



BAIPHIL MARKET WATCH

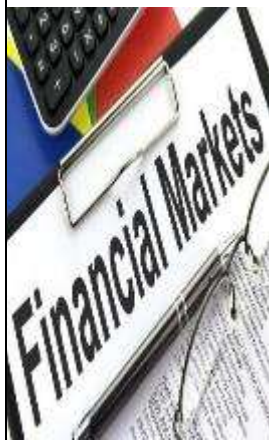
24 Feb
2020

*~ 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	50.9400	50.5800
USD/JPY	111.6100	111.9800
USD/CNY	7.0271	7.0230
EUR/USD	1.0847	1.0792
GBP/USD	1.2964	1.2883

PHP BVAL Reference Rates ²	Current	Previous
30-Day	2.9980	3.0130
91-Day	3.1000	3.1160
180-Day	3.4200	3.4220
1-Year	3.8690	3.8690
3-Year	4.0610	4.0950
5-Year	4.1840	4.2120
10-Year	4.3520	4.3780

Domestic Stock Index ³	Current	Previous
PSEi	7,369.78	7,413.00
Trade Value (Php B)	5.198	5.792

Stock Index ⁴	Current	Previous
NIKKEI 225	23,386.74	23,479.15
FTSE 100	7,403.92	7,436.64
DOW JONES	28,992.41	29,219.98
S&P 500	3,337.75	3,373.23
NASDAQ	9,576.590	9,750.965

Various ^{5/6}	Current	Previous
Brent Crude (USD/bbl)	58.50	59.15
3-M US Treasury Yield	1.52%	1.54%
5-Y US Treasury Yield	1.32%	1.37%
10-Y US Treasury Yield	1.47%	1.52%



PHILIPPINES



- ✓ **Shares seen steady on firms' earnings reports.** LOCAL SHARES are seen to move in a stable range this week, with major catalysts being the release of corporate earnings and developments in the outbreak of the coronavirus disease 2019 (COVID-19). The 30-member Philippine Stock Exchange index (PSEi) closed lower on Friday at 7,369.78, down 43.22 points or 0.58% from the previous session. But it was higher by 1.21% on a weekly basis, a reversal of the drop seen a week ago.
<https://www.bworldonline.com/shares-seen-steady-on-firms-earnings-reports/>
- ✓ **Peso to decline due to negative sentiment on coronavirus spread.** THE PESO may continue to depreciate on Monday as investors continue to have risk-off sentiment due to more cases of the coronavirus disease 2019 (COVID-19) recorded outside China. The local unit finished trading at P50.94, shedding 36 centavos from its Thursday finish of P50.58 against the dollar.
<https://www.bworldonline.com/peso-to-decline-due-to-negative-sentiment-on-coronavirus-spread/>
- ✓ **Treasury bills expected to fetch lower rates on liquidity, growth.** TREASURY BILLS (T-bills) on offer on Monday will likely fetch lower rates on the back of strong liquidity and market expectations of another policy rate cut by the central bank amid a sluggish growth outlook. The Bureau of the Treasury (BTr) wants to raise P30 billion via the T-bills today, broken down into P6 billion each for 91- and 182-day papers and P8 billion for the 364-day securities.
<https://www.bworldonline.com/treasury-bills-expected-to-fetch-lower-rates-on-liquidity-growth/>
- ✓ **BSP sees higher gold purchases due to tax exemption.** THE BANGKO SENTRAL ng Pilipinas (BSP) sees increased gold purchases next month after the Bureau of Internal Revenue (BIR) issued the rules exempting from income and excise taxes the golds that traders and small miners sell to the central bank. BIR Commissioner Caesar Dulay issued Revenue Regulation (RR) No. 4-2020 last week, Feb. 18, the implementing rules and regulations (IRR) for Republic Act (RA) No. 11256 which exempts the gold that traders and registered small-scale miners (SSM) sell to the BSP from income and withholding taxes as well as excise tax.
<https://www.bworldonline.com/bsp-sees-higher-gold-purchases-due-to-tax-exemption/>
- ✓ **HSA, AMLA amendments sought.** THE ANTI-MONEY Laundering Council (AMLC) has urged lawmakers to speed up the passage of the amendments for the Anti-Money Laundering Act (AMLA) and the Human Security Act (HSA) which are among the "most difficult" for the recommended actions to avoid being re-included in a global dirty money watch list, according to AMLC Executive Director Mel Georgie B. Racela. "We likewise clarified that we don't only need to pass the laws, we also have to demonstrate effective implementation, so deadline of October 2020 on the amendments of these laws is not merely for legislation but includes implementation," Mr. Racela said in a text message on Friday.

