



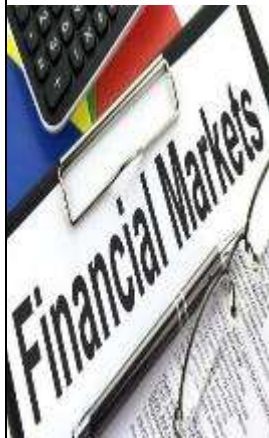
BAIPHIL MARKET WATCH

26 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	50.9600	50.9400
USD/JPY	110.3700	111.6100
USD/CNY	7.0136	7.0271
EUR/USD	1.0869	1.0847
GBP/USD	1.2996	1.2964

PHP BVAL Reference Rates ²	Current	Previous
30-Day	2.9870	2.9980
91-Day	3.0920	3.1000
180-Day	3.4080	3.4200
1-Year	3.8650	3.8690
3-Year	4.0490	4.0610
5-Year	4.1710	4.1840
10-Year	4.3370	4.3520

Domestic Stock Index ³	Current	Previous
PSEi	7,187.44	7,369.78
Trade Value (Php B)	4.642	5.198

Stock Index ⁴	Current	Previous
NIKKEI 225	22,605.41	23,386.74
FTSE 100	7,017.88	7,403.92
DOW JONES	27,081.36	28,992.41
S&P 500	3,128.21	3,337.75
NASDAQ	8,965.613	9,576.590

Various ^{5/6}	Current	Previous
Brent Crude (USD/bbl)	54.95	58.50
3-M US Treasury Yield	1.49%	1.50%
5-Y US Treasury Yield	1.15%	1.33%
10-Y US Treasury Yield	1.33%	1.38%



PHILIPPINES



- ✓ **Coronavirus, earnings to drive trading at PSE.** LOCAL SHARES are seen driven by investor sentiment on the coronavirus disease 2019 (COVID-19) outbreak amid tempering of the tides by the release of full year 2019 earnings by listed firms. The benchmark Philippine Stock Exchange index (PSEi) closed Monday's session down 182.34 points or 2.47% to 7,187.44, as the market moved in sync with the rest of global equities.
<https://www.bworldonline.com/coronavirus-earnings-to-drive-trading-at-pse/>
- ✓ **Peso to weaken further on risk aversion due to virus outbreak.** THE PESO may continue to weaken in the coming days over continued risk aversion in the market due to the spread of the coronavirus disease 2019 (COVID-19) outside China and as markets await the release of key US data. The local unit finished trading at P50.96 versus the dollar on Monday, shedding two centavos from its P50.94 close on Friday, according to data from the website of the Bankers' Association of the Philippines.
<https://www.bworldonline.com/peso-to-weaken-further-on-risk-aversion-due-to-virus-outbreak/>
- ✓ **Yields on T-bills decline across-the-board.** THE GOVERNMENT fully awarded the Treasury bills (T-bills) it offered on Monday after yields declined across all tenors on the back of strong demand. It also conducted an over-the-counter sale of the 364-day securities for government-owned and -controlled corporations to accommodate strong demand.
<https://www.bworldonline.com/yields-on-t-bills-decline-across-the-board/>
- ✓ **BSP to grant regulatory relief to lenders affected by ASF, COVID-19 spread.** THE CENTRAL BANK will grant regulatory relief to banks and quasi-banks (QBs) to help them cope with the adverse effects of the African Swine Flu (ASF) and the coronavirus disease 2019 (COVID-19) on several sectors. In a statement on Tuesday, the Bangko Sentral ng Pilipinas (BSP) said it has made available the granting of regulatory relief to lenders "that have sustained losses due to exposures to borrowers, industries and sectors severely affected" by ASF and COVID-19.
<https://www.bworldonline.com/bsp-to-grant-regulatory-relief-to-lenders-affected-by-asf-covid-19-spread/>
- ✓ **IMF maintains Philippine growth forecast for now.** THE International Monetary Fund (IMF) is so far maintaining its Philippine growth forecast for this year, despite slashing its growth outlook for the world and China as the global spread of the coronavirus disease 2019 (COVID-19) continues to disrupt economic activity. Sought for comment on the impact of the virus on the Philippine economy, IMF Resident Representative Yongzheng Yang said they will discuss this "when the situation becomes clearer and numbers are available in due course."
<https://www.bworldonline.com/imf-maintains-philippine-growth-forecast-for-now/>

