

# The Daily Dispatch

February 05, 2018  
TODAY'S TOP NEWS

## Meralco considering Solar PH bid

Meralco is considering Solar Philippines' bid to provide cheap round-the-clock power supply to Meralco in a move to diversify its energy sources, a top executive said. Solar PH last month said it had submitted an offer to supply power 24/7 to Meralco at P2.99 per kWh, proposing to use solar energy and battery storage to supply customers.

## Energy dept studying Malaya power plant sale

The DoE is studying how a possible sale of the Malaya Thermal Power Plant in Pililla town, Rizal province will affect power supplies in country. DOE Assistant Secretary Leonido Pulido 3rd said his department wanted to determine if privatizing the 650 MW plant was needed.

## SSS considering foreign investments – Dooc

The SSS is keen on investing abroad to diversify its portfolio and increase returns, the state-owned pension fund's chief said. "Based on the experience of GSIS where they reported good returns we will also consider that (foreign investment)," SSS President and Chief Executive Officer Emmanuel Dooc told reporters.

## Megawide-GMR signs Clark airport contract

Megawide-GMR consortium and state-run Bases Conversion and Development Authority signed the engineering, procurement and construction contract to expand Clark International Airport, according to International Finance Corp. Megawide-GMR is the consortium of local company Megawide Construction Corp. and GMR Infrastructure Ltd.

## PLDT to keep spending at record levels

As it set its highest ever capital expenditures at more than P50 billion this year, PLDT Inc. will keep spending at record levels over the next two years to continue network improvements and deliver better services to customers.

## Philippine Stock Market Update



**Previous Close:**

8,810.75

**1 Yr Return:**

23.91%

**Open:**

8,680.59

**YTD Return:**

0.50%

**52-Week Range:**

7,146.27 - 9,078.37

**Source:**

Bloomberg

## Foreign Exchange

As of Feb. 4, 2018

US Dollar	Philippine Peso
1	51.683

## PDST-R2 Rates

As of Feb. 4, 2018

Tenor	Rate
1Y	2.8991
3Y	4.1959
5Y	4.7666
7Y	5.7146
10Y	6.2093
20Y	6.3750

## Daily Quote

"Every day we choose who we are by how we define ourselves."

--Angelina Jolie

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## MORE LOCAL NEWS

### Fruitas to launch P2 billion IPO this year

Fruitas Holdings Inc. (FHI), the food and beverage company which is behind the popular Fruitas brand, will embark on a P2 billion IPO possibly this year. In an interview with The STAR, FHI founder and chief executive officer Lester Yu said the company is targeting to go public this year to raise funds for expansion.

### Ayala to ramp up 2018 spending

Ayala Corp. is looking at various capital raising activities, including tapping the local debt market, as it eyes to ramp up its capital expenditures this year, a ranking official said. Ayala CFO Jose Teodoro Limcaoco said the conglomerate expects a bigger spending this year. "I think as a group, it will be bigger than 2017," he said.

### Business laments competition policies

Competition policies are meant to ensure fairness in doing business with consumer protection at the center of it all. Thus, the true test of decisions, rules and policies of the PCC, the country's anti-trust body, is if these results in consumer welfare, not just in the short term but, in the long-term horizon.

### Philab to raise up to \$150 million

Philab Holdings Corporation is planning to raise \$100-150mn by selling new shares to investors to fund its planned satellite clinics nationwide. Philab Chairman and CEO Tom Navasero said the planned capital raising program will mean that his stake in the company will be diluted from the current 80% to 30-40%.

### Ayala Group eyes stake in monorail project

Conglomerate Ayala Corp. has proposed to team up with tycoon Andrew Tan-led Alliance Global Group Inc. on the latter's monorail project, aiming to extend the "Skytrain" alignment to the Makati central business district (CBD) or even to the Light Railway Transit 1 (LRT 1).

### Healthcare firm Philab invests in Veritas Genetics

Philippine-listed healthcare holding firm Philab Holdings Corp seeks to break into the global genetics market with its Php500-million (\$9.6 million) investment in US-based Veritas Genetics. Philab revealed that the initial investment would be used to develop a genome sequencing facility for Asia, possibly in Clark, Pampanga.

