

# The Daily Dispatch

November 16, 2020  
TODAY'S TOP NEWS

## Philippines signs RCEP, world's biggest trade deal

Fifteen Asia-Pacific economies, including the Philippines, signed the world's largest free trade deal, with observers saying the deal could boost Philippine market access while others believe it would worsen the trade balance. This is the first time that China, Japan and South Korea are all in a single free trade agreement.

## Filinvest Group posts profit growth, units improve

Earnings of listed conglomerate Filinvest Development Corp. inched up 3% to P8.9 billion in the three quarters through September, supported by its robust banking and sugar businesses despite the coronavirus pandemic.

## MICT int'l cargo throughput falls

International container throughput and tonnage at the Manila International Container Terminal (MICT) declined during the third quarter due to the disruptions to trade arising from the pandemic. International container throughput in terms of number of boxes at the Manila South Harbor also decreased, but tonnage rose year on year.

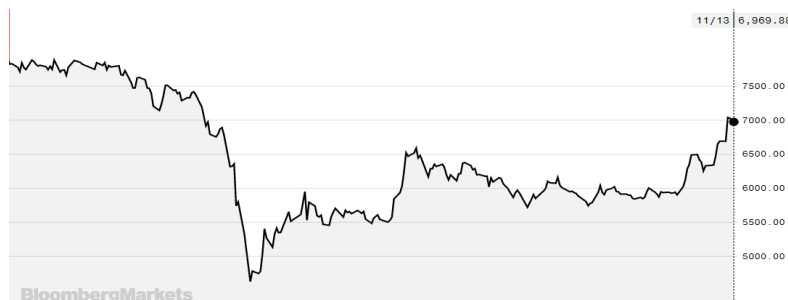
## Deficit-to-GDP ratio hits 6.9%

The country's budget deficit as a percentage of gross domestic product (GDP) swelled to 6.9 percent from January to September due to higher expenditures in response to the coronavirus pandemic, according to the Department of Finance (DOF).

## Govt moves to formalize small-scale mining

Despite the calamities being associated with the mining industry, the government continues to move toward the formalization and regulation of the small-scale mining industry to help in economic recovery. The Mines and Geosciences Bureau (MGB) said it is now crafting amendments to the People's Small-Scale Mining Act of 1991.

## Philippine Stock Market Update



**Previous Close:**  
6,969.88

**1 Yr Return:**  
-11.43%

**Open:**  
6,991.39

**YTD Return:**  
-11.79%

**52-Week Range:**  
4,039.15 - 7,946.42

**Source:**  
Bloomberg

## Foreign Exchange

As of Nov. 13, 2020

US Dollar	Philippine Peso
1	48.180

## PDST-R2 Rates

As of Nov. 13, 2020

Tenor	Rate
1Y	1.7680
3Y	2.3150
5Y	2.7380
7Y	2.9430
10Y	3.0110
20Y	4.0010

## Daily Quote

"In order to succeed, your desire for success should be greater than your fear of failure."

-- Bill Cosby

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## MORE LOCAL NEWS

### BSP to keep rates steady

The Bangko Sentral ng Pilipinas (BSP) may extend its prudent pause by keeping interest rates unchanged anew on Thursday, but could deliver a surprise to support the pandemic-battered economy, according to analysts.

### SMC unveils road, railway proposals for Airport City

Conglomerate San Miguel Corp. (SMC) wants its P740-billion airport city in Bulacan province to become a gateway to the world. But first, it would need world-class infrastructure support to make it accessible from Metro Manila and other parts of the country.

### M Lhuillier releases newly upgraded ML Wallet App

M Lhuillier Financial Services Inc. is one of the leading non-bank financial institutions in the PH with over 2,500 branches. Known primarily for its trusted remittance and quick cash loan services, the company is set to attain new feats as it further develops its channels and services to fit in a technologically-driven world.

### PNB seen gaining P80B from sale of property assets

Tycoon Lucio Tan-led Philippine National Bank (PNB) expects to unlock about P80 billion from an ongoing program to monetize valuable but currently low-earning real estate assets, thus boosting lending activities in the years ahead.

### Corteva offers solutions against new farm pest

Global agriculture leader Corteva Agriscience, in collaboration with the Department of Agriculture, recently held a forum for farmer leaders, agriculture organizations and industry leaders to help control the growing Fall Armyworm infestations across the Philippines.

