



BAIPHIL MARKET WATCH

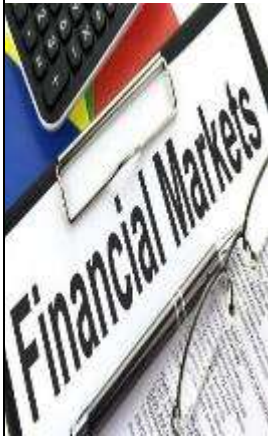
28 Feb
2020

*~ 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	50.8150	51.0350
USD/JPY	110.1600	110.3400
USD/CNY	7.0044	7.0227
EUR/USD	1.0988	1.0900
GBP/USD	1.2888	1.2917

PHP BVAL Reference Rates ²	Current	Previous
30-Day	2.9390	2.9650
91-Day	3.0880	3.0900
180-Day	3.4050	3.4270
1-Year	3.8420	3.8450
3-Year	4.0160	4.0340
5-Year	4.1540	4.1680
10-Year	4.3260	4.3320

Domestic Stock Index ³	Current	Previous
PSEi	6,967.84	6,909.84
Trade Value (Php B)	8.445	10.058

Stock Index ⁴	Current	Previous
NIKKEI 225	21,948.23	22,426.19
FTSE 100	6,796.40	7,042.47
DOW JONES	25,766.64	26,957.59
S&P 500	2,978.76	3,116.39
NASDAQ	8,566.480	8,980.78

Various ^{5/6}	Current	Previous
Brent Crude (USD/bbl)	51.52	53.43
3-M US Treasury Yield	1.40%	1.48%
5-Y US Treasury Yield	1.11%	1.13%
10-Y US Treasury Yield	1.30%	1.31%



PHILIPPINES



- ✓ **Index rebounds as investors pick up bargains.** THE MAIN INDEX ended its three-day losing streak on Thursday, lifted by activity from bargain hunters, but still failed to break into the 7,000 level. The 30-member Philippine Stock Exchange index (PSEi) picked up 58 points or 0.83% to 6,967.84 yesterday, while the broader all shares index added 20.30 points or 0.49% to 4,149.67.
<https://www.bworldonline.com/index-rebounds-as-investors-pick-up-bargains/>
- ✓ **Peso rebounds amid virus fears.** THE PESO bounced back to the P50-per-dollar level on Thursday despite investors' flight to safe havens amid the coronavirus disease 2019 (COVID-19) scare. The local currency strengthened by 22 centavos during Thursday's trading session to end at P50.815 against the greenback from the P51.035 close seen on Wednesday, based on data from the Bankers' Association of the Philippines.
<https://www.bworldonline.com/peso-rebounds-amid-virus-fears/>
- ✓ **BSP chief says sustained reforms key to shielding PH from global economic turmoil.** A key member of the Duterte administration's economic team batted for what he said were sustained reforms to shield the Philippine economy from the impact of the collision between the world's two biggest economies, US and China. At a press briefing, Bangko Sentral ng Pilipinas (BSP) Governor Benjamin Diokno said while the effects of protracted trade war between the US and China on the Philippines would be minimal, key reforms were needed if the Philippines was to remain insulated from global market uncertainties.
<https://business.inquirer.net/291376/bsp-chief-says-sustained-reforms-key-to-shielding-ph-from-global-economic-turmoil>
- ✓ **Central bank mulls more rate, RRR cuts.** THE CENTRAL BANK may cut rates by more than 25 basis points (bps) this year as the government looks to boost growth amid fears of an economic fallout due to the global spread of the coronavirus disease 2019 (COVID-19), its chief said on Thursday. In a briefing at the central bank's headquarters, Bangko Sentral ng Pilipinas (BSP) Governor Benjamin E. Diokno said they will reassess how the virus could hit the economy as the outbreak worsens, with more cases confirmed outside China.
<https://www.bworldonline.com/central-bank-mulls-more-rate-rrr-cuts/>
- ✓ **BSP tightens capital rules to protect small banks from shocks.** The Bangko Sentral ng Pilipinas (BSP) on Wednesday announced an improved policy for measuring the capital levels for some of the country's smaller bank categories in a bid to improve the resilience of these financial institutions against market shocks. In a press statement, the central bank said its Monetary Board approved the amendments to the risk-based capital adequacy framework for stand-alone thrift, rural and cooperative banks to further enhance the quality of capital.
<https://business.inquirer.net/291335/bsp-tightens-capital-rules-to-protect-small-banks-from-shocks>

