

The Daily Dispatch

February 02, 2018
TODAY'S TOP NEWS

SM drops plan to acquire Goldilocks Bakeshop

SM RETAIL, Inc., a company owned by the country's richest man Henry Sy, Sr., has scrapped plans to acquire Goldilocks Bakeshop, Inc., citing changes in the general business environment. The two parties announced the dissolution of the deal, saying it was a mutual decision given the various changes in the marketplace since negotiations

GMR Megawide keen on Davao airport upgrade

GMR Megawide Cebu Airport Corp. (GMCAC), operator of the Mactan-Cebu International Airport (MCIA), is eyeing to take part in the planned upgrade of the Davao International Airport (DIA), which has been put on hold last year as government considers funding other than through the public-private partnership (PPP) scheme.

CEZA commissions study to attract fintech firms

CAGAYAN Economic Zone Authority (CEZA) said it signed a memorandum of understanding with Sinosun Subic Bay Holdings Corp. to conduct a feasibility study for the development of a financial technology (fintech) hub.

DoubleDragon to build PH's biggest hotel-Boracay

The "biggest" hotel in the country is set to rise in the tourist destination of Boracay Island. "The Hotel101 Resort-Boracay will soon rise on the beachfront of Boracay Newcoast featuring 1,001 rooms and is expected to become the biggest hotel in the Philippines in terms of room count," DoubleDragon said in a disclosure.

AC Energy cited as fastest growing energy platform

International Finance Magazine ("IFM") has recognized Ayala Corp.'s energy business group and Solar Philippines as among the fastest growing power groups worldwide. During the recent IFM Awards 2017, IFM named AC Energy as the "fastest growing energy platform" in recognition of the company's 20-fold growth from 2011 to 2017.

Philippine Stock Market Update



Previous Close:

8,915.92

1 Yr Return:

25.97%

Open:

8,893.14

YTD Return:

4.75%

52-Week Range:

7,146.27 - 8,975.12

Source:

Bloomberg

Foreign Exchange

As of Feb. 1, 2018

US Dollar	Philippine Peso
1	51.580

PDST-R2 Rates

As of Feb. 1, 2018

Tenor	Rate
1Y	2.8519
3Y	4.2018
5Y	4.7348
7Y	5.5679
10Y	6.0750
20Y	5.9197

Daily Quote

"Never interrupt your enemy when he is making a mistake."

--Napoleon Bonaparte

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MORE LOCAL NEWS

JICA studies MRT-3 viability

The Japan International Cooperation Agency (JICA) started yesterday to conduct the due diligence and system audit for the Metro Rail Transit Line 3 (MRT-3) to determine what rehabilitation and restoration works need to be undertaken to bring in improvements to the train system.

Pancake House opening soon in Saudi Arabia

Max's Group Inc. (MGI) is bringing its homegrown brand Pancake House to Saudi Arabia. The company forged a partnership with Al-Bader National Establishment for Real-Estate Development to open 12 Pancake House stores in Saudi Arabia within the next five years as part of its international business expansion.

BSP sees 4% peak inflation in January CPI

With tax reform and volatile global crude oil prices, the central bank forecasts inflation rate could reach the peak of four percent for the month of January. In a statement, the BSP Department of Economic Research estimates a range of 3.5 percent to four percent, higher than December's consumer price index of 3.3 percent.

BSP satisfied with current PHP/USD exchange rate

Bangko Sentral ng Pilipinas (BSP) Governor Nestor A. Espenilla Jr. is still not worried about the exchange rate volatility and that the peso is only showing its flexibility to market conditions. "The peso is just fine," said Espenilla on Thursday.

Smart LTE data traffic triples in 2017

SMART Communication, Inc. said its long-term evolution (LTE) traffic tripled in 2017 as subscriber adoption of LTE-capable devices also soared. PLDT's wireless arm said in a statement that LTE data traffic jumped 204 percent last year on the back of a 102-percent increase in LTE devices latched on the Smart network.

CBS, Viacom form committees to explore merger

CBS Corp and Viacom Inc have formed special committees to explore a merger, the companies said on Thursday, the first step in potentially reuniting the companies split by media mogul Sumner Redstone more than a decade ago.

