

The Daily Dispatch

May 14, 2020
TODAY'S TOP NEWS

GDP contraction seen to deepen

The Philippine economy may now contract by as much as 3.2% this year, the government said on Wednesday, as the coronavirus disease 2019 (COVID-19) outbreak pummels investments and domestic demand. If realized, the worst-case 3.4% contraction would be a steep decline from the six percent growth recorded in 2019.

New oil import tariffs expected to raise P6.78 bn

The government could raise P6.78 billion in 2020 from oil import tariffs imposed to help fund the coronavirus disease 2019 containment effort, the Department of Energy said. Executive Order No. 113 imposed a temporary 10% hike in taxes on imported crude oil and refined petroleum products.

Electronics exporters appeal lockdown extension

Electronics exporters are appealing the government's decision to extend the strict lockdown in Laguna, citing up to \$20 million in business losses for the sector each month. Electronics exports in the first quarter of 2020 dropped 4% to \$9.3 billion, accounting for 59% of total commodity exports.

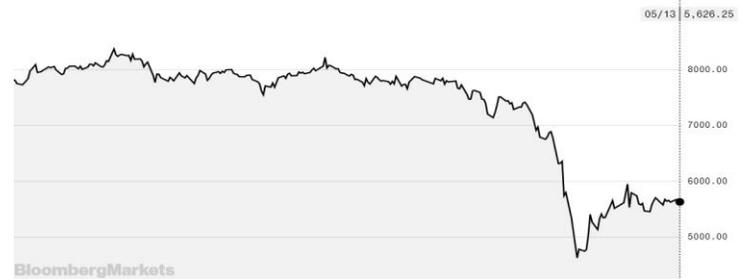
Filipinos told to brace for worst economic slump

Filipinos must brace themselves for a dramatic fall of the Philippine economy this year as the Duterte administration expects the nation's worst slump in over three-decades that would take a heavy toll on the government's financial stability.

PNB net profit drops 30% to P1.3 B in Q1

Philippine National Bank registered a 29.7 percent drop in net income to P1.3 billion for the first quarter of 2020 from P1.9 billion in the same quarter last year due to higher provisioning amid the expected impact of the pandemic on the quality of its loans.

Philippine Stock Market Update



Previous Close:

5,626.25

Open:

5,612.97

52-Week Range:

4,039.15 - 8,419.59

1 Yr Return:

-25.95%

YTD Return:

-28.69%

Source:

Bloomberg

Foreign Exchange

As of May 13, 2020

US Dollar	Philippine Peso
1	50.360

PDST-R2 Rates

As of May 13, 2020

Tenor	Rate
1Y	2.813
3Y	2.946
5Y	3.072
7Y	3.217
10Y	3.361
20Y	4.080

Daily Quote

"Good business leaders create a vision, articulate the vision, passionately own the vision, and relentlessly drive it to completion."

--Jack Welch

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MORE LOCAL NEWS

PSE sees less IPOs

Except for the coming initial public offering of a supermarket chain, the Philippine Stock Exchange does not expect a lot of capital raising or stock listings this year due to the effects of the pandemic and the low interest rate environment.

DTI sees 80% of workers back to work under MECQ

Almost 80 percent of employees would be returning to work under the Modified Community Quarantine (MECQ) as manufacturing firms will be allowed to partially open after May 15, according to Trade and Industry Secretary Ramon M. Lopez.

Ayala net income falls 17% to ₱6.7 B in Q1

Ayala Corporation reported a 17% drop in net income to ₱6.7bn in Q1 as the COVID-19 health crisis affected the performance of its businesses. The firm said that isolating the estimated impact of the health crisis, net income was flat from its year-ago level, which included the ₱1bn divestment gains from the merger of AC Education with iPeople.

RFM's Q1 profit down 4%

Concepcion group-led RFM Corp. saw a 4 percent year-on-year decline in net profit amounting to P212 million in the first quarter as its ice cream, milk, pasta, institutional bread and flour businesses showed mixed results, especially after the whole of Luzon was locked down to curb the coronavirus pandemic.