- ✓ **Pernia sees 2020 economic growth hitting low-end of target.** SOCIOECONOMIC Planning Secretary Ernesto M. Pernia remained confident that the Philippine economy will rebound and hit the low-end of the government's 6.5-7.5% target, despite the downside risks arising from the ongoing coronavirus disease 2019 (COVID-19) outbreak and last month's Taal Volcano eruption. "Short-end of the target range should be no problem," he told *BusinessWorld* in a mobile phone message on Monday.
<https://www.bworldonline.com/pernia-sees-2020-economic-growth-hitting-low-end-of-target/>
- ✓ **AMLC, PAGCOR keep close eye on dirty money risks from POGOs.** THE ANTI-MONEY Laundering Council (AMLC) and the Philippine Amusement and Gaming Corp. (PAGCOR) have been monitoring dirty money risks from Philippine Offshore Gaming Operators (POGOs) through risk and on-site assessments as part of their signed memorandum of agreement, AMLC Executive Director Mel Georgie B. Racela said.
<https://www.bworldonline.com/amlc-pagcor-keep-close-eye-on-dirty-money-risks-from-pogos/>
- ✓ **Financial consumer protection bill seen passed by next month.** A BILL SEEKING to provide government financial regulators additional powers for "surveillance, examination, enforcement, adjudication, and rule-making" for the protection of financial consumers may be approved at the committee level before Congress adjourns on March 13. "We want to have thorough discussion and consultation because we are giving powers to the regulators...there may be powers that is too much and there could be powers that if not regulated, can be abused. But what is important in the end, we are able to protect the consumer without unduly burdening anyone," Quirino Rep. Junie E. Cua, who also chairs the House committee on banks and financial intermediaries, told *BusinessWorld* on the sidelines of a committee hearing on Monday.
<https://www.bworldonline.com/financial-consumer-protection-bill-seen-passed-by-next-month/>
- ✓ **'Build, Build, Build' to get record-high \$3B in loans from ADB.** The Asian Development Bank (ADB) is pulling out of its pockets at least \$3.3 billion in loans to sustain support for Philippine President Rodrigo Duterte's ambitious "Build, Build, Build" infrastructure program, a record high. New ADB president Masatsugu Asakawa met with Duterte for the first time on Monday (Feb. 24) at the Department of Finance (DOF) building.
<https://business.inquirer.net/291249/build-build-build-to-get-record-high-3b-in-loans-from-adb>
- ✓ **DA commits funds for rice warehouses in Ecija.** The Department of Agriculture (DA) has committed a P40-million fund to build warehouses for rice in this province to help reduce farmers' post-harvest losses, Agriculture Secretary William Dar said on Tuesday (Feb. 25). Dar led the inauguration of a Rice and Corn Education Farm (EduFarm) at the village of Homestead II here, which is among 80 EduFarms in the country.
<https://business.inquirer.net/291252/da-commits-funds-for-rice-warehouses-in-ecija>
- ✓ **PESONet seen able to process multiple settlements a day within 2020.** THE PESONET service may be able to process more than one settlement in a day within the year in a move to ramp up electronic transactions, PESONet Steering Committee Head John Cary L. Ong said, which is in line with the central bank's drive to make the country cash-lite. "We are targeting Q3 for multiple settlements," Mr. Ong said in a text message on Monday.
<https://www.bworldonline.com/pesonet-seen-able-to-process-multiple-settlements-a-day-within-2020/>
