

# The Daily Dispatch

February 06, 2018  
TODAY'S TOP NEWS

## PH stocks log biggest single-day drop in a year

Philippine stocks suffered their biggest single-day price drop in over a year on Monday, February 5, dragged by sell-offs in global markets. The bellwether Philippine Stock Exchange index (PSEi) on Monday ended at 8,616 points, 2.21% or 194.75 points lower than that of Friday, February 2.

## PH forges stronger ties with Turkey, Hungary

The Philippines continues to strengthen its engagement with Turkey and Hungary in line with President Duterte's vision to diversify and strengthen the country's trade and investment relationship with non-traditional partners.

## BIR scraps special tax rate for RHQ staff

The government has scrapped the preferential tax rate for employees of regional headquarters (RHQs) and regional operating headquarters (ROHQs) of multinational companies despite the strong uproar from foreign chambers of commerce.

## Goldilocks bent on network expansion

Goldilocks remains committed to expanding its network even as talks with the SM Group for a possible merger or acquisition bogged down, its top official said. Goldilocks president Richard Yee said the company would continue to grow its network.

## Optimism on PH economy 'unprecedented'

Finance Secretary Dominguez said there is "unprecedented optimism" over the country's economic prospects under the current administration, partly because the business community and even ordinary citizens see the CTRP as the "gamechanger" that will allow the government to effectively pursue its socioeconomic agenda for high and inclusive

## Philippine Stock Market Update



**Previous Close:**

8,764.01

**Open:**

8,748.38

**52-Week Range:**

7,146.27 - 9,078.37

**1 Yr Return:**

23.76%

**YTD Return:**

2.83%

**Source:**

Bloomberg

## Foreign Exchange

As of Feb. 6, 2018

US Dollar	Philippine Peso
1	51.580

## PDST-R2 Rates

As of Feb 6, 2018

Tenor	Rate
1Y	2.9121
3Y	4.2504
5Y	4.8472
7Y	5.6911
10Y	6.1893
20Y	5.9677

## Daily Quote

"The purpose of art is washing the dust of daily life off our souls."

--Pablo Picasso

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## MORE LOCAL NEWS

### Philippine Seven steps up expansion

After opening 318 new stores in 2017, Philippine Seven Corp. (PSC), the exclusive local licensor of global C-store chain 7-Eleven, announced it was stepping up its momentum with more strategic franchising initiatives as part of its aggressive expansion plan.

### Megaworld to open P2.2b Iloilo regional mall

Megaworld Corp. will open a P2.2-billion regional mall within the 72-hectare Iloilo Business Park in April. Festive Walk Mall in Iloilo City would occupy 9,000 square meters of gross floor area, anchored by its own supermarket, department and home essentials stores, toy outlet and a food hall.

### DoE issues circular on new WESM operator

DoE has issued a circular governing the creation of an independent market operator (IMO) to run the WESM starting June. Department Circular DC2018-01-0002 said the IMO shall be independent from the Philippine Electricity Market Corp. (PEMC)—which has been operating the spot market since 2003—and registered as a private company.

### AP wants binding contract for ‘captive’ customers

ABOITIZ POWER Corp. (AboitizPower) wants big electricity users who opt to stay as captive customers of distribution utilities to also be required to enter into a binding contract for a definite period similar to what is imposed on those who switch to retail electricity suppliers (RES).

### Tax bureau suspends audits for now

THE BUREAU of Internal Revenue (BIR) has suspended investigations of taxpayers, saying yesterday it needs to review policies and procedures in this regard after its head said last month that the practice has not improved collections.

### House targets early Mar. approval of tax amnesty

THE HOUSE of Representatives’ Ways and Means committee hopes to approve a tax amnesty measure by “early March,” its chairman said on Monday, as it irons out details to make sure it brings more tax evaders into the fold.

