



BAIPHIL MARKET WATCH

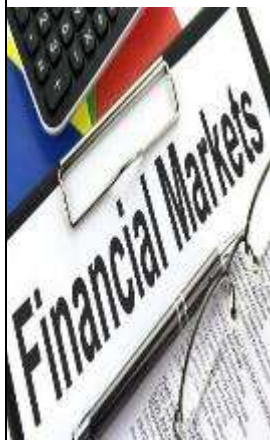
21 Apr
2020

*~ PROMOTING COLLABORATIVE GOVERNANCE FOR
DIGITAL TRANSFORMATION AND SUSTAINABILITY ~*

Legend

- Improvement / Up
- Deterioration / Down
- No Movement

FINANCIAL MARKETS AT A GLANCE



Currency Exchange ¹	Current	Previous
USD/PHP	50.7900	50.9000
USD/JPY	107.7200	107.5500
USD/CNY	7.0722	7.0737
EUR/USD	1.0862	1.0875
GBP/USD	1.2440	1.2499

PHP BVAL Reference Rates ²	Current	Previous
30-Day	3.1320	3.1450
91-Day	3.2030	3.2360
180-Day	3.3760	3.3900
1-Year	3.5110	3.5130
3-Year	3.5380	3.6110
5-Year	3.6260	3.6760
10-Year	3.8220	3.9150

Domestic Stock Index ³	Current	Previous
PSEi	5,733.65	5,789.97
Trade Value (Php B)	4.755	7.287

Stock Index ⁴	Current	Previous
NIKKEI 225	19,669.12	19,897.26
FTSE 100	5,812.83	5,786.96
DOW JONES	23,650.44	24,242.49
S&P 500	2,823.16	2,874.56
NASDAQ	8,560.73	8,650.141

Various ^{5/6}	Current	Previous
Brent Crude (USD/bbl)	25.57	28.08
3-M US Treasury Yield	0.07%	0.10%
5-Y US Treasury Yield	0.35%	0.36%
10-Y US Treasury Yield	0.63%	0.65%



PHILIPPINES



- ✓ **PSEi retreats as market awaits developments on COVID-19.** Share prices on the Philippine Stock Exchange (PSE) retreated on Monday, as the market awaited developments regarding the coronavirus disease 2019 (COVID-19). The main PSEi shed 56.32 points or 0.97% to close at 5,733.65. The broader All Shares lost 18.53 points or 0.53% to 3,473.90.
<https://www.gmanetwork.com/news/money/economy/734758/psei-retreats-as-market-awaits-developments-on-covid-19/story/>
- ✓ **Peso rebounds as global oil prices drop.** The Philippine peso rebounded against the US dollar on Monday, as the coronavirus disease 2019 (COVID-19) dragged demand for oil with prices now at new lows. The local currency gained 11 centavos to close at P50.79:\$1 from last Friday's finish of P50.9:\$1.
<https://www.gmanetwork.com/news/money/economy/734789/peso-rebounds-as-global-oil-prices-drop/story/>
- ✓ **COVID-19 barely impacts Philippine peso.** The COVID-19 pandemic has barely made a dent on the Philippine peso, which remained stronger than the US dollar as of mid-April, given strong macroeconomic fundamentals, the Department of Finance (DOF) said on Monday (April 20). In an economic bulletin, Finance Undersecretary and chief economist Gil S. Beltran noted that the peso strengthened against the greenback by 0.04 percent as of April 15—when it closed at 50.63:\$1 from 50.66 at end-2019.
<https://business.inquirer.net/295190/covid-19-barely-impacts-philippine-peso>
- ✓ **Gov't hikes T-bill award on strong demand.** THE GOVERNMENT upsized the volume of Treasury bills (T-bills) it awarded on Monday amid lower rates and strong bids, as the market welcomed the central bank's stimulus measures, such as last week's off-cycle rate cut. The Bureau of the Treasury (BTr) awarded P24 billion in T-bills, P4 billion more than its initial offer of P20 billion as total bids for the short-term papers hit P80 billion. Amid strong demand and low rates, the BTr also opened its tap facility to raise another P10 billion via the one-year securities.
<https://www.bworldonline.com/govt-hikes-t-bill-award-on-strong-demand/>
- ✓ **Monetary easing policies see results as bank loans continue growth in February.** Banks lent more money last February, a result of monetary authorities' series of policy moves to lower the cost of borrowing and help the economy grow faster, according to Bangko Sentral ng Pilipinas (BSP) data. The BSP, in a statement, said initial data showed that loans of universal and commercial banks, including short-term deposits at the BSP, grew by 12.2 percent in February.
<https://business.inquirer.net/295179/monetary-easing-policies-see-results-as-bank-loans-continue-growth-in-february>