- ✓ **DoTr eyes changes in proposed NAIA rehab.** THE GOVERNMENT has raised concerns over portions of the concession agreement drafted by the "super consortium" that is proposing to rehabilitate the Ninoy Aquino International Airport (NAIA). In a press conference in Pasay City on Monday, Transportation (DoTr) Undersecretary for Planning & Project Development Ruben S. Reinoso, Jr. said that the government and the consortium will have to renegotiate parts of the draft concession deal, particularly the plan to lay off airport workers and the use of a bus rapid transit (BRT) system to transport passengers within the airport complex.
<https://www.bworldonline.com/dotr-eyes-changes-in-proposed-naia-rehab/>
- ✓ **Bulacan airport gets DoJ go signal.** THE P734-billion Bulacan international airport project is now one step closer to implementation, after securing the go signal from the Office of the Solicitor General (OSG) and the Department of Justice (DoJ), according to an official of the Department of Transportation (DoTr). Transportation Undersecretary for Planning & Project Development Ruben S. Reinoso, Jr. said that while project proponent San Miguel Holdings Corp. (SMHC) is free to proceed with groundbreaking for the Bulacan airport, the company still has to respond to the Finance department's request for clarification.
<https://www.bworldonline.com/bulacan-airport-gets-doj-go-signal/>
- ✓ **San Miguel Corp. to DOF, PSALM: Let courts decide on Ilijan power plant row.** San Miguel Corporation (SMC) on Monday urged the Department of Finance and the Power Sector Assets and Liabilities Management (PSALM) to let the courts decide on the issue on the Ilijan power plant in Batangas City instead of resorting to "trial by media" to gain public approval.
<https://business.inquirer.net/291209/fwd-san-miguel-corp-to-dof-psalm-let-courts-decide-on-ilijian-power-plant-issue>
- ✓ **ABS-CBN stocks lose P30B in value, admits top network exec.** The value of ABS-CBN's stocks has lost at least P30 billion in the last few years, according to the network giant's top official. "Unfortunately, the last few years have been quite painful for our shareholders," said Carlo Katigbak, ABS-CBN president and CEO, at the hearing of the Senate committee on public services.
<https://business.inquirer.net/291190/abs-cbn-stocks-lose-p30b-in-value-admits-top-network-exec>
- ✓ **ABS-CBN may operate sans franchise with congressional nod.** A BROADCASTING giant critical of President Rodrigo R. Duterte may continue operating pending its application for a franchise renewal, the Justice department told senators on Monday. Congress can file a resolution authorizing the National Telecommunications Commission (NTC) to issue a provisional authority to ABS-CBN Corp., whose franchise is expiring on May 4, Justice Secretary Menardo I. Guevarra said at a hearing on alleged violations of its franchise.
<https://www.bworldonline.com/abs-cbn-may-operate-sans-franchise-with-congressional-nod/>
- ✓ **Dominguez: ABS-CBN account on unaired ads 'does not tally' with Duterte campaign experience.** Finance Secretary Carlos G. Dominguez III, the country's chief economic manager who supported President Duterte's campaign during the 2016 elections, on Monday night said ABS-CBN Corp.'s account of the issue on unaired political ads "does not tally" with their own experience.
<https://business.inquirer.net/291244/dominguez-abs-cbn-account-on-unaired-ads-does-not-tally-with-duterte-campaign-experience>



