



BAIPHIL MARKET WATCH

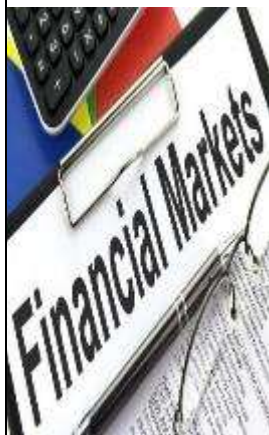
22 Apr
2020

~ 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	50.7900
USD/JPY	107.7800	107.7200
USD/CNY	7.0920	7.0722
EUR/USD	1.0856	1.0862
GBP/USD	1.2291	1.2440

PHP BVAL Reference Rates ²	Current	Previous
30-Day	3.0930	3.1320
91-Day	3.1710	3.2030
180-Day	3.3270	3.3760
1-Year	3.3920	3.5110
3-Year	3.5350	3.5380
5-Year	3.6650	3.6260
10-Year	3.8720	3.8220

Domestic Stock Index ³	Current	Previous
PSEi	5,592.25	5,733.65
Trade Value (Php B)	5.662	4.755

Stock Index ⁴	Current	Previous
NIKKEI 225	19,280.78	19,669.12
FTSE 100	5,641.03	5,812.83
DOW JONES	23,018.88	23,650.44
S&P 500	2,736.56	2,823.16
NASDAQ	8,263.230	8,560.73

Various ^{5/6}	Current	Previous
Brent Crude (USD/bbl)	19.61	25.57
3-M US Treasury Yield	0.10%	0.07%
5-Y US Treasury Yield	0.36%	0.35%
10-Y US Treasury Yield	0.65%	0.63%



PHILIPPINES



- ✓ **Local shares continue to decline on oil price drop.** PHILIPPINE SHARES continued to fall on Tuesday as investors reacted to the historic drop in oil prices to new lows overnight. The 30-member Philippine Stock Exchange index (PSEi) lost 141.40 points or 2.46% to close at 5,592.25 on Tuesday. The broader all shares index fell 84.16 points or 2.42% to 3,389.74.
<https://www.bworldonline.com/local-shares-continue-to-decline-on-oil-price-drop/>
- ✓ **Peso flat as oil prices sink.** THE PESO closed steady on Tuesday on the back of positive sentiment after the largest decline of oil prices to below zero overnight. The local unit ended trading at P50.79 per dollar, unchanged from its Monday close, according to data from the Bankers Association of the Philippines.
<https://www.bworldonline.com/peso-flat-as-oil-prices-sink/>
- ✓ **Gov't makes full award of 35-day Treasury bills as demand climbs.** THE GOVERNMENT fully awarded the Treasury bills (T-bill) auctioned off on Tuesday and opened the tap facility for another P10-billion offer as investors holding excess cash flocked to safe-haven assets. The Bureau of the Treasury (BTr) on Tuesday raised P15 billion as planned via the 35-day T-bills as its offer was more than four times oversubscribed, with total tenders reaching P62.2 billion.
<https://www.bworldonline.com/govt-makes-full-award-of-35-day-treasury-bills-as-demand-climbs/>
- ✓ **New NEDA chief lays out priorities.** THE new chief of the National Economic and Development Authority (NEDA) will prioritize finishing the economic recovery plan and frontloading the registration of five million people to the national ID system. NEDA Acting Secretary Karl Kendrick T. Chua, who assumed office on Tuesday, said the target is to register five million people to the national ID system this year, which will help the government's distribution of relief measures amid the coronavirus disease 2019 (COVID-19) pandemic. The ID system will be "slowly" ramped up to 40 million next year and 40 million more in 2022.
<https://www.bworldonline.com/new-neda-chief-lays-out-priorities/>
- ✓ **S&P raises PHL 2020 unemployment estimate to 6.8%.** UNEMPLOYMENT is expected to surge in service sector-reliant Asia because of the pandemic, with the Philippine jobless rate projected at 6.8% this year from the 5.3% pre-outbreak forecast, according to S&P Global Ratings. "Measures designed to limit viral spread are striking at the heart of the engine of job creation across Asia-Pacific — the service sector," S&P said in a report, "Jobs and the Climb Back from COVID-19."
<https://www.bworldonline.com/sp-raises-phl-2020-unemployment-estimate-to-6-8/>