- ✓ **Budget gap widens to record P660B.** THE BUDGET DEFICIT widened to a record P660.2 billion in 2019, as the government spent nearly P500 billion, mainly for infrastructure projects and social protection programs, in December alone. Data from the Bureau of the Treasury (BTr) released on Thursday showed expenditures of P3.797 trillion jumped by 11.42% for the full year, outpacing the 10% rise in revenues to P3.137 billion.
<https://www.bworldonline.com/budget-gap-widens-to-record-p660b/>
- ✓ **Inflation impact on the poor worsens in January.** INFLATION, as experienced by low-income families, picked up to its fastest pace in six months in January, the Philippine Statistics Authority (PSA) reported on Thursday. The inflation rate for the country's bottom 30% income households clocked in at 2.3% in January, faster than the year-on-year inflation rate of 1.9% in December 2019, but slower compared to 5.2% in January 2019.
<https://www.bworldonline.com/inflation-impact-on-the-poor-worsens-in-january/>
- ✓ **Tax hikes increase price burden on poor families in January.** Tax hikes implemented at the start of the year jacked up prices of food, oil and "sin" products, resulting in a six-month high inflation rate among poor families in January. The Philippine Statistics Authority's (PSA) report on the consumer price index (CPI) for bottom 30-percent income households in January released Thursday showed that the rate of increase in prices of basic commodities rose 2.3 percent year-on-year that month, the highest since July last year's 2.7 percent.
<https://business.inquirer.net/291366/tax-hikes-increase-price-burden-on-poor-families-in-january>
- ✓ **COVID-19 to cut Q1 growth.** The COVID-19 outbreak would hinder the Philippine economy from growing to its full potential during the first quarter as tourist arrivals—especially from China—take a hit, London-based Capital Economics said.
<https://business.inquirer.net/291339/covid-19-to-cut-q1-growth>
- ✓ **Palace orders agencies to eliminate 'burdensome' transaction processes.** PRESIDENT Rodrigo R. Duterte ordered government agencies to eliminate all processes that are "burdensome to the public," retaining only those steps that are "necessary to fulfill their legal mandates and policy objectives." In Administrative Order (AO) No. 23 dated Feb. 21 but released Thursday, the President said that "excessive regulations at all levels of government, which are more than necessary to implement their respective mandates, create high costs on businesses, inhibit job creation and discourage private sector investment."
<https://www.bworldonline.com/palace-orders-agencies-to-eliminate-burdensome-transaction-processes/>
- ✓ **DTI's Lopez: multinational HQ decisions driving plant closures.** TRADE-SECRETARY Ramon M. Lopez warned that multinationals could continue to rationalize their operations amid trade tensions and epidemics and acknowledged that the Philippines might not be viewed as a significant market by many corporate headquarters. "Look at the world, we're a small country compared to global world demand so you can expect a lot of this rationalization 'pag global HQ ang nag-aral ng mga resources nila (when global organizations review the distribution of their resources,'" he told reporters on Monday.
<https://www.bworldonline.com/dtis-lopez-multinational-hq-decisions-driving-plant-closures/>
- ✓ **CITIRA delay seen stalling \$12 billion worth of investment.** ABOUT \$12 billion in investment over two years has been left hanging due to the delay in passing the proposed Corporate Income Tax and Incentives Rationalization Act (CITIRA), a senior House legislator said. Representative Jose Maria Clemente S. Salceda of Albay, who chairs the House Ways and Means Committee, said: "Mga \$12 billion ang notional na... imbes na pumasok, sa tingin ko mga \$12 billion... within two years," he told reporters on the sidelines of the Makati Business Club meeting Thursday.
<https://www.bworldonline.com/citira-delay-seen-stalling-12-billion-worth-of-investment/>
- ✓ **PCC: Concerns over foreign ownership of utilities may be addressed through regulation.** NATIONAL SECURITY concerns arising from the removal of foreign ownership restriction in telecommunications, transportation and other industries can be addressed through regulation, according to the Philippine Competition Commission (PCC) commissioner. "Understandably, there are security concerns in so far as certain public services which are no longer classified as part of the public utilities... We believe that those can be best addressed by regulation rather than limitation on ownership," PCC Commissioner Johannes Benjamin R. Bernabe told *BusinessWorld* in an interview on Monday.
<https://www.bworldonline.com/pcc-concerns-over-foreign-ownership-of-utilities-may-be-addressed-through-regulation/>
- ✓ **Pagcor says crackdown on Pogo workers with criminal records in full swing.** The country's gaming regulator will actively cooperate with Chinese law enforcement authorities to crack down on nationals from the mainland with criminal records who are currently working in the country's online gaming industry. In a press statement, the Philippine Amusement and Gaming Corp. (Pagcor) said it welcomed recent measures taken by the Chinese Embassy in the Philippines against Chinese citizens who are illegally working or doing business in the country.
<https://business.inquirer.net/291371/pagcor-says-crackdown-on-pogo-workers-with-criminal-records-in-full-swing>
- ✓ **Doctors contest guidelines for denial of PhilHealth accreditation.** DOCTORS said health insurance fraud is not as prevalent as the Philippine Health Insurance Corp. (Philhealth) suggests, after the latter issued a circular outlining the grounds for denying or withdrawing PhilHealth accreditation. In a position paper published Thursday in the *Philippine Daily Inquirer*, doctors' associations said that PhilHealth Circular 2020-0003 which sets guidelines for the denial or withdrawal of accreditation is "insulting the health profession."
<https://www.bworldonline.com/doctors-contest-guidelines-for-denial-of-philhealth-accreditation/>
- ✓ **National task force organized to contain ASF.** MALACAÑANG has ordered the creation of a national task force to deal with animal diseases following the spread of African Swine Fever (ASF) in domestic pigs. President Rodrigo R. Duterte signed Executive Order (EO) No. 105 on Feb. 21 authorizing the creation of the National Task Force on Animal Borne Diseases, which will take charge of preventing the entry of such diseases as well as containing their spread.
<https://www.bworldonline.com/national-task-force-organized-to-contain-asf/>
- ✓ **BDO books higher net income in 2019 as its core businesses grow.** BDO UNIBANK, Inc. saw its net income jump by more than a third in 2019 on the back of core recurring income sources. In a statement on Thursday, the Sy-led lender said its net income hit P44.2 billion in 2019, surging by 35.16% from the P32.7 billion booked in 2018.
<https://www.bworldonline.com/bdo-books-higher-net-income-in-2019-as-its-core-businesses-grow/>