- ✓ **PH foreign borrowings down 30 percent in first 3 months of 2020.** The national government took out fewer foreign loans in the first quarter of 2020 to meet its financing needs, according to the central bank. The Monetary Board of the Bangko Sentral ng Pilipinas (BSP) is in charge of screening and approving all borrowings of state institutions.
<https://business.inquirer.net/295174/ph-foreign-borrowings-down-30-percent-in-first-3-months-of-2020>
- ✓ **Congress cool to possible tax hike.** LEADERS of Congress are lukewarm to suggestions by the Finance department that a tax hike is needed in “a year or two” in order to cover the economic costs of the coronavirus crisis. Finance Secretary Carlos G. Dominguez III first floated the idea on April 8, saying that the government may raise taxes in one to two years as it needs to pay off the debts incurred in the fight against the coronavirus disease 2019 (COVID-19).
<https://www.bworldonline.com/congress-cool-to-possible-tax-hike/>
- ✓ **2019 growth expansion scaled up using 2018 prices.** THE ECONOMY grew faster than previously estimated last year using 2018 as the base year in measuring the country’s gross domestic product (GDP), the Philippine Statistics Authority (PSA) reported on Monday. Using 2018 as the base, Philippine GDP growth averaged six percent in 2019, a tad faster than the 5.9% previously reported in January that used 2000 prices. Growth in the fourth quarter was revised upwards as well to 6.7% from 6.4% previously.
<https://www.bworldonline.com/2019-growth-expansion-scaled-up-using-2018-prices/>
- ✓ **DoTr proposes to free up P15-B funds for coronavirus response.** THE Department of Transportation (DoTr) on Monday said it identified 35 transport projects where around P15 billion can be freed up for the government’s coronavirus pandemic response efforts. “[The DoTr] submitted to the Department of Budget and Management (DBM) the list of projects for budget realignment to free up P15.1 billion of funds for initiatives to mitigate COVID-19 (coronavirus disease 2019),” the department said in a statement.
<https://www.bworldonline.com/dotr-proposes-to-free-up-p15-b-funds-for-coronavirus-response/>
- ✓ **MB foreign debt approval falls 30% in first quarter.** THE Monetary Board (MB) approved \$2.38 billion worth of foreign borrowing by the National Government (NG) in the first quarter of 2020, down 30% year on year, according to the Bangko Sentral ng Pilipinas (BSP). The approvals included a bond issue worth 1.2 billion euros, four project loans amounting to \$493 million, as well as two program loans totaling \$800 million. The NG will use the funds for general financing requirements and projects related to infrastructure development and transport connectivity, as well as the implementation of the Philippine Competition Act.
<https://www.bworldonline.com/mb-foreign-debt-approval-falls-30-in-first-quarter/>
- ✓ **DBM releases final batch of funding for DoLE worker aid.** THE Department of Budget and Management (DBM) released P2.5 billion to replenish the Department of Labor and Employment’s (DoLE) cash aid program for displaced workers but said the remaining request for P5 billion worth of additional funding, which could support 1 million more people out of work, is unlikely to be approved. Budget Secretary Wendel E. Avisado told BusinessWorld that the P2.5 billion will be the “last” replenishment for the labor department’s cash aid programs since applicants and beneficiaries will be transferred to the newly-launched wage subsidy program of the Department of Finance (DoF).
<https://www.bworldonline.com/dbm-releases-final-batch-of-funding-for-dole-worker-aid/>