Major PH airlines suspend flights anew till May 31

MANILA, Philippines — The country's major airlines operating from Ninoy Aquino International Airport (Naia) have canceled their domestic and international flights for the rest of May after Metro Manila, the epicenter of the country's new coronavirus disease (COVID-19) pandemic, was kept under strict lockdown until May 31.

Airlines seek gov't help in getting bank loans

The country's biggest airlines are urging lawmakers to include loan guarantees for their industry in a proposed stimulus bill to support sectors devastated by the coronavirus pandemic.

PH to remain world's top rice importer

Despite moves by the Department of Agriculture to increase the country's local production of palay, global projections showed that the Philippines is still on its way to become the biggest importer of the grain this year and the next.

Banks shifting to safer liquid assets

Banks continued to shift to safe and high liquid assets as well as park their excess funds in the liquidity absorption facility of the Bangko Sentral ng Pilipinas (BSP) amid the coronavirus disease 2019 or COVID-19 pandemic.

PH moves to allow ABS broadcast with short permit

The Philippines' House of Representatives has initially approved a temporary franchise for shuttered broadcaster ABS-CBN to air through October while lawmakers debate on renewing its 25-year permit. The bill needs to be approved by the Senate and President Rodrigo Duterte.

TODAY'S TOP ASIAN NEWS

HK small brokers disappearing at record pace

Family-owned brokerages once reigned in Hong Kong, tapping close-knit networks of clients in a city with few regulations that relished a quick buck. Now, in an era of algorithms, online trading and growing dominance of big banks, the hundreds of small brokerages are losing their relevance.

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MORE ASIAN NEWS

Chinese online grocery firm Dada files for U.S. IPO

Online grocery firm Dada Nexus Ltd filed for an initial public offering, making it the latest Chinese firm to opt for a U.S. listing after a strong debut by Kingsoft Cloud Holdings. Dada, which is a joint venture company of Chinese e-commerce firm JD.com, set a place-holder amount of up to \$100 million and did not specify the size of

China's auto industry struggles to motor ahead

Sales figures appear to be gradually picking up, so workers in China's car-production capital, Wuhan, have been clocking overtime. This is to make up for the loss in production after the city went into lockdown earlier this year because of the coronavirus which causes Covid-19.

IND unveils major credit line for small businesses

India's government said on Wednesday it will offer nearly US\$60 billion of loan guarantees for small businesses, shadow banks and power companies as part of measures to combat the economic damage caused by the novel coronavirus pandemic.

World's biggest shipper expects 25% drop in demand

COPENHAGEN, Denmark — The world's biggest shipping company, Denmark's A.P. Moller-Maersk, said Wednesday that it expects its transport volumes to drop by up to 25% in the second quarter as the world economy slides toward recession.

TODAY'S TOP GLOBAL NEWS

United Airlines employee files class action lawsuit

A United Airlines Holdings Inc (UAL.O) non-union employee filed a class action lawsuit on Wednesday alleging that a requirement that management and administration employees take 20 unpaid days off breaches the terms of federal payroll aid.

Sanofi to accelerate European vaccine access

French drugmaker Sanofi SA said on Wednesday that it is working with European regulators to speed up access to a potential coronavirus vaccine in Europe after its chief executive suggested Americans would likely get the vaccine first.

Uber to require drivers, riders to wear masks

Uber Technologies, Inc. (UBER.N) on Wednesday said it will require drivers, delivery workers and riders globally to wear a mask as countries around the world begin easing restrictions aimed at curbing the spread of the coronavirus.

Softbank sees consolidation in Latam food delivery

Japan's SoftBank Group Corp (9984.T), a shareholder in some of Latin America's largest food delivery companies, expects consolidation in most markets, a senior executive said on Wednesday.

Tourism giant TUI to slash 8,000 jobs over virus

The world's biggest tourism group TUI said on Wednesday it planned to slash 8,000 jobs in a bid to cut costs as the industry struggles to stay afloat with travel severely curtailed by the coronavirus pandemic.

Bitcoin rises after eagerly awaited 'halving'

Bitcoin rose on Wednesday after undergoing an eagerly awaited adjustment that occurs every few years to limit the amount of the virtual currency on the market, building on a recent coronavirus-driven rally. The so-called "halving" takes place every four years.