

The Daily Dispatch

November 23, 2020
TODAY'S TOP NEWS

AC Energy readies sale of stake in 2 power projects

AYALA-LED AC Energy, Inc. plans to sell its investments in coal-fired power plant projects in Bataan and Lanao del Norte in line with its goal to generate more than half of its energy output from renewables by 2025.

Gov't told to expand digital tax foothold

The government should look at digital payment systems that can cover cross-border transactions to widen its digital tax base, acc. to the National Tax Research Center. The Finance department said it would study how to plug potential VAT leakages on goods and services sold online, including cross-border transactions.

Biden 'outsourcing tax' clouds outlook for BPOs

A protectionist stance by a Biden administration could come in the form of a tax on outsourced operations, which may dampen the prospects of the business process outsourcing (BPO) industry.

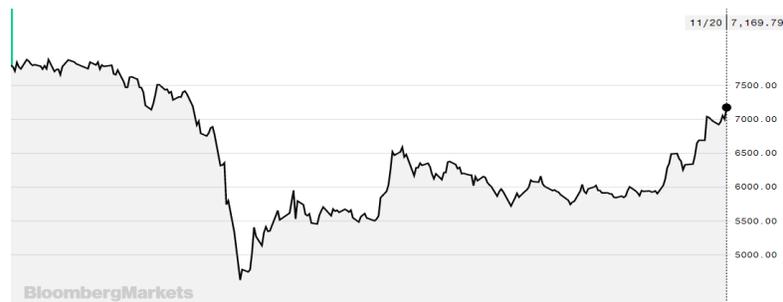
BSP likely to keep dovish stance

The Philippine central bank would probably remain dovish and might cut benchmark interest rates again next month and in the next quarter as the recovery outlook remains uncertain. Further cuts would likely come especially as inflation remains benign and stays within the target of the Bangko Sentral ng Pilipinas.

Companies likely to cut 2021 capex

Companies may further reduce their capital expenditures next year despite the gradual recovery of the economy as they need to protect their balance sheets, according to company officials. JG Summit CEO Lance Gokongwei said there is a need to protect the balance sheet especially as many businesses reeled from the impact of COVID-19.

Philippine Stock Market Update



Previous Close:
7,169.79

1 Yr Return:
-6.47%

Open:
7,163.98

YTD Return:
-8.15%

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

Source:
Bloomberg

Foreign Exchange

As of Nov. 20, 2020

US Dollar	Philippine Peso
1	48.240

PDST-R2 Rates

As of Nov. 20, 2020

Tenor	Rate
1Y	1.7580
3Y	2.2230
5Y	2.6630
7Y	2.8750
10Y	2.9340
20Y	4.0650

Daily Quote

"We will pay a heavy price if we insist on navigating the 21st century with a 20th century mindset."

-- Tom Steyer

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MORE LOCAL NEWS

'Philippines recession to last until 2021'

The Philippine economy continues to lose steam and is poised to remain in recession until 2021 amid the raging COVID-19 pandemic, according to Dutch financial giant ING Bank. In a report, ING Bank Manila senior economist Nicholas Mapa said there is little hope of a big turnaround for the Philippines in 2021.

DoubleDragon gears up for P14.7B REIT offering

DoubleDragon Properties Corp., the listed property developer of Edgar "Injap" Sia II, is gearing up for its P14.7 billion REIT offering amid renewed optimism in the stock market on the back of the gradual recovery of the economy. The company has prepared its REIT application with the SEC and PSE.

Probe sought on Meralco's costly purchase of power

Militant lawmakers want the House of Representatives to investigate the Manila Electric Company's (Meralco) alleged purchase of costly power from a coal-fired power plant in Mauban, Quezon.

AMLC jeered for 'crude' tracking of POGO funds

SENATORS have called out the Anti-Money Laundering Council (AMLC) for its apparent tepid efforts to monitor Philippine Offshore Gaming Operators (Pogos) with headquarters in the British Virgin Islands (BVI) and other known tax havens.

China's Covid-19 rule worries banana growers

The Pilipino Banana Growers and Exporters Association (PBGEA) has expressed concern over China's mandatory disinfection of food imports as a precautionary measure against Covid-19, as it could hike business costs and affect shipments to the Philippines's second-largest export market.