- ✓ **Energy, Finance dep’ts release implementing rules for Murang Kuryente Act.** THE Department of Energy (DoE) and the Department of Finance (DoF) released the implementing rules and regulations (IRR) governing Republic Act No. 11371 or the Murang Kuryente Act, which relieves consumers of the universal charge for stranded contract costs (SCC) and stranded debt incurred by the National Power Corp. (NPC). In August, President Rodrigo R. Duterte signed the law, which allocates P208 billion of the net proceeds of the government’s share from the Malampaya Natural Gas Project to cover these costs, including the anticipated shortfalls or deficits incurred from paying these obligations.
<https://www.bworldonline.com/energy-finance-depts-release-implementing-rules-for-murang-kuryente-act/>
- ✓ **NPC seeks ‘minimal’ data collection for COVID-19 tracker apps.** THE National Privacy Commission (NPC) said digital tools designed to help health authorities contain the coronavirus disease 2019 (COVID-19) pandemic should avoid over-collecting personal data. “COVID-19 related apps can only achieve the desired level of uptake if it is clear about its legitimate purpose, is transparent on how it uses personal data and proportional in its collection. The App must not over-collect personal information from users and collect only what is necessary for the purpose” Privacy Commissioner Raymund E. Liboro said in a statement on Monday.
<https://www.bworldonline.com/npc-seeks-minimal-data-collection-for-covid-19-tracker-apps/>
- ✓ **EU-ASEAN council bats for more secure cross-border data transfers.** THE EU-ASEAN Business Council (EU-ABC) said that Southeast Asia must improve secure cross-border data transfers to achieve a projected \$300-billion Internet economy in five years. The council in a report said the importance of data security and protection has been highlighted in the wake of the coronavirus disease 2019 (COVID-19) pandemic. “As countries in the region are in varying levels of physical lockdowns due to COVID-19, millions more citizens are taking to digital tools such as online learning, video conferencing and telemedicine. This places ever greater importance on data security and privacy protection,” EU-ABC Chairman Donald Kanak said in a statement.
<https://www.bworldonline.com/eu-asean-council-bats-for-more-secure-cross-border-data-transfers/>
- ✓ **SEC easing local business registration requirements.** The Securities and Exchange Commission (SEC) is set to ease the requirements for the registration of new domestic corporations, particularly when it comes to authenticating the articles of incorporation. The SEC expects the proposed guidelines to “help improve the ease of doing business in the Philippines and subsequently bolster the economy.”
<https://business.inquirer.net/295184/sec-eases-local-business-registration-requirements>
- ✓ **IC surveys COVID-19 impact on insurance, HMO claims.** The Insurance Commission (IC) has asked its regulated entities to fill out a survey so that the regulator can assess the impact on the domestic sector of the COVID-19 pandemic. Deputy Insurance Commissioner George S. Ongkeko Jr. told the Inquirer last Saturday that the IC wanted to make an initial impact assessment of the COVID-19-related claims experience across the industry.
<https://business.inquirer.net/295192/ic-surveys-covid-19-impact-on-insurance-hmo-claims>
- ✓ **BDO Leasing books net profit.** BDO Leasing and Finance, Inc. (BDO Leasing) turned in a profit in the first quarter to reflect the effectiveness of its measures against margin compression. In a statement to the local bourse on Monday, BDO Leasing said it saw a net income of P83 million in the first three months of 2020, a reversal of the loss of P24 million booked in January to March last year. The firm’s gross revenues totalled P696 million. Meanwhile, total expenses declined by 30% to P569 million on the back of the 52% drop in interest and financing charges as funding costs returned to their normal level.

