

The Daily Dispatch

January 17, 2018
TODAY'S TOP NEWS

DBP to boost lending for social services in 2018

State-owned Development Bank of the Philippines (DBP) will ramp up its lending activities for social services that cover health care, education, housing, and community development this year, a top official said.

Phoenix Petroleum expands into bitumen production

In a disclosure to the PSE yesterday, Phoenix Petroleum said it received the go signal to execute a joint venture agreement (JVA) with TIPC Asphalt Public Co. Ltd. and Carlito B. Castrillo of PhilAsphalt (Dev't) Corp. for the purpose of operating, marketing and distribution of bitumen and bitumen-related products in the Philippines.

Meralco expects 5% sales volume growth for 2017

Power distributor Manila Electric Co. (Meralco) expects a nearly five percent growth in sales volume last year as demand for electricity continued to pick up across all sectors in its franchise area. The company forecasts sales volume to grow by 4.9 percent, slightly higher than previous the expectation of 4.5 percent.

GSIS to revive global investment program

State-run GSIS unveiled yesterday the pension fund's plan of reviving its global investment program this year amid improving overseas economic environment. Jesus Aranas, GSIS President and General Manager, said that they are planning to deploy around \$800M of their investment funds abroad within this year.

ERC leadership vacuum heightens blackout prob.

With 5,493.38 megawatts being forced out of the electricity system because of lacking licenses to operate and supply contracts, the country will be in for unwanted brownouts especially during the summer months.

Philippine Stock Market Update



Previous Close:

8,865.13

1 Yr Return:

26.81%

Open:

8,879.67

YTD Return:

3.78%

52-Week Range:

7,123.33 - 8,969.18

Source:

Bloomberg

Foreign Exchange

As of Jan. 16, 2018

US Dollar	Philippine Peso
1	50.575

PDST-R2 Rates

As of Jan. 16, 2018

Tenor	Rate
1Y	3.1979
3Y	4.1640
5Y	4.6552
7Y	5.3296
10Y	5.8886
20Y	5.7362

Daily Quote

"To be a champ you have to believe in yourself when no one else will."

--Sugar Ray Robinson

The Daily Dispatch

MORE LOCAL NEWS

SM Prime issuing P20-b bonds to fund expansion

SM Prime plans to raise P20 billion in fixed rate bonds to fund mall expansion and residential projects. SM Prime said in a disclosure to the stock exchange it filed with the Securities and Exchange Commission an application for a permit to sell fixed-rate bonds in the amount of P15 billion with an oversubscription option of up to P5 billion.

3rd telco set to pay P3b to PLDT for 3G frequency

NTC said Tuesday it will assign all available mobile frequencies, including the 3G frequency surrendered by PLDT Inc., to the country's third major telecom player. NTC deputy commissioner Edgard Cabarios said the agency was now preparing the list of mobile frequencies that would be assigned to the third telecom operator.

PSALM pushes sale of big assets

The state-owned Power Sector Assets and Liabilities Management Corp. (PSALM) is bent on finally pushing through with the privatization of expensive assets this year, including the 650-megawatt Malaya thermal power plant in Rizal and the 210-MW Mindanao coal-fired plant in Misamis Oriental.

Revenue gains key to cut in corporate income tax

The reduction in corporate income tax rates under the Duterte administration's second tax reform package will depend on the revenue gains once the government consolidates existing laws giving away incentives, according to the Department of Finance.

CLI expands markets, offerings

Cebu Landmasters Inc. (CLI) racked up P4.58 billion in reservation sales last year, exceeding its full-year goal, due to the robust take-up of key residential projects.

Beverage firms reformulating soft drink mix

To avoid paying heftier taxes under the first package of the tax reform program, three beverage companies are reformulating their soft drinks mix to avoid paying a heftier tax.

TODAY'S TOP ASIAN NEWS

HK tops Asia expat rental list

Hong Kong retained its title as Asia's most expensive rental city for expatriates, while Singapore fell further down the ranking due to a slower economy and fewer relocations, according to consultancy firm ECA International. Tokyo held onto the No. 2 spot.

