

# The Daily Dispatch

October 15, 2020  
TODAY'S TOP NEWS

## ICTSI unit to invest \$18 mn in Ecuador terminal

International Container Terminal Service, Inc. (ICTSI) announced its subsidiary in Ecuador had signed a new contract with the Latin American state to further develop its largest terminal there. Contecon Guayaquil S.A., ICTSI's subsidiary in Ecuador, is investing \$18mn to boost the port's capacity to accommodate larger vessels.

## Asia Brewery drafts new ties with Heineken

Lucio C. Tan's Asia Brewery, Inc. is reforming its joint venture with Dutch brewery Heineken International B.V. for a new partnership structure that will continue bringing its products to the country. LT Group, Inc., the listed parent of Asia Brewery, said the beer manufacturers were working to create a "realigned" partnership to be completed

## BSP sees bigger BoP surplus this year

The Bangko Sentral ng Pilipinas (BSP) said it expects a larger balance of payments (BoP) surplus this year, with the current account seen to post a \$6-billion surplus as the economy gradually recovers from the coronavirus crisis.

## No 28-day offer; TDF auction still oversubscribed

The BSP dropped the 28-day tenor this week and shifted the volume to the 7-day and 14-day term deposit facility (TDF). During Wednesday's TDF auction, the BSP offered P470 billion. Total bids reached P574.19 billion. BSP Deputy gave no explanation for why the 28-day TDF is not offered this week.

## Sales of imported vehicles still anemic in Q3-AVID

Sales of imported cars as of the third quarter declined over 45 percent as the automotive industry has yet to recover from the months of dealership closures due to the quarantine. AVID reported sales from January to September fell by 45.6 percent to 34,977 units, from 64,274 units during the same stretch last year.

## Philippine Stock Market Update



**Previous Close:**

5,925.30

**1 Yr Return:**

-22.95%

**Open:**

5,930.43

**YTD Return:**

-24.16%

**52-Week Range:**

4,039.15 - 8,216.92

**Source:**

Bloomberg

## Foreign Exchange

As of Oct. 14, 2020

US Dollar	Philippine Peso
1	48.618

## PDST-R2 Rates

As of Oct. 14, 2020

Tenor	Rate
1Y	1.819
3Y	2.300
5Y	2.668
7Y	2.822
10Y	2.933
20Y	3.947

## Daily Quote

"Genius, in truth, means little more than the faculty of perceiving in an unhabitual way."

--William James

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## MORE LOCAL NEWS

### Corporate bond issuances more than double

The total listed private debt securities grew by 129% to P1.48 trillion at end-August this year from only P645.6 billion in 2016. Since President Duterte took over, the outstanding bonds listed by the private sector rose to P792.5-B in 2017, P1.05-T in 2018, and P1.32-T in 2019.

### Xmas bonus loan facility for MSME workers pushed

A labor-employer-government meeting agreed in principle to ask government to extend a loan facility to MSMEs to pay for the mandatory 13th month pay of their employees. This was estimated to be between P500M to P1.5B. The proposed fund are not dole outs but a loans paid with interest over time.

### Stocks flat on sideways trading

The local stock market ended flat yesterday as investors remain cautious amid lack of fresh news.. PSEi eked out a gain of 2.07 points, or 0.03%, to settle at 5,925.30 with only the Holding Firms and Services counters in the red.

### Unionbank set to issue 5-year debt notes abroad

Aboitiz-led Union Bank of the Philippines has moved to lock in low-cost funds from the offshore debt market by drawing down from its \$2-billion medium term notes (MTN) program.

### Peza presses for exemption from tax rationalization

The Philippine Economic Zone Authority (Peza) wants lawmakers to rationalize only the tax incentives that are offered to companies catering to the local market, and spare exporters from the said measure.

### Clark Airport gets new passenger terminal

The Clark International Airport has a brand-new passenger terminal but its opening has been set for January 2021 to allow a “smooth transition” to the new facility.

### Gov't to borrow from BSP anew if recovery stalls

The Duterte administration may borrow money from the Bangko Sentral ng Pilipinas (BSP) again next year if the highly anticipated economic rebound from the pandemic does not materialize. The central bank has been the government's go-to-lender this year.

### PH higher dollar stock not entirely good news

The Philippines is likely to register a higher dollar surplus this year, but this is not all good news as doing so also meant demand that drives outflows would remain tepid and the economy weak. Overseas remittances would drop slower and so do foreign investments.

### 8990 raising P1.3 billion from notes issue

Mass housing developer 8990 Holdings Inc. has issued P1.3 billion worth of fixed rate corporate notes. The notes to be listed on the Philippine Dealing and Exchange Corp. are peso-denominated and exempt from registration with the Securities & Exchange Commission.

### Globe exceeds goal in cell site construction

Globe Telecom Inc. said Wednesday it surpassed its target in building and upgrade of cell sites in the first nine months of 2020. The company said it exceeded its performance of cell site upgrades of 7,780 as of September, up by 26.4 percent from the number of cell sites last year.

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## TODAY'S TOP ASIAN NEWS

### Tencent plans to raise stake in Universal Music

Tencent Holdings is planning to increase its stake in Universal Music Group by a further 10% before the option expires in January, according to people familiar with the matter. The Chinese technology company last year led a consortium that purchased 10% of the world's biggest music company from French media company Vivendi.

### Top battery makers in talks over \$20b EV plans

Contemporary Amperex Technology (CATL) and LG Chem, two of the world's top producers of batteries for electric vehicles (EV), have signalled they may join projects that could see US\$20 billion (S\$27.2 billion) more invested in supply chains in Indonesia, according to the country's government.

### GIC looks to integrate climate change into portfolio

Sovereign wealth fund GIC will integrate climate change into its investment portfolio, a report said yesterday. This will involve evaluating the way long-term capital market assumptions are affected by climate change drivers and under different climate change scenarios.

### Huawei faces tough competition

Huawei may face intense competition in the domestic devices market against rivals including Xiaomi, OPPO and Vivo, as well as US brand Apple, if the US semiconductors supply ban on the company stays in place, industry observers say.

### Westpac to exit ops in China, other Asian markets

Australia's Westpac Banking said yesterday that it will exit operations in China and some other Asian markets to focus on its core domestic and New Zealand businesses, following a review of its international operations.

## TODAY'S TOP GLOBAL NEWS

### K-pop group BTS' label debuts at double its IPO price

Big Hit Entertainment 352820.KS, the management label of popular South Korean boy band BTS, debuted at double its initial public offering (IPO) price on Thursday as investors scrambled for a piece of the country's largest listing in three years.

### Goldman's trading business returns to former glory

Goldman Sachs Group Inc on Wednesday posted its best quarterly performance in a decade by some measures, as trading moved back into the limelight and its lack of a big consumer business switched from a curse to a blessing.

### Global oil demand to recover by 2022 – Aramco

Global demand for crude could recover to pre-coronavirus levels by 2022, Saudi Aramco said on Tuesday, October 13, as the International Energy Agency (IEA) projected it could take at least a year longer.

### Delta reports hefty loss as COVID-19 clouds outlook

Despite aggressive cost-cutting moves, Delta Air Lines reported a hefty loss on Tuesday, October 13, and said the timing of a full industry recovery remained clouded by the coronavirus pandemic.

### IMF urges governments to keep spending

The International Monetary Fund said more public spending will be needed to complete the economic recovery from coronavirus, joining central bankers and finance leaders who are urging governments to set aside fears about mounting debt for now.