

# The Daily Dispatch

November 09, 2020  
TODAY'S TOP NEWS

## Stronger PHL-US ties seen under Biden presidency

The Philippines will likely see stronger relations with the United States after Joseph R. Biden, Jr. was elected US president on Saturday. Economists and analysts see the United States rejoining the Trans-Pacific Partnership (TPP) trade deal, combating climate change and pushing economic initiatives in the Asia-Pacific region.

## ALT-Global targets to build up to 400 cell towers

ALT-GLOBAL Solutions, Inc. is looking to build 300 to 400 towers for the country's telecommunications companies starting next year, as it aims to become a major player in the tower-building industry. The company is currently building 50 towers hosting cellular sites in the Samar-Leyte area.

## PDEX anticipates record bond listings next year

Bond listings on the Philippine Dealing & Exchange Corp. (PDEX) are projected to set a new record in 2021 as the debt market operator targets to launch a digital portal before the year ends. PDEX is also expecting to maintain last year's record of P375.6B bond listings by the end of 2020, on the back of robust issuances amid the pandemic.

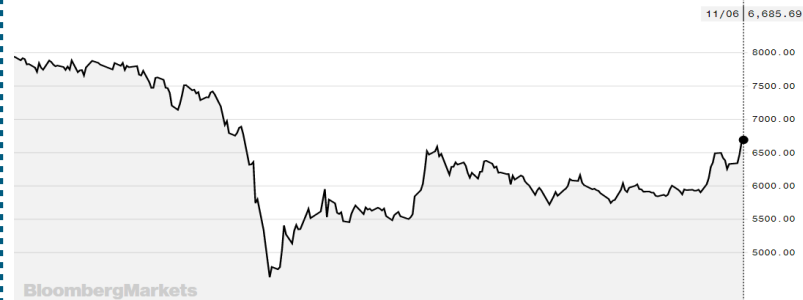
## Remittance outlook remains bleak amid pandemic

Remittance players in the country remain pessimistic on the growth of transactions due to the continued impact of the coronavirus disease 2019 (COVID-19) on the incomes of overseas Filipino workers (OFWs), a study by the Bangko Sentral ng Pilipinas (BSP) showed.

## Export earnings from abaca hit \$97.7M in H1

The value of the country's abaca exports in the first half grew by almost 5% to \$97.708-m from last year's \$93.194-m. PhilFida data indicated that abaca pulp accounted for 80.2% or about \$78.324-m of the total export receipt from abaca. The value was 11.2% higher than the \$70.451-m recorded in the first half of 2019.

## Philippine Stock Market Update



**Previous Close:**  
6,685.69

**1 Yr Return:**  
-15.45%

**Open:**  
6,665.08

**YTD Return:**  
-14.87%

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

**Source:**  
Bloomberg

## Foreign Exchange

As of Nov. 6, 2020

| US Dollar | Philippine Peso |
|-----------|-----------------|
| 1         | 48.233          |

## PDST-R2 Rates

As of Nov. 6, 2020

| Tenor | Rate   |
|-------|--------|
| 1Y    | 1.7770 |
| 3Y    | 2.2910 |
| 5Y    | 2.7250 |
| 7Y    | 2.9250 |
| 10Y   | 2.9920 |
| 20Y   | 3.9210 |

## Daily Quote

“When we strive to become better than we are,  
everything around us becomes better too.”

-- Paulo Coelho

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## MORE LOCAL NEWS

### Govt 9-mo debt service bill exceeds FY '19 payment

In nine months, government's debt service bill has already surpassed the full-year amount it paid last year. Latest data from the Bureau of the Treasury showed government's debt payments for January to September already amounted to P1.135-t, even exceeding P842.449-b it paid for the whole year of 2019 by 34.69%.

### Robinsons Land sets sights on REIT listing

Property developer Robinsons Land Corp. (RLC) said it is listing its own real estate investment trust (REIT) company next year and will include several of its existing office buildings in the new entity. The company said it has 25 office buildings that it can include in the REIT, with a net leasable area of over 600,000 sqm.

### BSP adopts 'open' rediscounting regime

The BSP will adopt an "open regime" principle as a monetary policy tool to infuse liquidity into the market. BSP used to have a budget for its Peso Rediscount Facility ranging from P20-b to P60-b. With the pandemic, they not only increased the volume to an undisclosed amount, but they've also made the process more accommodative.

### PH eyes modest \$31M export deals at China expo

The Philippine delegation is targeting to attract over 1,300 buyers and generate a modest \$31 million worth export deals at the upcoming China International Import Expo (CIIE), significantly lower than the \$300 million the Philippines realized during last year's China International Import Exposition (CIIE).