<https://www.bworldonline.com/hsa-amla-amendments-sought/>

- ✓ **Banks post bigger capital buffers, but see slower growth of assets, loans.** THE COUNTRY'S biggest banks saw their capacity to absorb risky assets improve in the last three months of 2019, even as aggregate profitability dipped and growth in assets and loans eased. *BusinessWorld's* 4th Quarter Banking Report shows the combined assets of the country's 46 universal and commercial banks (U/KBs) grew 8.16% to P17.93 trillion from P16.58 trillion in 2018's comparable three months.
<https://www.bworldonline.com/banks-post-bigger-capital-buffers-but-see-slower-growth-of-assets-loans/>
- ✓ **Gov't debt yields drop on BSP bets.** YIELDS ON government securities (GS) went down last week after the Bangko Sentral ng Pilipinas (BSP) signaled another rate cut as early as the second quarter. GS yields, which move opposite to prices, dropped by an average of seven basis points (bps) week on week, according to Philippine Dealing System's PHP Bloomberg Valuation Service Reference Rates published on Feb. 21.
<https://www.bworldonline.com/govt-debt-yields-drop-on-bsp-bets/>
- ✓ **"Sin" tax collections seen reaching P480B by 2024.** Tax collections from so-called "sin" products were projected to reach at least P480 billion by 2024, which would help fund universal health care, according to the Department of Finance (DOF) on Friday (Feb. 21). In a statement, Finance Undersecretary Karl Kendrick T. Chua said the "low-end" estimates for total sin tax collection four years from now were expected with the implementation of Republic Act No. 11346 which raised taxes on cigarettes and another law, Republic Act No. 11467, which did the same for alcoholic drinks, vapes and heated tobacco products.
<https://business.inquirer.net/290994/sin-tax-collections-seen-reaching-p480b-by-2024>
- ✓ **SEC seeks to tighten rules on sale of corporate assets.** THE Securities and Exchange Commission (SEC) is proposing that companies selling at least 51% of its assets should require the approval of at least two-thirds of its stockholders. The SEC posted on its website Friday a draft memorandum circular on sale of corporate assets, which proposes an amendment of the Revised Corporation Code of the Philippines to post stricter rules in disposing of corporate property and assets.
<https://www.bworldonline.com/sec-seeks-to-tighten-rules-on-sale-of-corporate-assets/>
- ✓ **PH tops 'Women in Business' global ranking.** With 43 percent of Filipino women executives holding senior management positions, the Philippines ranked first among 32 countries surveyed in having the most number of women executives in top leadership roles, according to the Grant Thornton International's 2020 Women in Business report. The number of Filipino women executives in senior management posts hit 37.5 percent in 2018, 40 percent in 2017 and 39 percent in 2016, the report said, adding that globally, the three-year average is 42 percent.
<https://business.inquirer.net/291145/ph-tops-women-in-business-global-ranking>
- ✓ **Infestation threatens PH's mango production.** Infestation is threatening the country's mango production, prompting Agriculture Secretary William Dar to order his agency to come up with a science-based solution that would ensure the commodity's sustainable production. During his meeting with some mango growers, Dar assured that the Department of Agriculture (DA) is "bent on helping" them to address the infestation by cecid fly, known locally as "kurikong".
<https://business.mb.com.ph/2020/02/22/infestation-threatens-phs-mango-production/>