<https://www.bworldonline.com/bdo-leasing-books-net-profit/>

- ✓ **Ayala Corp. to merge energy, water and infrastructure units.** AYALA Corp. is merging its energy, water, transport, and logistic entities to boost its power and infrastructure portfolios in the country. In an announcement sent to the stock exchange on Monday, the diversified conglomerate said it was consolidating two of its listed firms, AC Energy, Inc. and Manila Water Co., Inc., as well as its unlisted unit, AC Infrastructure Holdings Corp. (AC Infra).
<https://www.bworldonline.com/ayala-corp-to-merge-energy-water-and-infrastructure-units/>
- ✓ **ACE Enexor studies two potential oil exploration sites.** AN Ayala-led petroleum exploration unit is currently assessing two potential areas for oil drilling in West Palawan. In the online annual stockholders meeting of ACE Enexor Inc. on Monday, the company said that its subsidiary Palawan55 Exploration & Production Corp. is conducting evaluations for two possible oil sites.
<https://www.bworldonline.com/ace-enexor-studies-two-potential-oil-exploration-sites/>
- ✓ **SEC plans easier registration rules for new corporations.** THE Securities and Exchange Commission (SEC) wants to relax rules for the registration of new domestic corporations by allowing the submission of unnotarized documents. The corporate regulator issued a draft memorandum circular on Monday allowing companies to register through the submission of articles of incorporation accompanied by a certificate of authentication. Both documents don't need to be notarized nor consularized as long as all incorporators sign the certificate of authentication that the SEC templated.
<https://www.bworldonline.com/sec-plans-easier-registration-rules-for-new-corporations/>
- ✓ **Jobstreet lists jobs hardest hit by lockdown.** ONLINE job search website Jobstreet.com saw a decline in merchandising, retail, and mechanical engineering job postings amid the lockdown declared to contain the coronavirus disease 2019 (COVID-19) pandemic. Jobstreet Country Manager Philip Gioca told BusinessWorld in an email on Friday that the website saw a sharp 73% drop in jobs available in merchandising since the lockdown was announced. Available jobs in sales or retail fell by 68%, while jobs in mechanical engineering dropped 65%.
<https://www.bworldonline.com/jobstreet-lists-jobs-hardest-hit-by-lockdown/>
- ✓ **RLC property sale continues in China.** ROBINSONS Land Corp. (RLC) continues to sell property in its residential project in Chengdu, China despite the onslaught of the coronavirus disease 2019 (COVID-19) pandemic. In a disclosure to the stock exchange on Monday, the Gokongwei-led real estate company said it had sold 76% of 564 condominium units and 73% of 64 duplex villas opened for sale from its project in China. "RLC has noted the warm reception of the market to the high-rise condominium units and low-rise duplex villas released for sale," it said.
<https://www.bworldonline.com/rlc-property-sale-continues-in-china/>
- ✓ **Korea's Lotte assures SEC of plan to buy more PCPPI shares.** LOTTE Chilsung Beverage Co. Ltd. will proceed with its plan to acquire more shares in listed Pepsi-Cola Products Philippines, Inc. (PCPPI) as the Securities and Exchange Commission (SEC) asks for more submissions from the company. The Korean conglomerate told PCPPI in a letter last week about the SEC's review of its plan to buy PCPPI shares. Lotte Chilsung's letter was disclosed by PCPPI to the stock exchange on Monday.
<https://www.bworldonline.com/koreas-lotte-assures-sec-of-plan-to-buy-more-pcppi-shares/>
- ✓ **Cigarette transport restrictions may ease as smuggling rampant amid COVID-19 lockdown.** Restriction on transport of legal tobacco products may be lifted following reports that cigarette smuggling, mostly through Mindanao, has become rampant while the entire country is waging war on COVID-19. Finance Secretary Carlos G. Dominguez III on Monday (April 20) said lifting transport restrictions on tax-paid cigarettes was "under consideration because the absence of cigarettes encourages illicit trade."
<https://business.inquirer.net/295188/cigarette-transport-restrictions-may-ease-as-smuggling-rampant-amid-covid-19-lockdown>



REST
OF THE
WORLD



- ✓ **Asian shares mixed as oil prices fall back; China cuts rate.** Shares were mixed in Asia on Monday after China cut a key interest rate to help cushion the impact of the pandemic on its economy. Benchmarks rose Monday in Hong Kong and Shanghai but fell in Tokyo. Oil prices were lower.
<https://business.inquirer.net/295168/asian-shares-mixed-as-oil-prices-fall-back-china-cuts-rate>
- ✓ **Is S. Korea's stock market on recovery track?** With the COVID-19 infection curve in South Korea having slowed down in recent weeks, the local bourse is gradually recovering its momentum on the back of an influx of foreign capital. But investors still find themselves confused as the virus continues to spread in other parts of the world and authorities voice warnings against "excessive optimism."
<https://business.inquirer.net/295196/is-s-koreas-stock-market-on-recovery-track>
- ✓ **Wall Street drops as oil traders cannot give away U.S. crude.** Wall Street tumbled on Monday after U.S. crude futures turned negative for the first time ever, with traders forced to pay to unload crude as the May contract expired during a global economic slump unleashed by the coronavirus outbreak. The S&P energy index .SPNY tumbled 3.7% after the front-month May U.S. West Texas Intermediate (WTI) contract CLc1 actually turned negative, with sellers offering \$37.63 a barrel to any traders willing to take it.
<https://www.reuters.com/article/us-usa-stocks/wall-street-drops-as-oil-traders-cannot-give-away-u-s-crude-idUSKBN2221E7>
- ✓ **Trump to consider stopping Saudi oil imports, sees price drop as short-term.** U.S. President Donald Trump described a historic drop in oil prices on Monday as short-term and stemming from a "financial squeeze," adding the administration would consider stopping oil



“YOUR LIFE
DOES NOT GET BETTER
BY CHANGE, IT GETS
BETTER BY CHANGE.”

- JIM ROHN
KUSHANWIZDOM

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