

The Daily Dispatch

January 24, 2018
TODAY'S TOP NEWS

PH economy returns crown to China

Despite 19 years of uninterrupted growth, the Philippine economy was still unable to surpass China's expansion, after the Asian superpower posted a "surprising" recovery in 2017, from a 26-year low in 2016. In the past 5 quarters, the Philippines registered higher economic growth than China twice.

Philippine GDP grows by 6.7% in 2017

A recovered agriculture sector, strong government consumption, as well as better exports and imports made it possible for the Philippine economy to grow above 6% for the 6th straight year in 2017. This was despite a drop in private construction spending, post-election impact, and a plateauing BPO industry.

Ayala's AC Energy in pact with Vietnam's BIM Group

AC Energy, the energy sector business arm of Ayala Group, is investing in Vietnam's solar power industry through a partnership with Vietnam-headquartered BIM Group. Ayala Corporation said it has agreed with BIM Group to jointly develop over 300 megawatts (MW) of solar power projects in Vietnam's Ninh Thuan province.

Duterte's infra plan feasible with TRAIN

THE Duterte administration's massive infrastructure projects under the "Build, Build, Build" program is feasible now following the signing into law of the Tax Reform that will ensure a steady revenue flow for the government totaling P786 billion over the medium term, a high-ranking Finance official said.

Converge ICT signs deals with foreign companies

Converge ICT said it signed several agreements with foreign partners to boost Internet broadband nationwide. "We've already been called the 'disruptor' because I want to bring different avenues for telco services and we are bringing more new technologies," Converge ICT president and chief executive Dennis Anthony Uy said.

Philippine Stock Market Update



Previous Close:

8,999.02

1 Yr Return:

23.46%

Open:

8,992.37

YTD Return:

4.62%

52-Week Range:

7,146.27 - 8,999.02

Source:

Bloomberg

Foreign Exchange

As of Jan. 23, 2018

US Dollar	Philippine Peso
1	51.064

PDST-R2 Rates

As of Jan. 23, 2018

Tenor	Rate
1Y	3.1515
3Y	4.2320
5Y	4.7129
7Y	5.3179
10Y	5.7950
20Y	5.7752

Daily Quote

"One finds limits by pushing them."

--Herbert Simon

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MORE LOCAL NEWS

Fresh tax hikes eyed under 'Package 2 Plus'

A supplement to Package 2 of the government's Tax Reform will be submitted to Congress later this month, Finance Secretary Carlos Dominguez 3rd said on Tuesday. "By the end of the month, we shall also be submitting Package 2 Plus, which includes taxes on tobacco, alcohol, mining, coal, and casinos," Dominguez announced in a speech.

Employers buck bills on additional paid leaves

Employers have expressed opposition to 10 Senate bills proposing new employee leaves and increase of existing ones that will be tackled by the labor, employment and human resources development committee chaired by Sen. Joel Villanueva today.

Philippine Stock Exchange index nearly pierce 9,000

The benchmark Philippine Stock Exchange index (PSEi), nearly broke into the 9,000 level yesterday despite the country's lower-than-expected economic performance for the fourth quarter and full year 2017.

The PSEi recorded a new record high at 8,999.02, up 48.40 points from Monday's level.

Visa, UnionBank partner for pilot B2B transactions

Global payments technology company Visa has partnered with Aboitiz-controlled Union Bank of the Philippines to pilot test bank-to-bank (B2B) transactions ahead of the planned commercial launch at the end of the year.

Department of Energy opens bids for oil exploration

The Department of Energy (DOE) is now accepting proposals for petroleum exploration and development contracts to fully harness the country's indigenous resources. DOE Secretary Alfonso Cusi has signed a circular governing the selection process in the awarding of petroleum service contracts (PSCs).

BSP: Robust econ. growth keeps inflation on target

The strong economic expansion in 2017 has given monetary authorities ample space to focus on meeting the inflation target and push market reforms, according to the BSP. The government reported that the economy expanded by 6.6 percent in the fourth quarter of last year, bringing the full-year expansion to 6.7 percent in 2017.