- ✓ **Tax haul to be 'very bad' this month.** THE government expects tax collections to plunge this month, as oil prices and demand plummeted and income tax payment deadlines were deferred due to the ongoing Luzon-wide lockdown. Finance Secretary Carlos G. Dominguez III on Tuesday warned that collections by the Bureaus of Internal Revenue (BIR) and Customs (BoC) will be "very bad" this month.
<https://www.bworldonline.com/tax-haul-to-be-very-bad-this-month/>
- ✓ **IATF issues new directive forming food-security task group.** THE Inter-Agency Task Force for the Management of Emerging Infectious Diseases (IATF-EID) has appointed a task group for food security led by the Department of Agriculture (DA). IATF Resolution No. 25 authorized the formation of the Task Group on Food Security (TGFS). The group will address threats to the food supply during the coronavirus disease 2019 (COVID-19) outbreak.
<https://www.bworldonline.com/iatf-issues-new-directive-forming-food-security-task-group/>
- ✓ **Foreign missions issued digital VAT exemption cards during lockdown.** THE Bureau of Internal Revenue (BIR) will issue temporary digital value-added tax (VAT) certificates (VCs) and identification cards (VICs) to foreign missions to allow them to continue enjoying VAT exemptions during the lockdown. According to Revenue Memorandum Circular No. 44-2020 dated April 17, published on Tuesday, the temporary digital copies of VCs and VICs are valid until August 30 and should be renewed within 30 days after the enhanced community quarantine (ECQ) is lifted.
<https://www.bworldonline.com/foreign-missions-issued-digital-vat-exemption-cards-during-lockdown/>
- ✓ **PHL seen to benefit from slump in oil prices.** THE Philippines as a net oil importer would be a "big beneficiary" of the continued slump in global oil prices, although lower prices and plunging demand would likely translate into lower tax collections for the government. "We will be a big beneficiary of the oil price crash. We import \$10 billion of petrol products per year. Our domestic production of oil, all for export, is minimal and production drops every year," Finance Undersecretary and Chief Economist Gil S. Beltran said in a mobile phone message.
<https://www.bworldonline.com/phl-seen-to-benefit-from-slump-in-oil-prices/>
- ✓ **LNG market favorable in next few years due to low prices.** THE next years will likely be favorable for importers of liquified natural gas (LNG) like Philippines due to low prices, Fitch Solutions Country Risk and Industry Research said in an outlook issued Tuesday. "The Philippines has yet to enter into any LNG supply contracts for its terminals, and as such, it could prove to be an attractive market for the growing legion of LNG suppliers globally," it noted.
<https://www.bworldonline.com/lng-market-favorable-in-next-few-years-due-to-low-prices/>
- ✓ **PH e-commerce gains during COVID-19 lockdown.** The COVID-19 global pandemic and the resulting lockdowns to contain the disease, including in the Philippines, so far inflicted a "brutal blow" on the growing "sharing economy," but benefitted the industry of e-commerce in Asean, Malaysian financial giant Maybank said.
<https://business.inquirer.net/295234/ph-e-commerce-gains-during-covid-19-lockdown>
- ✓ **Food delivery glimpses upside after wider adoption during ECQ.** THE on-demand food delivery industry demonstrated its potential after its services were called upon extensively during the pandemic, with usage now expected to surge from a low base in 2019, Maybank Kim Eng said in a report. "With the ban on dine-in services, more food merchants are signing up with delivery platforms such as GrabFood, Foodpanda and Deliveroo," it said.
<https://www.bworldonline.com/food-delivery-glimpses-upside-after-wider-adoption-during-ecq/>
- ✓ **PEZA seeks unified ECQ rules amid movement snags at LGUs.** THE Philippine Economic Zone Authority (PEZA) is calling for a unified plan in addressing the coronavirus disease 2019 (COVID-19) pandemic, saying that local governments are issuing rules that do not comply with national guidelines which continue to hamper the mobility of goods and workers.
<https://www.bworldonline.com/peza-seeks-unified-ecq-rules-amid-movement-snags-at-lgus/>
- ✓ **PH's biggest management group submits plan to resume public transport during COVID-19 lockdown.** A business group proposed that only buses and trains be allowed to operate in Metro Manila in the meantime, opening modes of public transportation that it thinks are enough to support the skeleton crew of essential businesses. The Management Association of the Philippines (MAP) has submitted a transportation plan to the government, which essentially suggested that only necessary modes of public transportation should be allowed to operate for now.
<https://business.inquirer.net/295285/phs-biggest-management-group-submits-plan-to-resume-public-transport-during-covid-19-lockdown>
- ✓ **NCR construction material prices rise in March.** THE wholesale price of construction materials in the National Capital Region (NCR) rose 1.6% in March, the Philippine Statistics Authority (PSA) said. The construction materials wholesale price index (CMWPI) rose 1.6% year on year in March, compared to a rise of 1.5% in February.
<https://www.bworldonline.com/ncr-construction-material-prices-rise-in-march/>
- ✓ **AUB unveils new e-wallet.** The Rebisco group's banking arm Asia United Bank (AUB) has rolled out a new digital wallet for consumers seeking to migrate to electronic banking channels especially at this time that people's mobility is restricted by the COVID-19 pandemic.
<https://business.inquirer.net/295250/aub-unveils-new-e-wallet>
- ✓ **ING's mobile bank keeps high interest rate.** Dutch financial giant ING is keeping the above-industry deposit rate of 4 percent per annum offered through its mobile consumer banking platform until end-July this year to encourage more people to embrace digital banking during the enhanced community quarantine (ECQ). ING is also donating €100,000 to support the country's healthcare front-liners in this war against COVID-19 pandemic.
<https://business.inquirer.net/295255/ings-mobile-bank-keeps-high-interest-rate>