### IMF: Philippines has room to support economy

The International Monetary Fund (IMF) said the Philippines has fiscal space to provide more support to the economy amid the impact of the COVID-19 pandemic. Yongzheng Yang, IMF resident representative to the Philippines, told The STAR the country entered the pandemic with considerable policy buffers.

### Peso may weaken to 49 to \$1

The peso may weaken and move closer to the 49 to \$1 level toward the end of the year due to stronger imports as demand is expected to recover amid the easing of lockdown measures, according to Bank of the Philippine Islands lead economist Jun Neri.

### PSEi seen gaining this week

Share prices are expected to strengthen this week with the next resistance of the Philippine Stock Exchange Composite index (PSEi) seen at 6,700 level. This is the next important point prior to further upside potential going forward, said Michael Ricafort of Rizal Commercial Banking Corp. (RCBC).

### GDP likely contracted by 11.5% in Q3

Economic output in the third quarter likely contracted at a slower pace of 11.5 percent coming from a record contraction in the second quarter, according to UK-based market intelligence company IHS Markit.

### Cement demand seen to rebound in 2021

After a sharp sales contraction this year due to coronavirus pandemic-related business disruptions, Philippine demand for cement is seen to rebound next year to levels matching the market in 2019 as infrastructure-building activities pick up pace.

### MSME access to bank credit remains weak

The difficulty among small businesses in the Philippines to secure financing has been worsened by the pandemic-induced recession, forcing entrepreneurs to shell out from their own pockets to keep themselves afloat, Asian Development Bank (ADB) said.

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## TODAY'S TOP ASIAN NEWS

### Tesco gets nod for sale of Thailand supermarket

Thailand's competition regulator has given the nod for British retail giant Tesco to sell its supermarket businesses to the Charoen Pokphand Group (CP Group), despite monopoly concerns. The US\$10.6 billion sale to Thailand's biggest conglomerate was first flagged in March and also covers Tesco's operations in Malaysia.

### China Evergrande ends Shenzhen listing plan

Debt-laden China Evergrande Group said it has decided to terminate a reorganisation plan with Shenzhen Special Economic Zone Real Estate & Properties Group, ending a long-awaited backdoor listing plan in Shenzhen.

### Sg: Most SMEs confident of meeting loan obligations

Seven in 10 SMEs affected by the pandemic are confident of meeting repayment obligations for government-backed loans next year without impacting their business operations, a survey has found. The survey by DBS Bank covered close to 250 SMEs in three sectors that are most affected - retail, food and beverage, building and construction.

### Budweiser dominates China's thirst for online beer

When bars and nightclubs closed and restaurant dining was largely off limits at the height of the coronavirus outbreak, Chinese brewers raced to develop brand and marketing strategies that would drive their online sales – and Budweiser Brewing Company APAC seems to have come out on top.

### Ant IPO suspension to cost investment banks \$400M

The suspension of Ant Group's debut is likely to cost a cadre of the world's largest investment banks nearly US\$400 million in fees collectively, after Chinese regulators this week called a halt to what was expected to be the world's biggest initial public offering ever.

## TODAY'S TOP GLOBAL NEWS

### Investors celebrate Biden winning U.S. presidency

Investors and financial executives took a big sigh of relief on Saturday after major networks declared Democrat Joe Biden winner of the U.S. presidential election, offering some certainty after days of conflicting reports about who might run the White House next term.

### Volkswagen truck unit finalises \$3.7bn Navistar deal

Volkswagen AG's VOWG\_p.DE truck unit Traton SE has agreed to pay about \$3.7 billion for the outstanding shares of U.S. truck maker Navistar International Corp in a deal announced on Saturday that would extend its reach in North America.

### Volvo recalls 54,000 US vehicles for air bag defect

Volvo Cars is recalling 54,000 U.S. vehicles for an air bag defect after one crash death tied to the issue, according to a filing with U.S. regulators.

### Nissan plots digital course for car sales

As COVID-19 threw a wrench into the cogs of car retailing, a senior Nissan board member challenged the COO to explain what the automaker was doing to adapt to a new era where customers may be reluctant to roam showrooms. The COO, Ashwani Gupta, told the board that Nissan was racing to create a "complete, end-to-end digital journey"

### Deal or no deal, Brexit to hit British trade hard

Britain's business community has long hoped for a post-Brexit free trade deal – but government failures mean there will still be "significant" disruption when it is fully free of the European Union (EU) next year, an official watchdog warned Friday, November 6.