Robinsons Land: 2018 capex to exceed P16B

Robinsons Land Corp. will be spending more than P16 billion for capex this year as it pursues expansion and development plans. In an interview on Monday at the sidelines of a memorandum of agreement signing, Robinsons Land President Frederick Go said the company would be topping its 2017 capex of P16 billion.

TODAY'S TOP ASIAN NEWS

CH airline stocks could soar even higher

China's top three airlines saw their Hong Kong-listed shares surge last year, but there is still potential for more gains. This comes amid China's easing of price controls for domestic destinations flown by at least five carriers earlier this month, allowing a price hike of as much as 10 percent.

Gore-backed scooter firm eyes traffic clogged SEA

Gogoro Inc., the Taiwanese electric scooter maker backed by former U.S. Vice President Al Gore, sees the smog-choked streets of Southeast Asia as the ideal target market as it embarks on a quest to expand its business overseas. The startup is looking to launch sales of its scooters in its first market outside Taiwan.

Quadria Capital backs Malaysian Lablink

Asia-focused healthcare investor Quadria Capital today announced its investment in Malaysian diagnostics provider Lablink (M) Sdn Bhd. The financial details of the deal were not disclosed. The investment comes as part of the private equity firm's strategy to expand into the medical laboratory services sector.

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MORE ASIAN NEWS

GIC backs \$2.5b investment in FirstEnergy Corp

Electric utility FirstEnergy Corp, which is listed on the New York Stock Exchange (NYSE), has received a \$2.5-billion equity investment from a group of fund managers that includes Singapore's sovereign wealth fund GIC as well as Elliott Management Corp, the company announced in a press release.

LP leads \$36m Series B investment in Songxiaocai

Logistics major Global Logistic Properties (GLP) has led an RMB230-million (\$36 million) Series B funding round in Songxiaocai, a business-to-business (B2B) platform which offers agricultural wholesale services to Chinese retailers, according to a statement.

Orix invests \$60m in Chinese P2P lender Dianrong

Orix Corp has invested \$60 million in peer-to-peer lending platform Dianrong, in what is the Japanese financial firm's first investment in a Chinese fintech venture as it looks to tap into the fast-expanding sector.

Emirates to pick HSBC, Citi to arrange \$1B Sukuk

Emirates, the world's biggest airline by international traffic, has mandated eight banks including HSBC Holdings Plc and Standard Chartered Plc to manage a sale of Islamic bonds, according to two people with knowledge of the transaction.

TODAY'S TOP GLOBAL NEWS

Australia is cashing in on gold ETF's

The party in gold exchange-traded funds is raging so hard that the Australian government is trying to crash it. With holdings in gold-backed ETFs at the highest level since 2013, New York Stock Exchange Arca Inc. is seeking to list the Perth Mint Gold ETF Trust, according to a U.S. government filing.

Carrefour plans to cut 2,400 jobs, invest \$3.4B

Carrefour SA is forming a partnership with Chinese tech giant Tencent Holdings Ltd. and investing 2.8 billion euros (\$3.4 billion) over five years in online shopping as CEO Alexandre Bompard seeks to fend off Amazon.com Inc. A sweeping overhaul announced Tuesday will result in 2,400 job cuts at its French headquarters.

Oman weighs \$2B loan after dollar bond

Oman is considering raising a loan of as much as \$2 billion, two people familiar with the plans said, just weeks after the Middle East's biggest non-OPEC producer sold \$6.5 billion of bonds. The government is in talks with international banks about pricing for the loan, the people said, asking not to be identified because the talks are private.

Bitcoin may split 50 times in 2018

Bitcoin God arrived last month. Bitcoin Pizza was delivered in January. Bitcoin Private's issuance date is... still a secret. They're just a few of the growing stable of so-called forks. Some 19 Bitcoin forks came out last year -- but up to 50 more could happen this year, according to Autonomous Research.

Tech stocks are showing signs of overheating

The investor love affair with tech megacaps is showing signs of heating up to dangerous levels just ahead of a busy slate of earnings. A net 39 of the Nasdaq 100 Index's constituents are trading at a relative strength above 70 -- the most since June 2.

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