- ✓ **PHAP to immediately bring new COVID-19 vaccines once available.** The Pharmaceutical Association of the Philippines (PHAP), which represents the research-based pharmaceutical and healthcare sector in the country, vowed to immediately bring new vaccines and technologies to cure and detect coronavirus disease-2019 (COVID-19) once these are available. "Once available, our goal is to immediately bring these life-saving innovations into the country in partnership with the government," said PHAP President Dr. Beaver Tamesis.
<https://business.mb.com.ph/2020/02/22/phap-to-immediately-bring-new-covid-19-vaccines-once-available/>
- ✓ **DOE scrambles to ease summer power supply.** The Department of Energy (DOE) assured consumers of "enough power supply," but it stopped short of admitting that the country's electricity system is actually on "life support" and can only be saved by "band aid measures" especially during the critical months of April, May and June. That then prompted energy officials to scramble for stop-gap remedies so they can spare consumers from agonizing rolling brownouts as demand peaks on higher consumption for airconditioning during the summer months.
<https://business.mb.com.ph/2020/02/22/doe-scrambles-to-ease-summer-power-supply/>
- ✓ **PHL seeks way to increase garments exports to EU.** THE Trade department's export marketing bureau (EMB) wants to request the European Union (EU) to allow the Philippines to export garments that use imported textiles under its preferential trade scheme, EMB Director Senen M. Perlada said. Under the Generalized Scheme of Preferences (GSP+), up to 6,274 Philippine products can enjoy zero-tariff entry to the EU as long as the product originates from the Philippines.
<https://www.bworldonline.com/phl-seeks-way-to-increase-garments-exports-to-eu/>
- ✓ **SB Corp ranks 7th in GOCC governance.** The Small Business Corporation (SB Corporation) was among the 2019 achievers in the Corporate Governance Scorecard (CGS) of all Government-Owned and Controlled Corporations (GOCCs), tallying an assessment score of 93.0 for its 2018 operations and securing the 7th spot out of 82 GOCCs assessed, a big leap from its 2016 score of 58.50 from its previous 39th spot in the ranking.
<https://business.mb.com.ph/2020/02/22/sb-corp-ranks-7th-in-gocc-governance/>
- ✓ **BIR shuts first tax-evading Pogo even as raid hit snag.** The Bureau of Internal Revenue (BIR) on Friday (Feb. 21) shuttered licensed Philippine offshore gaming operator (Pogo) Synchronization Anywhere For You Inc., as the Pasay City-based firm had been unregistered with the BIR and failed to pay franchise tax worth over P100 million. The BIR was able to close down Synchronization Anywhere For You even as the raid supposed to be conducted Friday morning hit a snag when its operatives were told that they had been given the "wrong" address by the state-run Philippine Amusement and Gaming Corp. (Pagcor), which grants licenses to Pogos.
<https://business.inquirer.net/291012/bir-shutters-first-tax-evading-pogo-even-as-raid-hit-snag>
- ✓ **Australian ICT training firm sets up hub in PH.** DDLs, a leading information and communications (ICT) technology and cybersecurity training business in Australia, has set up shop in the Philippines through a local venture backed by conglomerate Aboitiz Equity Ventures. DDLs opened on February 20 its first training campus in BGC, Taguig, marking the group's expansion into the Asia-Pacific.
<https://business.inquirer.net/290996/australian-ict-training-firm-sets-up-hub-in-ph>