HK stocks still have room to keep climbing

Hong Kong stocks have flown past their 2007 closing peak to a record. The Hang Seng Index climbed 1.8 percent to 31,904.75 on Tuesday, exceeding the top reached in October 2007. The gauge was still short of its all-time intraday high of 31,958.41. To JPM's private bank, there are plenty of reasons this rally has further to run.

Mercer acquires Japan's BFC Asset Management

Global consulting firm Mercer said it has acquired BFC Asset Management, one of Japan's leading independently owned alternative investment company. Mercer said, the acquisition is part of efforts to capture growth in Japan's alternative investments market and address growing needs of Japanese institutional investors.

AngelList launches deal syndicates program in India

AngelList, a Silicon Valley-based crowdfunding platform, on Tuesday launched Syndicates for India, a programme that allows individual investors to pool money that is then invested in local startups.

The Daily Dispatch

MORE ASIAN NEWS

Temasek, Kuehne Nagel set up JV

Singapore state investor Temasek Holdings and Kuehne Nagel International AG, a global logistics group, are planning to establish a 50:50 joint venture (JV) entity that will have the mandate to invest in early-stage logistics technology companies.

Tata group hires EY for sale of oil and gas biz

The Tata group has hired EY to explore the sale of Tata Petrodyne Ltd (TPL), its oil and gas exploration and production business, two people aware of the development said. Tata group is pruning its portfolio and exiting businesses that are unprofitable or lack scale. Tata Petrodyne is one such business.

ADB commits up to \$50m to True North's new fund

The Mumbai-based private equity firm is looking to raise \$900 million for its new fund True North VI LLP, its biggest yet. The fund will provide equity capital to middle-market companies in India embarking on their next phase of growth. The Asian Development Bank (ADB) is making an equity investment of up to \$50 mn.

HNA's problems mount as airlines delay payments

Some airlines affiliated with China's HNA Group are delaying aircraft lease payments to lessors, and Export-Import Bank of China, which is a long-term financier of the group, has formed a team to handle the conglomerate's liquidity issues, several banking and leasing sources said.

China's non-financial investment abroad falls

China last year posted its first decline in non-financial outbound direct investment since it began publishing the data in 2003, as firms backed off from speculative overseas investment amid a government crackdown.

TODAY'S TOP GLOBAL NEWS

Nestle sells U.S. candy to Ferrero for \$2.8B

Nestle said Tuesday, January 16, it has agreed to sell its US candy business to Italy's Ferrero for CHF 2.7 billion (\$2.8 billion/2.3 billion euros) in cash as the Swiss food giant shakes up its product portfolio. The sale will make Ferrero the third-largest confectionary company in the US market.

Cryptocurrencies are crashing amid regulation fears

January's cryptocurrency selloff got fresh impetus on Tuesday when Bitcoin slumped as much as 25 percent, as the prospect of regulatory crackdowns appeared to spread. While the largest digital coin was down 25 percent at \$10,338 as of 4:37 p.m. in New York, it was still at the lowest level since early December.

Asian stocks decline after US losses; Yen gains

Asian stocks pulled back from record highs, following declines seen in their U.S. counterparts and as the yen strengthened to a four-month high against the dollar. Treasuries steadied amid Congressional talks to avert a government shutdown Friday.

South Africa seek to recover \$4B in assets

South Africa's National Prosecuting Authority is seeking to recover about \$4 billion worth of assets from 17 cases it's pursuing relating to "state capture." The Asset Forfeiture Unit has six cases in court related to state capture, a term used to describe influence over government appointments and the awarding of state contracts.

Economic Calendar

Date	Release
01.04.2018	PH: CPI YoY
01.04.2018	PH: CPI NSA MoM
01.04.2018	PH: CPI Core YoY
01.18.2018	PH: Budget Balance Php
01.23.2018	PH: GDP Annual YoY

Source: Bloomberg Economic Calendar