

The Daily Dispatch

February 14, 2018
TODAY'S TOP NEWS

DPWH gets help from HK-based Arup for infra deals

The Department of Public Works and Highways has signed a consulting contract with Ove Arup and Partners Hong Kong Limited (Arup) to help the DPWH prepare feasibility studies and detailed engineering designs for new inter-island bridges, tunnels, and highways worth over \$11 billion.

PAL to spend around \$2B on 15 new planes in 2018

Flag carrier Philippine Airlines is continuing with its fleet modernization program in a bid to push its newly acquired 4-star airline status to 5 stars. "We are expecting to take delivery of 15 aircraft this year – 4 Airbus A350s, 6 Airbus A321neo, and 5 Bombardier Q400 next generation planes," president and COO Jaime Bautista said.

Jollibee takes bigger bite out of Smashburger

Jollibee Foods Corporation is increasing its stake in US-based burger chain Smashburger from 40% to 85%, in line with its bid to conquer foreign markets. JFC told the Philippine Stock Exchange (PSE) on Tuesday, February 13, that it will acquire 45% more of the US-based burger chain from Smashburger Master LLC for \$100 million.

ADB prepares \$11B PH infra projects for FS

Around \$11 billion worth of complex infrastructure projects would be initially prepared using the \$100 million technical assistance loan provided by the Asian Development Bank (ADB) last year for project preparation.

Managing inflation, or rising prices

The Philippine Statistics Authority reports that prices in January compared to those of the same month last year, rose four percent. While this is a moderate inflation rate, new conditions are creating inflationary pressures. Monetary authorities will face these challenges as they try to stabilize prices in a time of sustained growth effort.

Philippine Stock Market Update



Previous Close:

8,570.14

1 Yr Return:

19.93%

Open:

8,563.57

YTD Return:

-0.65%

52-Week Range:

7,146.27 - 9,078.37

Source:

Bloomberg

Foreign Exchange

As of Feb. 13, 2018

US Dollar	Philippine Peso
1	52.011

PDST-R2 Rates

As of Feb.13, 2018

Tenor	Rate
1Y	2.9771
3Y	4.3491
5Y	4.9525
7Y	6.2200
10Y	6.5604
20Y	6.2933

Daily Quote

"Happiness is a quality of the soul...not a function of one's material circumstances."

--Aristotle

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MORE LOCAL NEWS

Electronics sector maps out new blueprint

The electronics and semiconductor industry is mapping out a new strategy to bolster the amount of new investments and continue propelling exports to new highs. Under the upcoming industry blueprint called PATHS, SEIPI president Dan Lachica said the sector expects annual investments to rise to \$1.5B by 2020, \$3B by 2025 and \$5B

Phoenix Petroleum to set up asphalt business

DENNIS Uy-led Phoenix Petroleum Philippines, Inc. is planning to put up its own asphalt business within the year, a top company official said. "Within the year, we will be having the asphalt business in place," Phoenix Petroleum Chief Operating Officer Henry Albert Fadullon told reporters.

Contact center sector shows no sign of slow down

Despite the looming challenges that may come its way, the Philippines' call center sector is expected to remain as among the strongest segments that contribute to the national economy, according to the Contact Center Association of the Philippines (CCAP).

Peso weakest in over 11 years

The peso continued its downtrend yesterday, touching the 52 to \$1 level during intraday trading amid the impending increase in US interest rates. The local currency shed 21 centavos to plunge to its weakest level in more than 11 years as it closed at 51.98 to \$1 from Monday's 51.77 to \$1.

Dennis Uy tops off Udena Tower in BGC

The Udena Group of businessman Dennis Uy recently topped off its first office tower development in Bonifacio Global City, Taguig. The 24-story office project called Udena Tower is strategically situated at the corner of Rizal Drive and 4th Avenue with a gross floor area of 14,703 square meters.

PTT, Cebu Pacific sign P7-b fuel deal

Oil player PTT Philippines and budget carrier Cebu Pacific Air signed a P7-billion fuel supply contract for 2018. PTT Philippines and Cebu Pacific renewed their jet fuel supply agreement with the former sustaining its position as the major supplier of the Gokongwei-owned airline's aviation fuel requirements.