### 'Bold, aggressive, quick' fiscal policies urged

As the domestic economy continued to battle the impact of COVID-19 and the devastation from successive typhoons, Senator Imee Marcos urged the Duterte administration's economic managers to be 'bold, aggressive and quick' economic stimulus response and craft incentive policies that will lure foreign investments.

### PH tax effort slips amid weak economy

The national government's tax effort slipped in the first nine-months of the year after the coronavirus-induced crisis dragged down the BIR and Bureau of Customs collections. Finance Undersecretary Gil S. Beltran, said that tax effort, or the share of the actual tax collections to GDP, dropped by to P14.5% from 14.9% a year ago.

### Cusi defends negligible foreign capital requirement

Energy Secretary Alfonso G. Cusi defended the seemingly 'negligible' \$50 million capital requirement for foreign firms entering the Philippine geothermal sector saying the figure was the scale determined by the government for prospective investment areas on offer.

### PNB prepares for higher NPL

Lucio Tan group's Philippine National Bank (PNB) is bracing for a "peak" in bad loans ratio which could come in the first quarter of 2021 when the Bayanihan 2's 60-day moratorium for all loans has expired.

## TODAY'S TOP ASIAN NEWS

### Japan finds luring business from HK may be tough

Tokyo is on a charm offensive, hoping to lure firms in Hong Kong spooked by protests and a controversial security law imposed by China. But the city is proving a tough sell. Tokyo's courtship comes with some concrete promises, including temporary office space in the city for foreign financial firms that want to try out life in Japan.

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## MORE ASIAN NEWS

### China's growth continued, but imbalances remain

China's economy expanded strongly in October, as the recovery in consumption continued to gather pace, data from the National Bureau of Statistics (NBS) released on Monday showed.

### Chinese braised duck giant eyes global expansion

Chinese braised duck chain Zhou Hei Ya International hopes to open a shop in Macau next year, its first outside mainland China, in a step towards achieving its ambition of bringing its popular fast food snack to the every corner of the world.

### PPE maker Medtecs seeks mainboard transfer

Medtecs International is planning to transfer the company's listing from the Catalist to the mainboard of the Singapore Exchange (SGX), it said on Monday (Nov 16). Separately, Medtecs also announced that the group will be included in the MSCI Singapore Small Cap Index from Nov 30, after market close on that day.

### CapitaLand to grow investments in China

CapitaLand has targeted to grow its China exposure in the sector to \$5 billion over the next few years, from \$1.5 billion. This will be done by redeploying part of the capital from asset recycling to new economy assets such as business parks, logistics and data centres, the property giant said on Monday.

### Asian central banks focus on managing systemic risk

Asian central banks and financial regulators agreed to focus on managing systemic risk to ensure financial stability during this COVID-19 pandemic. BSP Governor Benjamin E. Diokno, who co-chaired the Regional Consultative Group for Asia, described as "most urgent" central banks' readiness of managing systemic risks around the region.

## TODAY'S TOP GLOBAL NEWS

### Walmart to sell Japanese supermarket Seiyu to KKR

U.S. retailer Walmart Inc WMT.N sold most of its stake in Japan's Seiyu to investment firm KKR KKR.N and e-commerce company Rakuten 4755.T in a deal valuing the supermarket chain at 172.5 billion yen (\$1.65 billion), the companies said.

### Ozon targets \$750 mn in IPO as e-commerce booms

Russian online retailer Ozon plans to raise about \$750 million in an initial public offering (IPO) in the United States to help fund its expansion in a rapidly-growing e-commerce market at home, Russia's fragmented e-commerce market is forecast to grow by more than 40% to \$32.4 billion this year.

### Vaccine impact on global recovery to be uneven

As markets worldwide cheered the announcement last week of a COVID-19 vaccine breakthrough by American drug maker Pfizer-BioNtech, London-based Capital Economics said the impact of a successful vaccine on recovery is expected to be uneven.

### Hyflux backs rescue deal from SGI

Hyflux, in its third year of a debt restructuring process, said it is supporting a plan proposed by American fund manager Strategic Growth Investments (SGI) to acquire and privatise it in a deal that would include a cash injection of \$208 million.

### PNC Financial in talks to buy BBVA's US arm

PNC Financial Services Group Inc PNC.N is in advanced talks to buy the U.S. arm of Spanish bank BBVA BBVA.MC for more than \$10 billion in an all-cash deal, according to a person familiar with the matter.