REST OF THE WORLD



- ✓ **Asian markets slide after U.S. oil futures plunge.** Asian shares skidded on Tuesday after U.S. oil futures plunged below zero as storage for crude runs close to full amid a worldwide glut as demand collapses due to the pandemic. Shares fell in Tokyo, Hong Kong and Shanghai and New York stock futures retreated after the S&P 500 sank 1.8% overnight, giving up some big gains from last week.
<https://www.marketwatch.com/story/asian-markets-slide-after-us-oil-futures-plunge-2020-04-20>
- ✓ **Wall Street tumbles as oil crash stirs pandemic fears.** Wall Street tumbled for a second straight day on Tuesday as a collapse in U.S. oil prices and glum forecasts by companies worsened fears of a deep economic downturn. All 11 S&P 500 sector indexes fell 1.6% or more, with energy .SPNY sliding for the seventh time in eight sessions a day after the WTI contract CLc1 crashed below zero as oil traders ran out of storage for May deliveries.
<https://www.reuters.com/article/us-usa-stocks/wall-street-tumbles-as-oil-crash-stirs-pandemic-fears-idUSKCN22319P>
- ✓ **China announces more policies to boost economy.** The Ministry of Finance announced on Monday it would raise the front-loaded quota of local government special bonds by another 1 trillion yuan (\$141.3 billion). Issuance of the increased quota should be finished by the end of May. Most of the debt is for infrastructure construction projects.
<https://business.inquirer.net/295257/china-announces-more-policies-to-boost-economy>
- ✓ **Wuhan restarts: Measures announced to boost consumption.** Wuhan has unveiled a series of measures to ensure people's livelihood and support small, medium and micro-sized enterprises. The local government of Wuhan has started to work with online platforms to offer a total of 2.3 billion yuan in coupons from April 19 to July 31 to stimulate its consumer market, with 500 million yuan from the municipal government.
<https://business.inquirer.net/295273/wuhan-restarts-measures-announced-to-boost-consumption>
- ✓ **S. Korea pledges sufficient forex liquidity for virus-hit exporters, importers.** South Korea's finance ministry said Tuesday it will continue to supply sufficient foreign-exchange liquidity to exporters and importers hit by the coronavirus pandemic. Vice Finance Minister Kim Yong-beom made the remarks at a meeting with senior executives from major exporters and importers earlier in the day, the ministry said in a statement.
<https://business.inquirer.net/295269/s-korea-pledges-sufficient-forex-liquidity-for-virus-hit-exporters-importers>
- ✓ **Seoul plays down report over N. Korean leader's health.** South Korea played down a report Tuesday that the North's leader Kim Jong Un was being treated after surgery, as speculation mounted over his absence from a key anniversary. Pyongyang marked the birthday of its late founder, Kim's grandfather Kim Il Sung, on April 15 -- by far the most important date in its annual political calendar -- but Kim was not seen in attendance.
<https://www.afp.com/en/news/3954/seoul-plays-down-report-over-n-korean-leaders-health-doc-1qq0a71>
- ✓ **U.S. economy likely set for U-shaped recovery after deep rut: Reuters poll.** The U.S. economic recession underway, caused by the coronavirus pandemic, will be worse than previously thought, with more economists polled by Reuters over the past week expecting a "U-shaped" recovery rather than any other option.
<https://www.reuters.com/article/us-usa-economy-poll/u-s-economy-likely-set-for-u-shaped-recovery-after-deep-rut-reuters-poll-idUSKCN2231V6>
- ✓ **U.S.' Pelosi: negotiators agreed 'principles' of next coronavirus aid package.** U.S. House Speaker Nancy Pelosi said on Monday Republican and Democratic negotiators have come to terms on the "principles" of the next coronavirus relief package, which is expected to focus on more aid for small businesses and be taken up in the U.S. Congress this week.
<https://www.reuters.com/article/us-health-coronavirus-usa-pelosi/u-s-pelosi-negotiators-agreed-principles-of-next-coronavirus-aid-package-idUSKBN223039>
- ✓ **US oil rebounds, back in positive territory.** US oil prices rebounded above zero Tuesday, a day after futures ended in negative territory for the first time as a coronavirus-triggered collapse in demand leaves the world awash in crude. US benchmark West Texas Intermediate for May delivery was changing hands at \$1.10 a barrel after closing at -\$37.63 in New York.
<https://www.afp.com/en/news/3954/us-oil-rebounds-back-positive-territory-doc-1qq02a3>
- ✓ **Electronics industry gearing up for surge in demand in post-coronavirus era.** South Korea's electronics industry is gearing up for a surge in demand in the post-coronavirus era, with some experts predicting it as early as the second half of this year, industry sources said Tuesday. Experts from the semiconductor, display, telecommunications and battery sectors gathered Tuesday at an event hosted by the Korea Chamber of Commerce and Industry to discuss how to prepare for a post-coronavirus market.
<https://business.inquirer.net/295266/electronics-industry-gearing-up-for-surge-in-demand-in-post-coronavirus-era>
- ✓ **HSBC cuts top investment bank jobs despite freeze.** Hongkong and Shanghai Banking Corp. (HSBC) has cut a number of top management roles in its investment bank, memos seen by Reuters showed, a sign that Chief Executive Officer (CEO) Noel Quinn is pressing on with plans to shake up the group despite having put a wider job cut program on hold. Mr. Quinn last month announced a temporary halt to plans for 35,000 redundancies across the bank because of the impact of the coronavirus pandemic.
<https://www.bworldonline.com/hsbc-cuts-top-investment-bank-jobs-despite-freeze/>