### Del Monte PH plans P16.7B IPO

The Campos family is planning a P16.7-billion initial public offering for Del Monte Philippines Inc. (DMPI), a leading producer of canned fruit and juice drinks, tropical fruit, spaghetti sauce and tomato ketchup in the country.

### Air Asia PH unit plans bigger IPO

Tony Fernandes, who heads its operator Air Asia Berhad of Malaysia, said in a recent interview that Philippines Air Asia could raise more than the \$200 million to \$250 million it had projected for its public debut here.

## TODAY’S TOP ASIAN NEWS

### China looks to stamp out cryptocurrency trading

China plans to stamp out all remaining cryptocurrency trading in the country by blocking access to overseas-based websites and removing related applications from app stores. The moves were outlined in a report on Sunday, February 4, by Financial News, a publication under the People's Bank of China.

### Nissan to invest \$9.5B in China to drive sales

Japanese automaker Nissan Motor and its Chinese joint-venture partner announced on Monday a \$9.5-billion investment plan in China to increase annual sales by one million vehicles and boost electric car production. The Dongfeng Motor Co. is the latest Sino-foreign car company to splash out as China rolls out new regulations to limit gas

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## MORE ASIAN NEWS

### Noble rejects non-disclosure waiver request

Noble Group has rejected request to waive the non-disclosure arrangements around their earlier discussions. The battered commodity trading firm gave more details about its sale processes for Noble Americas Corp and Noble Americas Gas and Power Corp, and said its disposals over the last two years have all complied with listing rules and

### Edelweiss eyes first close \$311m-fund by month end

Edelweiss Infrastructure Yield Plus, an alternative investment fund managed by Edelweiss Alternative Asset Advisors Ltd, expects to achieve a first close of around \$250 million by the end of February, a senior executive of the firm said.

### GREE Ventures backs seed round of Vouch Insurtech

Singapore-based automotive insurance startup Vouch Insurtech has closed a S\$1 million (\$759,040) seed investment from Taipei-based Nogle Capital Management, GREE Ventures and several angel investors, according to a press release.

### Alibaba leads \$1.24b investment in film unit

China's Dalian Wanda Group is selling a \$1.24 billion stake in its listed film unit to a pair of investors led by Alibaba Group Holding Ltd, as the conglomerate looks to bring in strategic partners and raise new funds.

### Emami to buy 26% stake in Brillare

Consumer goods maker Emami Ltd on Monday said it had concluded a deal to acquire a substantial minority stake in Brillare Science Pvt. Ltd, valuing the company at Rs75-100 crore. Founded in 2009 and based in Ahmedabad, Brillare produces hair and skin care products, and sells them to professional salons.

## TODAY'S TOP GLOBAL NEWS

### Wall Street stocks plunge in chaotic session

Wall Street stocks plunged in chaotic trading on Monday, February 5, as the Dow's gains for 2018 were erased in a brutal pullback from months of stock market euphoria that had been acclaimed by President Donald Trump. The Dow Jones Industrial Average saw its steepest ever one-day point drop.

### Broadcom sweetens bid for Qualcomm to \$121B

Broadcom raised its bid for rival computer chipmaker Qualcomm on Monday to \$121 billion, offering the richest-ever takeover effort in the tech sector in an effort to become the dominant player in the fast-growing market for connected devices. Singapore-based Broadcom called the hostile bid its "best and final offer."

### Bitcoin's crash is turning into its biggest ever

Bitcoin tumbled for a fifth day, dropping below \$7,000 for the first time since November and leading other digital tokens lower, as a backlash by banks and government regulators against the speculative frenzy that drove cryptocurrencies to dizzying heights last year picks up steam.

### Broadcom unveils \$121B 'final' offer for Qualcomm

Broadcom Ltd made a \$121 billion "best and final offer" on Monday to acquire Qualcomm Inc, ratcheting up pressure on its U.S. semiconductor peer to engage in talks on what would be the biggest ever technology acquisition. The takeover battle is at the heart of a race to consolidate the wireless technology equipment sector.

## 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