- ✓ **Honda to shut down Laguna plant.** Japanese carmaker Honda is closing down its manufacturing plant in Laguna, announcing an unexpected turn of events that will shutter a factory that has been locally making cars for nearly three decades. Honda Cars Philippines, Inc. said in a statement on Saturday that the Japanese brand considered how it would optimize its production in Asia and Oceania, which eventually led to the decision to close down the Laguna plant.
<https://business.inquirer.net/291131/honda-to-shut-down-laguna-plant>



REST OF THE WORLD



- ✓ **Asian stocks follow Wall Street lower on renewed virus fears.** Asian stock markets followed Wall Street lower Friday after a spike in new virus cases in South Korea refueled investor anxiety about China's disease outbreak. Benchmarks in Tokyo, Shanghai, Hong Kong and Sydney retreated. Traders shifted money into bonds and gold, a traditional safe haven.
<https://business.inquirer.net/290991/asian-stocks-follow-wall-street-lower-on-renewed-virus-fears>
- ✓ **U.S. stocks slump, ending two-week win streak, led by tech sector as coronavirus worries ratchet higher.** U.S. stocks slumped Friday, ending a two week win streak, as the spread of the COVID-19 epidemic from China to neighboring countries amplified worries about the impact on supply chains and global economic growth. Tech shares were the biggest loser in the S&P 500 index, with the sector closing down 2% as investors weighed potential fallout resulting from the coronavirus.
<https://www.marketwatch.com/story/stock-futures-headed-lower-early-friday-as-coronavirus-hits-japan-coca-cola-2020-02-21>
- ✓ **G20 sees need to coordinate coronavirus response as IMF trims growth forecasts.** The world's top economies called on Saturday for a coordinated response to the coronavirus outbreak, which the IMF predicted would lower China's growth this year to 5.6% and shave 0.1 percentage points from global growth. International Monetary Fund Managing Director Kristalina Georgieva presented the outlook to central bankers and finance ministers from the Group of 20 countries, but said the IMF continued to look at more dire scenarios. The China outlook is 0.4 percentage points lower than it was last month.
<https://www.reuters.com/article/us-g20-coronavirus-imf/g20-sees-need-to-coordinate-coronavirus-response-as-imf-trims-growth-forecasts-idUSKCN20G0KE>
- ✓ **Virus hits shipping, spreading global economic strain.** Sea freight transport, the lifeblood of trade and a bellwether of the global economy, has been blown off course by the new coronavirus, sparking general alarm. As analysts pore over charts to gauge just how badly Chinese mega-factories have been hit, figures provided by cargo ship traffic paint a gloomy picture.
<https://business.mb.com.ph/2020/02/23/virus-hits-shipping-spreading-global-economic-strain/>
- ✓ **Japan urges G20 members with fiscal scope to boost spending.** Japan called on G20 countries with fiscal space to ramp up spending to help the global economy weather risks, including the fallout from the coronavirus outbreak, Finance Minister Taro Aso said on Saturday. The epidemic has cast a cloud over global recovery prospects, overshadowing a meeting of finance leaders of the world's top 20 economies that began in Riyadh on Saturday.
<https://www.reuters.com/article/us-g20-saudi-japan-aso/japan-urges-g20-members-with-fiscal-scope-to-boost-spending-idUSKCN20G0OL>
- ✓ **Kuroda blames yen's fall on strong dollar.** Bank of Japan (BoJ) Governor Haruhiko Kuroda said on Saturday the yen's recent declines were largely driven by a strong dollar, shrugging off some market views that the widening coronavirus epidemic is triggering an outflow of funds from Asia. Mr. Kuroda also said he had not changed his view that Japan's economy would continue to recover moderately, suggesting that he saw no immediate need for the BoJ to expand stimulus.
<https://www.bworldonline.com/kuroda-blames-yens-fall-on-strong-dollar/>
- ✓ **China suspends more penalties on US goods after trade truce.** China on Friday suspended more punitive tariffs on imports of U.S. industrial goods in response to a truce in its trade war with Washington that threatened global economic growth. Financial markets have welcomed announcements by both sides of reductions in penalties on each other's goods, though they have yet to resolve much of the conflict that erupted in 2018 over Beijing's technology ambitions and trade surplus.
<https://business.inquirer.net/291118/china-suspends-more-penalties-on-us-goods-after-trade-truce>
- ✓ **Taj Mahal but no trade deal for Trump in India.** US President Donald Trump will open the world's biggest cricket stadium and watch the sunset at the famed Taj Mahal during a lightning visit to India starting Monday, but behind the spectacular optics he is expected to face a protectionist counter-punch on trade. Trump's blossoming bromance with Prime Minister Narendra Modi that will be on show again belies prickly relations, particularly over commerce, with both men ramping up protectionist measures.
<https://business.mb.com.ph/2020/02/22/taj-mahal-but-no-trade-deal-for-trump-in-india/>
- ✓ **Banned Thai opposition party says junta helped 1MDB cover-up.** A banned Thai opposition party on Sunday accused the former military junta of helping cover up Malaysia's multi-billion-dollar 1MDB scandal, urging Thais to demand the truth ahead of a censure debate against Prime Minister Prayuth Chan-ocha. The Future Forward Party, the third-largest party in parliament, was dissolved on Friday by Thailand's Constitutional Court over a loan it took from its billionaire founder.
<https://www.reuters.com/article/us-thailand-politics/banned-thai-opposition-party-says-junta-helped-1mdb-cover-up-idUSKCN20H0AD>

- ✓ **Macron says 'not sure' EU-UK trade deal possible before end of 2020.** French President Emmanuel Macron on Saturday said he was "not sure" it would be possible for the European Union and Britain to reach a trade deal by the end of the year. Britain and the EU are about to embark on negotiations aiming to hammer out a trade agreement by the time the post-Brexit transition period shuts at the end of December.
<https://www.afp.com/en/news/3954/macron-says-not-sure-eu-uk-trade-deal-possible-end-2020-doc-1p81d112>
- ✓ **Argentina agrees to IMF talks aimed at new financing program.** Argentina and the IMF announced Saturday that they have agreed to start talks aimed at reaching a new financing agreement for the heavily indebted South American nation. The announcement in statements by both parties came after a meeting between IMF Managing Director Kristalina Georgieva and Argentine Economy Minister Martin Guzman on the sidelines of a G-20 meeting in Riyadh.
<https://business.mb.com.ph/2020/02/23/argentina-agrees-to-imf-talks-aimed-at-new-financing-program/>



