

The Daily Dispatch

January 31, 2018
TODAY'S TOP NEWS

Inflation seen steady at 3.3% in Jan

Inflation likely remained steady at 3.3 percent in January as the drop in housing, utilities, and clothing prices was able to offset the rise in transport rates during the period, the DOF said. In an economic bulletin, the DOF said the inflation rate in January may have remained unchanged from the December 2017 level of 3.3 percent.

RCBC eyes stock rights offer

Rizal Commercial Banking Corp. (RCBC) is raising P15 billion from the sale of new shares to existing shareholders to further strengthen its capital ratios and support asset growth. In a disclosure to the PSE, RCBC said its board of directors approved a stock rights offering to raise up to P15 billion in fresh common equity Tier 1.

8990 disposes P2.8-B receivables

8990 Holdings Inc. sold P2.8 billion worth of receivables in the form of contracts to sell (CTS). In a disclosure to the Philippine Stock Exchange (PSE) yesterday, 8990 said it entered into a sale and purchase agreement with Dearborn Resources and Holdings Inc.

DOF defers submission of Tax Reform 2

The Department of Finance (DOF) is deferring the submission of its Tax Reform Package 2 plus proposal to Congress as the fiscal authorities continue to refine the measure before heading to the House of Representatives.

Duterte builds \$1-B new city in Clark for workers

Thousands of government workers will be moved from Manila to a new city that's being built in a former US military base, as President Rodrigo Duterte's administration seeks to ease a traffic gridlock in the capital.

Philippine Stock Market Update



Previous Close:

8,910.48

1 Yr Return:

23.50%

Open:

8,831.83

YTD Return:

2.65%

52-Week Range:

7,146.27 - 9,078.37

Source:

Bloomberg

Foreign Exchange

As of Jan. 30, 2018

US Dollar	Philippine Peso
1	51.409

PDST-R2 Rates

As of Jan. 30, 2018

Tenor	Rate
1Y	2.8170
3Y	4.1404
5Y	4.7453
7Y	5.7036
10Y	6.2071
20Y	5.9354

Daily Quote

"I am not a product of my circumstances. I am a product of my decisions."

--Stephen Covey

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MORE LOCAL NEWS

Agriculture damage due to Mayon reaches P165M

The Department of Agriculture (DA) said the damage and losses to the agriculture sector caused by the activity of the Mayon volcano had reached P165.54 million as of noon on Tuesday, January 30. The agriculture department said the situation in Albay affected a total of 8,138 hectares of agricultural areas, and 8,294 farmers.

Entry terms geared to aggressive teleco investment

The government could require the new entrant into the telecommunications industry to remit to the government any unused portion of its five-year investment commitment, the acting head of the Department of Information and Communications Technology (DICT) said.

ESPN5 launches digital platform for sports fans

IT'S NOW OFFICIAL: TV5 and ESPN had agreed with the multimedia licensing and co-branding of the local ESPN5 as well as subscription of sports streaming service ESPN player that can be accessed by sports fans beginning today.

Drink producers shun China corn syrup imports

Philippine beverage producers are swapping their imports of high-fructose corn syrup (HFCS) for domestic sugar to avoid higher taxes on the alternative sweetener, industry and government officials said, limiting exports from top supplier China.

BF Life up for liquidation

The Insurance Commission said BF Life Insurance Corp., a company identified with the prominent Aguirre clan of Banco Filipino, is now in the process of liquidation. The agency informed claimants, creditors and all other parties with claims against the company that they have until July 23, 2018 to file their claims.

Koreans eyeing PH infra deals

South Korean investors are exploring the Philippines for opportunities in the infrastructure and energy sectors. Asean-Korean Center secretary general and investment mission head Young-sun Kim led a group of 12 of Korean engineering and construction companies to look for opportunities in the Philippines.