SEC to draft ICO rules; RCBC eyes \$291m offer

The Philippine Securities and Exchange Commission said it is drafting the guidelines for initial coin offerings in the country instead of totally banning the fundraising activity. Listed lender RCBC, on the other hand, seeks to raise Php15 billion in a stock rights offer.

TODAY'S TOP ASIAN NEWS

Alibaba market value tumbles after margins decline

Alibaba Group Holding Ltd. shares fell the most in 18 months and cut its market valuation by about \$30 billion after investments in brick-and-mortar assets and digital media squeezed profit margins in the December quarter.

Pacific Radiance sweetens debt-to-equity offer

Offshore marine group Pacific Radiance announced a consent solicitation exercise for a revised restructuring plan with better terms for holders of its S\$100 million 4.3 per cent medium-term notes. In its preliminary proposal, Pacific Radiance offered full conversion of the notes to new equity, at a rate of three new shares for every S\$1 held.

RELX Group acquires Australia's ThreatMetrix

RELX Group has acquired ThreatMetrix, a digital identity firm with Australian roots, for a cash consideration of £580 million (\$825.6 million), according to a press release. Set up in 2005, ThreatMetrix operates in the global risk-based authentication sector and is headquartered in San Jose, California.

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MORE ASIAN NEWS

Alibaba leads funding in India's Bigbasket

Alibaba Group Holding Ltd led a \$300 million investment into India's biggest online grocer Bigbasket, signaling that the region's segment is firing up. Hari Menon said the investment values the company at \$950 million — just \$50 million under the \$1 billion valuation that would have earned it tech unicorn status.

Motorola to buy security camera maker Avigilon

Walkie-talkie maker Motorola Solutions Inc said on Thursday it would buy Canadian security camera maker Avigilon Corp for C\$1.2 billion (\$978 million) cash. Motorola's offer of C\$27 per Avigilon share represents a premium of 18.3 percent to Avigilon's Thursday closing price on the Toronto Stock Exchange.

TODAY'S TOP GLOBAL NEWS

Airbnb says no listing in 2018, CFO to leave

Short-term home rental service Airbnb Inc will not go public this year, the company said on Thursday, and it also announced a change in executive leadership with the loss of its chief financial officer and appointment of its first chief operating officer.

Etihad scrambles to shore up \$1.2 bn bonds

Etihad Airways is urgently examining ways to avert a technical default of some \$1.2 billion in bonds indirectly linked to the Gulf airline, sources close to the situation told Reuters.

Bitcoin hits 2018 low as concerns mount

Bitcoin slumped as much as 15 percent, sending the digital coin to its low for the year, amid mounting concerns of increased regulation and the viability of the biggest cryptocurrency. After reaching a record high of \$19,511 on Dec. 18, Bitcoin has lost more than half its value.

Apple forecasts fall short as sales miss estimates

Apple Inc. forecast lower-than-expected revenue for the current quarter and reported iPhone sales from the crucial holiday period that missed analysts' forecasts, suggesting waning demand for its most-important product.

Schwarzman: SoftBank's Son in league of his own

The head of the world's biggest private equity firm sees few financial institutions as aspiring as his own Blackstone Group LP. A new fund from Masayoshi Son's SoftBank Group Corp. may be the exception. Son's Vision Fund, a technology-focused pool with a \$100 billion target, has taken stakes in scores of companies.

Microsoft reports \$8b loss due to tax charge

Microsoft reported a hefty loss in the past quarter as it set aside billions of dollars for taxes on profits it expects to bring back to the United States following passage of a major tax overhaul. The technology giant said its loss for the quarter to Dec 31 was US\$6.3 billion as it took a charge of US\$13.8 billion to pay its taxes.

Bitcoin's big wipeout erases \$44b of value in Jan

Bitcoin is proving that cryptocurrencies can erase wealth as fast as they create it. Its January slide knocked US\$44.2 billion off the US\$200 billion in market value generated in all of last year, the biggest one-month loss in dollar terms in the short history of digital assets.

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