REST OF THE WORLD



- ✓ **Asian shares extend losses after Dow drops more than 1,000.** Shares are mostly lower in Asia on Tuesday after Wall Street suffered its worst session in two years, with the Dow Jones Industrial Average slumping more than 1,000 points on fears that a viral outbreak that began in China will weaken the world economy. Japan's Nikkei 225 index lost 3%, to 22,686.61 after it reopened from a holiday on Monday. Hong Kong's Hang Seng edged 0.2% lower to 26,777.88 and the Shanghai Composite index sank 1.6% to 2,984.19. In Australia, the S&P ASX/200 shed 1.2% to 6,896.10.
<https://business.inquirer.net/291246/asian-shares-extend-losses-after-dow-drops-more-than-1000>
- ✓ **Stocks sink, bonds soar on fears virus will stunt economy.** Stocks slumped again on Wall Street Tuesday, piling on losses a day after the market's biggest drop in two years as fears spread that the growing virus outbreak will put the brakes on the global economy. Nervous investors snapped up low-risk U.S. government bonds, sending the yield on the 10-year Treasury note to a record low.
<https://business.inquirer.net/291302/stocks-sink-bonds-soar-on-fears-virus-will-stunt-economy>
- ✓ **Shifting sands of inflation unsettle top central bankers at Riyadh G20 meeting.** Central bankers from the United States, Japan and the euro zone meeting in the desert kingdom of Saudi Arabia this weekend had their own shifting sands to cross — those of elusive inflation. The problem facing all three is that price growth has long stopped behaving as expected, as aging populations and technological advances prevent inflation from meeting their cherished 2% target despite aggressive stimulus measures.
<https://www.bworldonline.com/shifting-sands-of-inflation-unsettle-top-central-bankers-at-riyadh-g20-meeting/>
- ✓ **Arctic 'doomsday vault' stocks up on 60,000 more food seeds.** A "doomsday vault" nestled deep in the Arctic received 60,000 new seed samples on Tuesday, including Prince Charles' cowslips and Cherokee sacred corn, increasing stocks of the world's agricultural bounty in case of global catastrophe. Mounting concern over climate change and species loss is driving groups worldwide to add their seeds to the collection inside a mountain near Longyearbyen on Spitsbergen Island in Norway's Svalbard archipelago, about 1,300 kilometres (about 800 miles) from the North Pole.
<https://www.afp.com/en/news/3954/arctic-doomsday-vault-stocks-60000-more-food-seeds-doc-1pa9pv3>
- ✓ **China weighs setting up bad-debt managers for failed P2P lenders.** CHINA'S BANKING regulator is considering setting up new regional bad-debt managers to help clean up risks after the failure of thousands of peer-to-peer (P2P) lending platforms, according to people with knowledge of the matter. Companies in Shanghai, Zhejiang and Shenzhen have submitted applications to set up local asset managers dealing with bad loans, especially those from online lending platforms, said the people, asking not to be identified discussing a private matter. The China Banking and Insurance Regulatory Commission (CBIRC) has yet to approve the applications, the people said.
<https://www.bworldonline.com/china-weighs-setting-up-bad-debt-managers-for-failed-p2p-lenders/>
- ✓ **Bank of Korea seen cutting benchmark rate to record low to battle coronavirus — Reuters poll.** South Korea's central bank is expected to lower its policy rate to a record low on Thursday, the third cut in the current easing cycle, a Reuters poll showed, to offset the impact on Asia's fourth-largest economy from the fast-spreading coronavirus. The trade-reliant economy, which was among those worst-hit by trade tensions, is faced with an extra hurdle as the virus outbreak disrupted world supply chains and global demand.
<https://www.bworldonline.com/bank-of-korea-seen-cutting-benchmark-rate-to-record-low-to-battle-coronavirus-reuters-poll/>
- ✓ **ECB wants to talk to audiences about inflation, but will it listen?.** For many people, the language of European Central Bank (ECB) policy makers is so impenetrable, it could be beamed from another planet. Now, however, the ECB experts are in for a dose of real life as they meet audiences ranging from students to clergy this year to get their views on inflation and feedback on the central bank's work, six officials told Reuters.
<https://www.bworldonline.com/ecb-wants-to-talk-to-audiences-about-inflation-but-will-it-listen/>
- ✓ **Markets bet Fed is pushed to cut rates in coronavirus response.** Financial markets on Monday ratcheted up bets the U.S. Federal Reserve will be pressed to cut interest rates to cushion a feared hit to economic growth from the spread of the coronavirus, although one official cautioned against expecting the central bank to over-react to short-term market moves.
<https://www.reuters.com/article/us-usa-fed/markets-bet-fed-is-pushed-to-cut-rates-in-coronavirus-response-idUSKCN201KZ>
- ✓ **U.S. trade rep Lighthizer to meet British counterpart as allies gear up for talks.** U.S. Trade Representative Robert Lighthizer will meet with Britain's trade minister Liz Truss this week, British government officials said on Tuesday, as the two allies gear up for post-Brexit trade talks that could prove contentious. Lighthizer's trip to Britain will also include a speaking engagement at the Oxford Union on March 2. His meeting with Truss was confirmed by a spokeswoman at the British embassy in Washington.
<https://www.reuters.com/article/us-usa-trade-britain/u-s-trade-rep-lighthizer-to-meet-british-counterpart-as-allies-gear-up-for-talks-idUSKBN20J2SB>
- ✓ **Trump, accused of sexual misconduct himself, hails Weinstein verdict.** Harvey Weinstein's sex crimes conviction was a "great victory" for women, US President Donald Trump said Tuesday -- without acknowledging the numerous accusations of sexual misconduct he has faced. The disgraced Hollywood movie producer was found guilty on Monday of rape and sexual assault in a verdict hailed as a historic landmark by the #MeToo movement against sexual misconduct.
<https://www.afp.com/en/news/3954/trump-accused-sexual-misconduct-himself-hails-weinstein-verdict-doc-1pa91q1>