- ✓ **DBP wins dividend exemption to boost infrastructure lending.** THE Development Bank of the Philippines (DBP) has been granted an exemption from remitting dividends to the government in order to step up lending to infrastructure projects. "While the bank's financial ratios remain strong and stable, dividend relief has been requested to ensure DBP's capability to support the priority programs of the National Government under the 'Build, Build, Build' initiative," DBP said in a statement Thursday.
<https://www.bworldonline.com/dbp-wins-dividend-exemption-to-boost-infrastructure-lending/>
- ✓ **LANDBANK grants reach P94.36B.** STATE-OWNED Land Bank of the Philippines (LANDBANK) released a total of P94.36 billion in cash grants to 9,670,434 beneficiaries in 2019 under various social protection programs. In a statement on Thursday, LANDBANK said they distributed a total of P73.94 billion to 4.4 million beneficiaries of the Conditional Cash Transfer program and P18.15 billion to 5.16 million recipients of the Unconditional Cash Transfer program of the Department of Social Welfare and Development.
<https://www.bworldonline.com/landbank-grants-reach-p94-36b/>
- ✓ **PEZA declares opposition to new ecozone authorities.** THE Philippine Economic Zone Authority (PEZA) declared its opposition to measures in the House of Representatives proposing new economic zone and freeport authorities. The investment promotion agency (IPA) submitted Wednesday a position paper to the House's Committee on Ways and Means.
<https://www.bworldonline.com/peza-declares-opposition-to-new-ecozone-authorities/>
- ✓ **NLEX projects traffic volume growth of 7% in 2020 amid new construction.** TOLL ROAD OPERATOR NLEX Corp. said it expects this year's traffic volume at the North Luzon and Subic-Clark-Tarlac Expressways (NLEX, SCTEX) to grow 7%. Luigi L. Bautista, president and general manager of NLEX Corp., told reporters Friday that daily traffic volume in 2019 at NLEX-SCTEX, which are interconnected, was 340,000 vehicles. "This year the projected increase is 7%," he said. NLEX Corp. said in August that it was investing P7.7 billion on road enhancements to help ease road congestion in Metro Manila and key cities outside the capital.
<https://www.bworldonline.com/nlex-projects-traffic-volume-growth-of-7-in-2020-amid-new-construction/>
- ✓ **Cebuana Lhuillier looking to increase client base.** THE INSURANCE ARM of Cebuana Lhuillier targets to increase its customer base by 127% in the next three to five years and capture almost half of insured population following its transformation. On the sidelines of a company event on Thursday, Cebuana Lhuillier President and CEO Jean Henri Lhuillier said they have 11 million policyholders so far and they are targeting to increase this to 25 million in the next three to five years as they expand their reach through establishments as well as through the technology channel.
<https://www.bworldonline.com/cebuana-lhuillier-looking-to-increase-client-base/>
- ✓ **Apo Agua bulk water project to provide service to 70% of Davao City.** Aboitiz-controlled Apo Agua Infraestructura Inc.'s (AAII) P12.6-billion bulk water supply project for Davao City will serve 70% of the urban area when completed in the first half of next year, the city's water district said. Bernardo D. Delima, Jr., spokesman for the water distributor, Davao City Water District (DCWD), said the water to be supplied by AAII will focus on the city center and growth areas, while other water sources will continue to be used for the peripheries.
<https://www.bworldonline.com/apo-agua-bulk-water-project-to-provide-service-to-70-of-davao-city/>