	<ul style="list-style-type: none"> ➤ IT Security in Banking Operations – 13-20 May 2020 ONLINE ➤ Legal Liabilities of Directors and Senior Management – 02 June 2020 ➤ Application Security Testing – 16 & 17 June 2020 ➤ Accounting for Non-Accountants – 19 & 20 June 2020 ➤ Anti-Money Laundering Council Procedural Issuance (API) A, B, and C, No. 1 Series of 2019 – Rules of Procedure in Administrative Cases (RPAC) ➤ Basic Corporate Governance for Board of Directors and Senior Management ➤ Accounting for Non-Accountants ➤ Signature Verification & Detection of Fake IDs and Documents ➤ Counterfeit Detection ➤ Treasury 101 ➤ Privacy Impact Assessment ➤ Ethical Dilemmas in Digital Transformation ➤ Problem Solving and Decision-Making Skills ➤ Basic Real Estate Valuation ➤ Fundamentals of Organizational Environmental, Social and Governance (ESG) ➤ Enterprise Risk Management ➤ Amendments to AML/CFT (BSP Cir. No. 1022) and the AML Risk Rating System ➤ BSP Expectations from Banks on BSP Mem. No. M-2018-002 & M-2016-004 on Sound Risk Management Practices ➤ Regulatory Expectations on Cybersecurity Audit ➤ Overview of Key Regulations on Digital Financial Inclusion ➤ Related Party Transactions ➤ Regulatory Guidelines on the Management of Interest Rate Risk in the Banking Book and Amendment of the Guidelines on Market Risk Management (BSP Circular No. 1044) ➤ Advanced Excel Training for Bankers ➤ Auditing the Consumer Lending Business
<p>For details, please contact BAIPHIL via telephone (853-4457/519-2433) or email (training@baiphil.org).</p>	

	
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| <ul style="list-style-type: none">> Bloomberg: https://www.bloomberg.com/markets/> Business Mirror: https://businessmirror.com.ph/ | <ul style="list-style-type: none">> CNBC: https://www.cnn.com/> The New York Times: https://www.nytimes.com/> Gulf News: https://gulfnews.com/ |
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