### Philippine's Bliimo eyes expansion to six countries

Bliimo, a travel experience-based startup from the Philippines, is targeting to expand into at least six countries in the next two years, with its newly-launched app that provides a fully-integrated platform for users to book trips and customize itineraries.

## TODAY'S TOP ASIAN NEWS

### Pacific Radiance revises terms of note restructuring

Pacific Radiance is seeking permission from its bondholders for a revised restructuring plan regarding its \$100 million notes. The offshore and marine group is still proposing a debt-to-equity conversion of the notes in full, but bondholders will now receive 19 new shares for every \$5 held - equating to 26.3 cents per share.

### India sees \$1.9B spending on free health care

India expects to spend up to 120 billion rupees (\$1.9 billion) annually on premium payments to provide as many as 100 million poor families with free access to health care. The program, which provides poor with hospital care, will be funded with 60 percent contribution from the federal government and rest coming from the states.

### Sony profits soar more than tenfold

Sony said Friday its 9-month profit had soared more than tenfold, and upgraded its annual profit forecast, cementing a roaring recovery for the once-ailing tech titan of Japan Inc. With its financial health back on track after years of deep losses, Sony said its CEO Kazuo Hirai would step down after overseeing a successful overhaul.

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## MORE ASIAN NEWS

### CH a rare place where value investing works

The value trade is finally having its day in the sun -- in China. While chasing bargain stocks in overheating markets around the world has been a losing strategy, it's a surprisingly successful play in Shanghai. A gauge of the city's big companies with the lowest valuations is up 12 percent this year.

### Why the crypto world is watching South Korea

Many South Koreans are obsessed with cryptocurrencies. The country's lawmakers? Not so much. From the prime minister down, officials have warned that the speculative mania surrounding Bitcoin and its peers is dangerous.

### Reliance emerges to acquire stake in JBF Industries

Billionaire Mukesh Ambani's Reliance Industries Ltd (RIL) has emerged as the sole contender to acquire a part of polyester maker JBF Industries Ltd's operations in a transaction that will include its entire overseas operations and an upcoming plant in Mangalore, two people directly aware of the ongoing negotiations said.

### CLSA's Sunrise Capital III to acquire Marubeni Mates

Sunrise Capital III, a CLSA Capital Partners fund, has agreed to acquire Marubeni Mates Ltd, a full suite service provider of uniforms in Japan. Marubeni Mates, a 100 per cent subsidiary of Marubeni Corporation, will maintain its existing operational policies and organizational framework even after the acquisition.

### Suitors line up for tea company Assam Co

India's oldest surviving and perhaps the most prized tea company (in terms of its assets) is set to go under the hammer. Even before the information memorandum has been circulated, the 179-year old Assam Co. India Ltd has several suitors: MK Shah Exports Ltd, Warren Tea Ltd and the Dhunseri Group to name a few.

## TODAY'S TOP GLOBAL NEWS

### Asian demand spells jackpot for Airbus, Boeing

Airbus and Boeing have never had it so good in Asia. The rapid growth of mainland Chinese carriers and the entry of many budget operators has meant billions of dollars in orders for the aircraft makers. Asia Pacific is likely to have 3.5 billion passengers by 2036.

### Tesla tapped by AUS in virtual power plant plan

South Australia plans to roll out solar panels and Tesla Inc. batteries to at least 50,000 homes to form what its government says will be the world's largest virtual power plant. Billionaire Elon Musk last year built the world's biggest lithium-ion battery system to support South Australia's blackout-plagued power grid.

### Global equity slump deepens as rate fears grow

Asian equities fell and U.S. stock futures headed lower, extending the biggest selloff for global stocks in two years as investors adjusted to a surge in global bond yields. The dollar added to gains. Shares sank more than 1 percent from Tokyo to Sydney, while S&P 500 Index futures were 0.6 percent lower.

### Motorola to buy Avigilon for \$978m

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.

## Economic Calendar

Date	Release
02.05.2018	PH: CPI YoY
02.06.2018	Foreign Reserves
02.08.2018	BSP Overnight Borrowing Rates
02.11.2018	Budget Balance PHP
02.14.2018	Overseas Remittances YoY

Source: Bloomberg Economic Calendar