

# The Daily Dispatch

October 12, 2020  
TODAY'S TOP NEWS

## Government debt service payments rise in August

The National Government's total debt payments surged in August due to higher amortization of local debt, the Bureau of the Treasury (BTr) reported. This brought the debt service bill for the January to August period to P760.65 billion, already three-fourths of the programmed P1.005-trillion debt payments for the entire year.

## State lacks cash to buy into SPEX stake in Malampaya

The Philippine government does not have the cash now to buy into Shell Philippines Exploration, B.V.'s (SPEX) stake in the country's sole natural gas field as the ongoing pandemic drained its financial resources, according to a senator.

## San Miguel sets follow-on offer dividend rate

San Miguel Corp. has set a 4.75% initial dividend rate for its plan to offer up to P20-billion preferred shares under its P40-billion Series 2 preferred shares program. More specifically, the proceeds from the offering will support San Miguel's P734-billion Bulacan airport project and the P62.7-billion Metro Rail Transit Line 7.

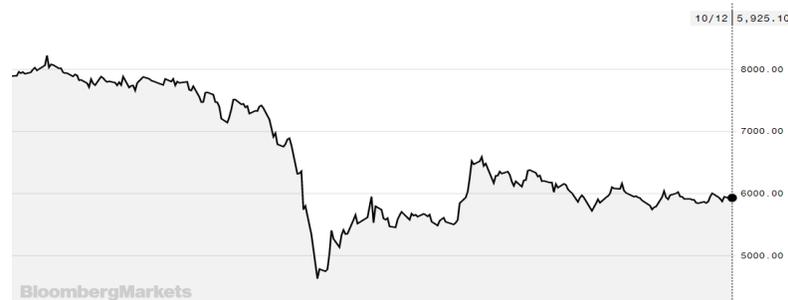
## Allotments for national ID project reach P7.1B

The government has already released P7.1B out of the P27.8B allotted for the national ID system, which is seen to aid low income families get easier access to financial services. This year, the government aims to register at least five million heads of household into the Philippine Identification System or the national ID system.

## Converge sets IPO price at P16.80/share

Converge disclosed to the Philippine Stock Exchange that it has set its final IPO price at P16.80 per share to raise up to P29 billion. Offer Period will be from October 12 to October 16, 2020. Target listing date is now October 26, 2020. Converge is offering up to 480.84 million primary shares and 1.02 billion secondary shares.

## Philippine Stock Market Update



**Previous Close:**  
5,931.61

**1 Yr Return:**  
-23.17%

**Open:**  
5,935.40

**YTD Return:**  
-24.05%

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

**Source:**  
Bloomberg

## Foreign Exchange

As of Oct. 9, 2020

US Dollar	Philippine Peso
1	48.322

## PDST-R2 Rates

As of Oct. 9, 2020

Tenor	Rate
1Y	1.8270
3Y	2.2720
5Y	2.6440
7Y	2.8120
10Y	2.9120
20Y	3.7930

## Daily Quote

"Don't let what you cannot do interfere with what you can do."

-- John R. Wooden

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## MORE LOCAL NEWS

### PHL banks use cloud in digital shift—study

The Philippine banking sector has gradually boosted its cloud usage. Korea and the Philippines lead in this initiative, but they are still held back by regulatory fear. While the pandemic forced the digital shift, the report cite that it has also given the opportunity to test the internal controls and cyber security of banks.

### Sale of Heart Center assets declared void

The Supreme Court (SC) has declared null and void the sale at public auction of the 11 real properties of the Philippine Heart Center (PHC) by the Quezon City government after the local government unit charged PHC with failure to settle tax obligations amounting to P36.5 million in 2014.

### PHL rice traders fail to use over 2,000 SPS-ICs

Over 2,000 sanitary and phytosanitary import clearance (SPS-IC), representing 1.9 million metric tons of rice, have expired as traders were unable to use them on time. An SPS-IC for rice, which certifies that the imported staple is safe for human consumption, lapses after a 60-day and could not be used for future importation.

### DOF sees enough room for low interest rate

The country's low inflation environment provides the BSP the legroom to keep its interest rates steady to support economic recovery. In September, the rate of increase in consumer prices slowed to 2.3 percent from 2.4 percent in the previous month, well within the government's target of 2.0 percent to 4.0 percent.