- **ECL Modelling for PFRS9 Compliance – 07 March 2020**
- **Fundamentals of Organizational Environmental, Social and Governance (ESG) – 09 March 2020**
- **Macros Training for Bankers – 12 & 13 March 2020**
- **Signature Verification & Detection of Fake IDs and Documents – 14 March 2020**
- **Counterfeit Detection – 21 March 2020**
- **Masterclass on Auditing the ICAAP of Banks (lecture only) – 21 March 2020**
- **Masterclass on Auditing the ICAAP of Banks – 28 March & 04 April 2020**
- **Treasury 101 – 04 April 2020**
- **IT Security in Banking Operations – 24 & 25 March 2020**
- **Accounting for Non-Accountants – 27 & 28 March 2020**
- **Ethical Dilemmas in Digital Transformation – 1 & 2 April 2020**
- **Problem Solving and Decision-Making Skills – 17 April 2020**
- **Basic Real Estate Valuation – 24 & 25 April 2020**
- **Auditing the Consumer Lending Business – 09 & 16 May 2020**
- **Application Security Testing – 16 & 17 June 2020**
- **Accounting for Non-Accountants – 19 & 20 June 2020**

For details, please contact BAIPHIL via telephone (853-4457/519-2433) or email (training@baiphil.org).



RSVP / Please make your reservations not later than March 5, 2020 with the Secretariat at 853-4457 / 859-3433 or email to galcia@baiphil.org / pruzon@baiphil.org. You may also text at 0917-8003474. This is important for hotel arrangement purposes.



Collaboration is multiplication.

John C. Maxwell

REFERENCES

- 1 Reuters: <https://www.reuters.com/finance/currencies>
- 2 Philippine Dealing System: <http://www.pds.com.ph/>
- 3 Philippine Stock Exchange: <http://www.pse.com.ph/stockMarket/home.html>
- 4 Reuters: <https://www.reuters.com/markets/stocks>
- 5 Bloomberg: <https://www.bloomberg.com/markets/commodities>
- 6 CNN Money: <https://money.cnn.com/data/bonds/>

OTHER REFERENCES / EXTERNAL LINKS

- | | |
|--|---|
| <ul style="list-style-type: none"> > Philippine Stock Exchange: http://www.pse.com.ph/stockMarket/home.html > Philippine Dealing System: http://www.pds.com.ph/ > GMA News Online: http://www.gmanetwork.com/news/ > BPI Asset Management: https://www.bpiassetmanagement.com/ > Business World: http://bworldonline.com/ > Philippine Daily Inquirer: http://business.inquirer.net/ > Philippine Star: https://www.philstar.com/business/ > ABS-CBN News: http://news.abs-cbn.com/business/ > Manila Bulletin: https://mb.com.ph/ > Manila Standard: http://manilastandard.net/ > Philippine News Agency: www.pna.gov.ph > AutoIndustriya: https://www.autoindustriya.com/ > The Wall Street Journal: https://www.wsj.com/asia/ > Reuters: https://www.reuters.com/ > Bloomberg: https://www.bloomberg.com/markets/ > Business Mirror: https://businessmirror.com.ph/ | <ul style="list-style-type: none"> > CNN Money: http://money.cnn.com/ > Bangko Sentral ng Pilipinas: http://www.bsp.gov.ph/ > Bankers Association of the Philippines: http://bap.org.ph/ > Bureau of Treasury: http://www.treasury.gov.ph/ > Philippine Statistics Authority: https://psa.gov.ph/ > Trading Economics: https://tradingeconomics.com/ > South China Morning Post: http://www.scmp.com/ > Japan Times: https://www.japantimes.co.jp > The Japan News: http://www.the-japan-news.com > Market Watch: https://www.marketwatch.com/ > Asia Nikkei: https://asia.nikkei.com/ > Straits Times: https://www.straitstimes.com/global > Channel News Asia: https://www.channelnewsasia.com/ > CNBC: https://www.cnbc.com/ > The New York Times: https://www.nytimes.com/ > Gulf News: https://gulfnews.com/ |
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