- ✓ **Asian shares slump after Trump announcement on virus plans.** Shares fell in Asia on Thursday after President Donald Trump announced the U.S. was stepping up its efforts to combat the virus outbreak that began in China. Japan's Nikkei 225 index lost 2.1% to 21,951.78, while in Australia, the S&P ASX/200 dropped 0.8% to 6,653.50.
<https://business.inquirer.net/291360/asian-shares-slump-after-trump-announcement-on-virus-plans>
- ✓ **Stock market rout deepens on virus worries; indexes lose 4%.** The Dow Jones Industrial Average sank nearly 1,200 points Thursday, deepening a weeklong global market rout caused by worries that the coronavirus outbreak will wreak havoc on the global economy. The S&P 500 has now plunged 12% from the all-time high it set just a week ago. That puts the index in what market watchers call a "correction," which analysts have said was long overdue in this bull market, which is the longest in history.
<https://business.inquirer.net/291418/stock-market-rout-deepens-on-virus-worries-indexes-lose-4>
- ✓ **ADB, AIIB step up financial support to address COVID-19 outbreak.** Two multilateral lenders based in Asia have stepped up financial support to their member-countries in response to the COVID-19 outbreak in and out of China. The Manila-based Asian Development Bank (ADB) said it green-lighted another \$2 million in funds—doubling the initial \$2 million it approved early this month—to not only contain COVID-19 but also improve Asia-Pacific countries' resilience against communicable diseases moving forward.
<https://business.inquirer.net/291355/adb-aiib-step-up-financial-support-to-address-covid-19-outbreak>
- ✓ **S. Korea's central bank holds first press briefing via YouTube amid COVID-19 fears.** The Bank of Korea held a press conference on its rate decision via YouTube on Thursday, in a first for the central bank. The conference was held online as part of the central bank's efforts to combat the spread of the coronavirus and ensure the safety of its officials and reporters, a BOK official said.
<https://business.inquirer.net/291381/s-koreas-central-bank-holds-first-press-briefing-via-youtube-amid-covid-19-fears>
- ✓ **Trump says US coronavirus spread 'not inevitable,' mulls new travel bans.** President Donald Trump on Wednesday said it was not inevitable that the novel coronavirus would continue to spread in the United States, as he said he is considering travel restrictions on Italy and South Korea and appointed his vice president to lead the response. His optimism about containing the pathogen contradicted a senior health official in his own administration and came as authorities said they had identified the first case in the US that was of unknown origin.
<https://www.afp.com/en/news/3954/trump-says-us-coronavirus-spread-not-inevitable-mulls-new-travel-bans-doc-1pc7d84>



- **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**

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 / 859-2433 or email to galcia@baiphil.org / jruazon@baiphil.org. You may also text at 0987-8003474. This is important for hotel arrangement purposes.



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There is little success
where there is little
laughter.

ANDREW CARNEGIE



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

- | | |
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| <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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