in April 2021. The 17,000 square-meter facility for processing documents and parcels will raise its employee count in Clark to 800, FedEx Philippines said.

## Infradev in share deal for Makati subway

Listed Philippine Infradev Holdings, Inc. is issuing shares to the local government of Makati City as part of its Makati City Subway Project. The company will issue 656,655,400 convertible preferred shares valued at P6.57 billion to be paid for Makati properties, which have a total appraised value of the same amount.

## Nestlé, DTI sign pact on P4.7-B rural-agro project

Nestlé Philippines and the Department of Trade and Industry signed a Memorandum of Understanding on Tuesday (Oct 16) to help implement the P4.781 billion RAPID Growth Project which aims to develop the full potential high value crops and improve rural farmer households mostly located in the Mindanao Regions.

## Airlines face \$70-B cash crisis

Despite the restart of operations, the airline industry expects to burn through \$77 billion in cash for the second half of 2020. The slow recovery of air travel will see the industry burn through cash at an average rate of \$5-6 billion per month in 2021. The industry is not expected to turn cash positive until 2022.

## Philippine Stock Market Update



Previous Close:

5,910.64

1 Yr Return:

-22.40%

Open:

5,904.91

YTD Return:

-25.17%

52-Week Range:

4,039.15 - 8,216.92

Source:

Bloomberg

## Foreign Exchange

As of Oct. 6, 2020

| US Dollar | Philippine Peso |
|-----------|-----------------|
| 1         | 48.48           |

## BVAL Reference Rates

As of Oct. 6, 2020

| Tenor | Rate  |
|-------|-------|
| 1Y    | 1.814 |
| 3Y    | 2.284 |
| 5Y    | 2.632 |
| 7Y    | 2.776 |
| 10Y   | 2.811 |
| 20Y   | 3.894 |

## Daily Quote

“The best investment you can make, is an investment in yourself. The more you learn, the more you’ll earn.”

-- Warren Buffett

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## MORE LOCAL NEWS

### Pepsi PH enters Ecommerce Business

As quarantine restrictions remain in effect in some areas, Pepsi-Cola Products Philippines, Inc. (PCPPI) is entering the E-Commerce business by allowing online orders for in-home deliveries starting October 5. The new website pepsiproducts.ph will be introduced in select locations within and without Metro Manila.

### DOF: Craft a shared Cyber Defense Policy

The DOF ordered government financial institutions (GFIs) and other fund managers to craft a shared cyber-defense strategy to thwart threats and data breaches. The government is taking prudent approach to protecting the country's financial info-structure and looks to tap the private sector to develop a strategy.

### Converge reduces max offer price, moves up IPO

Converge Information and Communications Technology Solutions, Inc. (Converge) has moved up the timetable of its planned initial public offering while reducing the price range to a maximum of P32.89 billion from the original P41.55 billion.

### Senate OKs Bulacan airport bill on 2nd reading

The planned international airport project in Bulacan province of San Miguel Corp. (SMC) is closer to getting a crucial permit after the Senate approved on second reading the bill granting San Miguel Aerocity Inc. a franchise to operate the facility and an adjacent airport city.

### New player I-Land launches sustainable communities

Despite the economic downturn in the Philippines due to the global COVID-19 pandemic, independent real estate player ISOC Land (I-Land) remains optimistic of the real estate market and pushes with its scheduled launches this year of new residential communities geared toward sustainable living.

### Inflation falls to 2.3% in September

Price increases in consumer goods continued to ease in September as food prices were mostly lower, the Philippine Statistics Authority (PSA) reported yesterday. The continued growth in transportation cost, however, threatens the stability of inflation in the remaining months of the year.

### Credit card billings plunge 27% in H1

Credit card billings plunged by 27 percent in the first semester as usage slumped amid the coronavirus pandemic. Alex Ilagan, executive director of the Credit Card Association of the Philippines (CCAP), said "the high unemployment rate, as well as the loss of livelihood took its toll on the credit card industry."

### DA to allot P4B for farmers' social protection

The Department of Agriculture (DA) is allocating P4 billion for farmers' social protection. Agriculture Secretary William Dar said P4 billion from the P24-billion stimulus package allocation for the DA under the Bayanihan to Recover as One Act has been set aside for social protection.

### D.M. Wenceslao acquires property in Makati

Property developer D.M. Wenceslao and Associates Inc. said Tuesday it acquired a property in Legaspi Village, Makati City that will be redeveloped into a residential project. DMWAI said in a statement residential development subsidiary Aseana Residential Holdings Corp. bought a 1,600-square-meter building in Legaspi Village.

### PSALM opts to negotiate Malaya sale

State-run Power Sector Assets and Liabilities Management Corp. said Tuesday the Privatization Bids and Awards Committee asked interested parties to join the negotiated sale process and submit offers for the privatization of the 650-megawatt Malaya Thermal Power Plant and its land.

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## TODAY'S TOP ASIAN NEWS

### Investors bid over \$50bn to win shares in BTS label

South Korean retail investors ponied up over \$50 billion as they sought to lay their hands on shares in Big Hit Entertainment, the management label of K-pop sensation BTS - more than 600 times the value of shares on offer.

### Singapore eyes travel bubbles w/ 'safe countries'

Singapore is considering forming air travel bubbles with "safe countries and regions" as the city-state seeks to safely lure back tourists and workers during the COVID-19 pandemic, Transportation Minister Ong Ye Kung said on Tuesday, October 6.

### GIC plans to invest more than US\$1b in Ant

Singapore's sovereign wealth fund GIC plans to invest more than US\$1 billion in Ant Group's mega initial public offering as early investors look for a bigger slice of the Chinese payments behemoth, according to people familiar with the matter.

### AirAsia to stop funding IND venture

AirAsia Group has stopped funding its Indian affiliate as the global travel slump leaves the Malaysian group struggling to support a sprawling empire of no-frills airlines, people familiar with the matter said.

### Temasek setting up new entity with \$75b assets

Investment firm Temasek is setting up a new entity with \$75 billion worth of assets under its management, it announced yesterday. Seviora Holdings, as it is called, will be the operational holding company for four existing asset management firms that are now either wholly owned by or affiliated to Temasek.

## TODAY'S TOP GLOBAL NEWS

### Coronavirus aid hopes evaporate, Trump ends talks

Prospects for more aid for Americans struggling through the COVID-19 pandemic and U.S. airlines seeking to avert a wave of layoffs crumbled on Tuesday when President Donald Trump ended negotiations with Congress over a large coronavirus bill.

### Daimler to cut costs by 20%, focus on electric cars

Mercedes-Benz maker Daimler said Tuesday, October 6, it plans to slash costs by 20% by 2025, including through staff adjustments, as it struggles to refocus on the luxury electric-vehicle market.

### EU removes Cayman Islands from tax-haven blacklist

European Union (EU) finance ministers on Tuesday, October 6, removed the Cayman Islands from the bloc's blacklist of tax havens, but added Anguilla and Barbados, a statement said.

### Levi Strauss to expand retail footprint

Levi Strauss & Co LEVI.N announced plans to expand its retail footprint and forecast a smaller-than-expected decline in current-quarter revenue after surging online sales helped the denim maker post a surprise profit.

### IKEA gets sales boost from new stay-at-home focus

IKEA sees sales returning to growth this year after the coronavirus crisis boosted shoppers' interest in spending more on their homes, a trend the world's biggest furniture retailer believes is here to stay.