### PAL likely to proceed with job cuts

Philippine Airlines (PAL) is likely to proceed with its retrenchment program within the fourth quarter to ensure the survival of the airline. An industry source told The STAR that there is only a slim chance that PAL would not push through with its manpower reduction initiative.

### Exodus of foreign funds dampens PSE

The Philippine stock market has seen an exodus of foreign funds since the start of the year amid the negative impact of the COVID-19 pandemic across the globe, making local equities among the world's unloved stocks at this time. As of Oct. 8, net foreign selling stood at P109 billion.

### DOE clears 5 projects for grid impact study

Five energy projects with total capacity of 1,417.84 megawatts (MW) have received the approval of the Department of Energy to conduct grid impact studies. Three of the approved projects are by Sunwest Water and Electric Co.

### Cable TV ops still optimistic despite competition

Cable TV operators in the country are still optimistic despite the soaring popularity of online streaming services. Philippine Cable and Telecommunications Association Inc. (PCTA) president Joel Dabao told The STAR the group is bullish on its continued growth.

### SMC unit turns to Singapore bond market for funds

San Miguel's power generation platform is tapping the Singapore bond market to raise up to \$300 million to bankroll projects that include a planned liquefied natural gas (LNG) terminal in Batangas province, which is slated to be up and running by June 2022.

### Prepandemic GDP growth seen in 2022

The Philippines' gross domestic product (GDP) will revert to its prepandemic level only in 2022—a longer time compared to its neighbors—as COVID-19 remains uncontained and external factors weigh on the domestic economy's recovery prospects, the World Bank said.

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## TODAY'S TOP ASIAN NEWS

### China funds targeting Ant IPO rake in \$9 billion

Five newly launched Chinese funds targeting Ant Group's upcoming mega stock listing raised \$8.93 billion cumulatively from more than 10 million retail investors, selling out within days. An average of eight investors placed orders each second during the subscription period, highlighting retail frenzy over Ant's IPO.

### Malaysia Airlines to shut down if plan fails

Malaysia Airlines will have to shut down if its lessors decide not to back its latest restructuring plan, the chief executive of the airline's parent group was quoted as saying on Saturday. A group of leasing companies has rejected the restructuring plan, bringing the state carrier closer to a showdown over its future.

### Top Glove mulls raising US\$1b in HK listing

Top Glove Corp, the world's biggest rubber glove maker, is considering raising more than US\$1 billion (S\$1.35 billion) from a listing in Hong Kong, according to people with knowledge of the matter.

### Macau sees tourism boost as pandemic subsides

HONG KONG — Macau's tourism market is rebounding from the fallout of the coronavirus outbreak as the special administrative region reopens its doors to mainland visitors after the pandemic stabilized.

## TODAY'S TOP GLOBAL NEWS

### TikTok rival Triller explores deal to go public

Triller, a budding competitor to popular short-video app TikTok, is in discussions with blank-check acquisition companies about a merger which would take the US social media company public, according to people familiar with the matter.

### Richard Branson's Virgin Orbit seeks \$1b valuation

Richard Branson's satellite-launch business Virgin Orbit is looking to raise up to \$200 million in a funding round that could value it at around \$1 billion, The Wall Street Journal reported on Sunday, citing people familiar with the matter.

### Twilio to buy startup Segment for \$3.2b

Cloud communications platform provider Twilio Inc (TWLO.N) plans to buy customer data infrastructure company Segment for \$3.2 billion, Forbes reported on Friday.

### Tech firms forge ahead with expansion plans in Sg

Technology firms are still keen to set up shop or expand in Singapore, with multinationals forging ahead with expansion and hiring plans amid heightened global demand.

### Euronext to buy Milan stock exchange for 4.33B euros

Pan-European stock market operator Euronext has agreed to buy the Milan bourse from the London Stock Exchange (LSE) for 4.33 billion euros, the companies said Friday, October 9.

### Netflix doubles down on efforts to tap African market

With 193 million subscribers in over 190 countries, Netflix seems to reign supreme in the streaming world. However, the Silicon Valley giant is struggling to break through on the African continent, where it's been present in 54 countries since 2015.