Tax reform to hike February power rates

Power rates are expected to increase in February on higher generation charges and following the implementation of the Tax Reform. "We may recall that the January generation charge reduction was largely due to lower capacity fees following the annual reconciliation of outage allowances," Meralco officer Lawrence Fernandez said.

TODAY'S TOP ASIAN NEWS

Samsung shares surge after 50-1 stock split

Samsung Electronics Co. is splitting its stock as a "step to enhance shareholder value," after reporting record earnings on robust demand for memory chips and sales of high-end displays for the iPhone X. The company's shares rose as much 8.7 percent after the board approved a 50-to-1 split on Wednesday.

SoftBank invests \$300M in dog walking startup

SoftBank Group Corp.'s Vision Fund has agreed to invest \$300 million in Wag Labs Inc., a startup that uses a smartphone app to connect dog walkers with dog owners. Hilary Schneider, former chief executive of identity theft protection company LifeLock Inc., will replace Joshua Viner as Wag's CEO.

China tycoon's ZZ Capital scales back operations

Like many Chinese tycoons in the heady days of early 2016, Xie Zhikun had big plans to parlay his homegrown fortune into an overseas empire. He poached top dealmakers from Qatar's sovereign wealth fund, Bank of America Corp. and KKR & Co. He rented a sprawling office in a Hong Kong skyscraper.

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MORE ASIAN NEWS

Spiral Ventures closes debut Japan fund at \$64m

Spiral Ventures, a venture capital firm focused on startups in Japan and Southeast Asia, closed its debut fund, the Spiral Ventures Japan Fund 1, at ¥7 billion (\$64 million), the largest first fund raised by an independent VC firm in the country, the company announced.

Mahindra acquires 26% stake in Mitra

Mahindra and Mahindra Ltd, the world's largest tractor maker, on Tuesday said it has acquired a 26% stake in Mitra Agro Equipment Pvt. Ltd, a manufacturer of agricultural sprayers, in an all-cash transaction valued at Rs 8 crore.

Thai PTTGC teams up with S Korea's Daelim

Thai listed petrochemical firm PTT Global Chemical Plc (PTTGC) and South Korea's construction and petrochemical giant Daelim Industrial have agreed to jointly develop a petrochemical complex in the United States. The Ohio petrochemical project has been under development since 2015.

TODAY'S TOP GLOBAL NEWS

Facebook bans cryptocurrency ads

Facebook Inc. is banning ads on its social network that promote cryptocurrencies, initial coin offerings and binary options, saying they're "frequently associated with misleading or deceptive promotional practices."

Amazon, Berkshire, JPM link up for healthcare co.

News Tuesday that Bezos's Amazon.com Inc., Buffett's Berkshire Hathaway Inc. and JPMorgan Chase & Co., led by Dimon, plan to join forces to change how health care is provided to their combined 1 million U.S. employees sent shock waves through the health-care industry.

Bitcoin heads for worst monthly slide since 2013

January is turning into a month to forget for digital currency investors. Cryptocurrencies are extending losses with Bitcoin headed for its worst monthly slide since December 2013 on the last day of January trading as U.S. regulators ramp up their scrutiny.

Xerox deal that would cede control to Fujifilm

Xerox Corp is nearing a deal with Fujifilm Holdings Corp (4901.T) that would cede control of the U.S. photocopier pioneer to its Japanese competitor, The Wall Street Journal reported citing people familiar with the matter.

Ghana's cocoa body to sell \$556M of debt

Ghana's cocoa regulator will sell as much as 2.5 billion cedis (\$556 million) of debt to pay for liabilities and operational costs while pledging to end subsidies for farmers, according to a deputy finance minister.

GIC joins consortium in buying Reuters unit

GIC has joined a consortium that has taken a majority stake in the Financial and Risk (F&R) business of news group Thomson Reuters. Under the partnership agreement, the Blackstone-led consortium will own 55 per cent of the equity in a new corporation created to hold the F&R business, in a stake valued at US\$11 billion.

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