SEC taps LandBank for online payments

The Securities and Exchange Commission (SEC) has tapped state-run Land Bank of the Philippines (LandBank) as its depository and financial settlement bank for online payments. In a statement over the weekend, LandBank vowed to ensure efficient collection and settlement of payments made by SEC clients through PayMaya.

Holcim PHL to merge units to streamline operations

The board of cement firm Holcim Philippines Inc. has approved the company's merger with its subsidiaries in its bid to streamline its corporate structure. The company said it is merging Holcim Philippines Manufacturing Corp., Mabini Grinding Mill Corp. and Bulkcem Philippines Inc.

Peza registers P73-b projects from Jan-Oct 2020

Philippine Economic Zone Authority (Peza) Director General Charito Plaza said that the registered projects with the investment promotion agency in the first 10 months of the year have reached P72.6 billion.

AMLC urges vigilance as suspicious transactions surge

The Anti-Money Laundering Council (AMLC) urged financial industry stakeholders to remain cautious and vigilant amid rising evidence that criminal elements may be abusing digital platforms that are now seeing greater adoption due to the pandemic.

Recovery, poverty reduction plans up for Palace OK

The Philippines' updated medium-term development plan to ultimately reduce poverty and revert to economic growth after a pushback from the COVID-19 pandemic now awaits President Duterte's go-ahead before the end of the year after the National Economic and Development Authority (Neda) finalized it last week.

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TODAY'S TOP ASIAN NEWS

Short sellers target Ping An's fintech

The headwinds that toppled Ant Group's IPO now threaten a US\$22bn dream of China's Ping An Insurance - to pivot from a finance group to a tech giant and be valued like one. While Ping An's Lufax Holding was able to complete its IPO before new Chinese rules, the stock has given up early gains and is now a target for short sellers.

S.Korea Nov 1-20 exports rise 11.1% on year

South Korean exports grew 11.1% in the first 20 days of November from the same period a year earlier, government data showed on Monday, reversing a 5.9% decline in the previous month, helped by strong chip sales and overseas demand.

Blackstone seeks \$5bn for second Asia buyout fund

Blackstone Group Inc is seeking to raise at least \$5 billion for its second private equity fund focused on Asia, Bloomberg News reported on Sunday, citing people familiar with the matter.

GE signs to develop VNM LNG power plant

General Electric and a Vietnamese company signed a memorandum of understanding to develop an LNG (liquefied natural gas) power plant near Ho Chi Minh City. The signing between GE and EVN Genco3 took place during an event with President Donald Trump's National Security Adviser Robert O'Brien in Hanoi on Saturday.

Bumpy road ahead of KAL-Asiana tie-up

SEOUL — Controversy escalated Sunday over the proposed business integration plan of South Korea's two flag carriers — Korean Air Lines and Asiana Airlines — as to whether the fundraising plan of Korean Air's parent company Hanjin KAL to achieve the tie-up is legally viable.

TODAY'S TOP GLOBAL NEWS

Plastic industry under pressure from imports

The plastics industry is under pressure from import competition at a time of global surpluses for the segment, as well as reduced activity during the lockdown, the industry association said. The pandemic has increased the global use of plastics as demand for medical goods and take-out containers surged.

U.S. retailer Guitar Center files for bankruptcy

Guitar Center Inc, the largest U.S. retailer of music instruments and equipment, filed for Chapter 11 bankruptcy on Saturday, as music lovers moved their shopping online during the coronavirus pandemic.

Western Union buys 15% stake in Saudi Telecom's unit

Western Union, the world's largest money transfer firm, has acquired a 15% stake in the digital payment unit of Saudi Arabia's STC Group for \$200 million. The acquisition of stc pay, which values the company at 5 billion riyals (\$1.3 billion), will finance its capital and support long-term expansion plans

Spanish banks seek mergers as outlook darkens

A wave of mergers is sweeping across the Spanish banking sector as lenders face up to a pandemic-induced recession, ultralow interest rates, and growing competition from financial technology startups.

Nigeria slips into recession

Oil-rich Nigeria, Africa's biggest economy, slipped into recession for the 2nd time in 4 years, hit by both the coronavirus pandemic and falling oil prices, official figures revealed Saturday, November 21.