Robinsons completes P20-b stock rights offer

Robinsons Land Corp. successfully completed its P20-billion stock rights offering on strong demand from investors. The company said in a disclosure to the stock exchange the offering of up to 1.1 million shares at a price of P18.20 each was oversubscribed.

Tycoons team up for \$6.7B upgrade of airport

Seven Philippine conglomerates, including those led by billionaires John Gokongwei and Lucio Tan, submitted a proposal to modernize and expand the capital's 70-year-old airport in a plan that will potentially triple capacity and help ease congestion.

SMC readies food business stake sale

San Miguel Corp., the biggest Philippine company by revenue, has asked investment banks to pitch for a role in a planned sale of shares in its listed business this year, people with knowledge of the matter said.

ATN Holdings seeks ecozone status for property

In a disclosure to the stock exchange on Tuesday, ATN Holdings said it authorized the registration of a 2.56 million square meter property as an economic zone under its wholly owned subsidiary Palladian Land Development, Inc.

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TODAY'S TOP ASIAN NEWS

SG economic growth misses estimates

Singapore's economy lost some of its momentum in the fourth quarter and the government sees growth moderating slightly this year as an export boom in 2017 eases. Gross domestic product rose at a seasonally adjusted, annualized rate of 2.1 percent from prior three months, trade ministry said Wednesday.

HNA selling \$7.9b in assets to repay debts

HNA Group, the once-voracious hunter of global trophy assets, is seeking to sell more than US\$6 billion in properties worldwide as pressure intensifies for the Chinese conglomerate to speed up disposals so it can repay its debts. The group yesterday said it had agreed to sell two plots of land in Hong Kong it bought less than a year ago.

Yildiz \$7B restructuring bid adds to bank woes

Yildiz Holding AS's unexpected request to restructure as much as \$7 billion in loans may mark the end of a lending frenzy that's been a boon to the nation's growth. The request by one of the country's largest and most successful companies spurred lenders into emergency negotiations after Yildiz asked that they restructure its debts.

Mirach Energy seeks to acquire 70% of RCL Kelstar

Singapore-listed oil and gas exploration and production firm Mirach Energy announced that its wholly-owned subsidiary, CPL (HK) Limited, has expressed interest to potentially acquire 70 per cent stake in Malaysian firm RCL Kelstar Sdn Bhd

Vietnam raises \$29.2m from IPO of Vinasugar II

Vietnam has raised VND664 bn (USD 29.2 mn) from the auction of its 93% stake in Vietnam Sugarcane and Sugar Corporation II (Vinasugar II) on Ho Chi Minh City Stock Exchange (HoSE) on Feb. 13. The proceeds were in line with government's expectation.

Asia's central banks face biggest challenge

Bank of Japan Governor Haruhiko Kuroda says it's the most significant challenge facing his economy. Bank of Korea Governor Lee Ju-yeol says it'll be tougher to manage than record levels of household debt or future Federal Reserve interest-rate increases.

TODAY'S TOP GLOBAL NEWS

Chipotle taps Taco Bell CEO to be its new head

Chipotle Mexican Grill Inc. tapped the head of Taco Bell as its next chief executive officer, turning to a fast-food veteran who drove growth with brash, indulgent dishes such as Doritos Locos Tacos. Investors applauded the move, sending Chipotle shares up as much as 13 percent in late trading.

Danish telco TDC backs \$6.7b takeover offer

TDC urged investors to back a \$6.7 billion cash offer from Macquarie and three Danish pension funds. "After careful review of our options, the board of directors of TDC believes that the consortium's offer represents both the most compelling value and the highest transaction certainty benefiting the shareholders," TDC Chairman Pierre Danon

SkyBridge decision on deal to sell firm expected

A decision on the sale of SkyBridge Capital LLC, owned by former White House communications director Anthony Scaramucci, to a consortium that includes Chinese conglomerate HNA Group should be made by the end of February, the firm's chief investment officer said on Tuesday.

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