- ✓ **IEA says virus-hit oil growth outlook lowest in a decade, could go lower.** The International Energy Agency's (IEA) outlook on global oil demand growth has fallen to its lowest level in a decade, IEA Executive Director Fatih Birol said on Tuesday, adding it could be reduced further due to the impact of the coronavirus outbreak. "We certainly see the lowest oil demand growth in the last 10 years and we may need to revise it ...downwards," Birol told Reuters at an energy conference in London.
<https://www.reuters.com/article/us-iea-oil/iea-says-virus-hit-oil-growth-outlook-lowest-in-a-decade-could-go-lower-idUSKBN20J1LM>

- ✓ **JPMorgan Chase likely to maintain key growth targets from last year at investor day — analysts.** JPMorgan Chase & Co. executives are unlikely to provide new financial targets at the bank's annual investor day on Tuesday, and instead will use the forum to showcase a clean-energy initiative, analysts said. JPMorgan, the biggest US bank by assets, reported record earnings last year and easily met management's stated goals for expenses and profitability.
<https://www.bworldonline.com/jpmorgan-chase-likely-to-maintain-key-growth-targets-from-last-year-at-investor-day-analysts/>

- ✓ **Mustier pulls out of HSBC race in blow to bank.** UNICREDIT SPA'S Jean Pierre Mustier pulled out of the race to become chief executive officer of HSBC Holdings Plc, a rejection that adds to uncertainty at the top of Europe's largest lender and extends the search for a new boss into its seventh month. Mustier, who led a turnaround at the Milan-based bank over the last four years, plans to stay and is committed to the new strategic plan announced in December, according to a UniCredit statement on Monday. The Frenchman informed HSBC Chairman Mark Tucker of his decision to withdraw from contention on Sunday, the *Financial Times* reported.
<https://www.bworldonline.com/mustier-pulls-out-of-hsbc-race-in-blow-to-bank/>

- ✓ **Mastercard says coronavirus will likely hit its first-quarter revenue by 2-3%.** MASTERCARD, Inc. said on Monday its net revenue in the first quarter will take a hit of between 2% and 3% over its previous forecast if the coronavirus outbreak persists through the quarter. The company now expects revenue growth between 9% and 10% in the current quarter as the virus impacts travel and e-commerce across borders.
<https://www.bworldonline.com/mastercard-says-coronavirus-will-likely-hit-its-first-quarter-revenue-by-2-3/>

- ✓ **Mastercard CEO Ajay Banga to step down, insider Miebach tapped.** Mastercard's chief executive officer of 10 years, Ajay Banga, will step down at the start of the next year, the company said on Tuesday, and be replaced by Chief Product Officer Michael Miebach. Banga, who took charge of the company just after the 2008-09 financial crisis, has seen the payment processor's revenue triple during his tenure as online shopping gained prominence around the world.
<https://www.reuters.com/article/us-mastercard-ceo/mastercard-ceo-ajay-banga-to-step-down-insider-miebach-tapped-idUSKBN20J1LG>



- **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**
- **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**

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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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