

# The Daily Dispatch

February 15, 2018  
TODAY'S TOP NEWS

## Big banks book 6.8% profit growth

Big banks in the Philippines booked a 6.8% growth last year despite the sharp drop in the industry's trading income, the BSP reported yesterday. Preliminary data released by the central bank showed profits of universal and commercial banks amounted to P146.33B last year, P9.38B higher compared to the P136.95B recorded in 2016.

## PTT sets aggressive Philippine expansion plan

PTT Philippines Corp., the local unit of Thailand's largest petroleum company, has set an aggressive expansion plan for its business portfolio this year as it maintains its commitment in the country, company officials said.

## DBM vows timely fund releases for infra projects

The DBM assured timely implementation and disbursement of funds to support the Duterte administration's ambitious infrastructure projects. DBM Sec. Diokno said that final public spending figure on last year's infrastructure expenditures is expected to register "a sharp rise," and is projected to sustain its strong growth pace this year.

## SM Prime opening new Imus mall

SM Prime Holdings, Inc., one of the leading integrated property companies in Southeast Asia, is opening a new mall, SM Center Imus on Feb 16 to reach further cities of the bustling Province of Cavite. To provide 13,000sqm in GFA, the new mall-destination opens with the company's well-loved brands including SM Supermarket and others.

## Philippine peso weakest in over 11 years

The Philippine peso depreciated to P52.12 against the United States dollar on Wednesday, February 14, its weakest performance in over 11 years, as a surge in imports led to record trade deficit. The local currency shed 14 centavos on Wednesday, closing at P52.12 to \$1.

## Philippine Stock Market Update



**Previous Close:**

8,598.11

**1 Yr Return:**

20.90%

**Open:**

8,603.71

**YTD Return:**

-0.21%

**52-Week Range:**

7,146.27 - 9,078.37

**Source:**

Bloomberg

## Foreign Exchange

As of Feb. 14, 2018

US Dollar	Philippine Peso
1	52.080

## PDST-R2 Rates

As of Feb. 14, 2018

Tenor	Rate
1Y	2.9949
3Y	4.3085
5Y	4.9693
7Y	6.2077
10Y	6.5692
20Y	6.9531

## Daily Quote

"It takes 20 years to build a reputation and five minutes to ruin it. If you think about that, you'll do things differently."

--Warren Buffett

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## MORE LOCAL NEWS

### DoubleDragon plans 3.9 ha industrial hub in Iloilo

A property boom continues in Iloilo City, the financial capital of Western Visayas, with big property developers like DoubleDragon Properties Corporation expanding their landbank in the city. DoubleDragon told the Philippine Stock Exchange (PSE) on Wednesday, February 14, that it bought a 3.9-hectare property in Iloilo.

### Globe introduces new technology

Globe Telecom Inc. has launched a game-changing technology that will help enterprises in the Philippines to expand and expand their business. The new technology called Software-Defined Wide Area Network is being pioneered in the Philippines by Globe Business, the information and communications technology arm of Globe.

### BSP closes down Surigao rural bank

The Monetary Board closed the financially-ailing Rural Bank of Loreto (Surigao del Norte) Inc., the first lender shut down this year. The board directed state-run Philippine Deposit Insurance Corp. as receiver to proceed with the takeover and liquidation of the bank. PDIC took over the bank on Feb.14, 2018.

### Govt challenges arbitral decision on Maynilad rate

The Philippine government asked the High Court of Singapore to dismiss the 2017 arbitral award allowing Maynilad to collect higher tariff. MPIC said unit Maynilad received an email from the Singapore counsel of the Philippine government about an application the government filed to set aside the first partial award.

### Right-of-way budget boosted in infra push

Allocations for ROW have been substantially increased to facilitate the implementation of “Build Build Build”, the Budget department said. Budget Secretary Benjamin Diokno said the combined ROW outlay for the Public Works and Transportation departments was raised to P32.6 billion last year from just P4.2 billion in 2015.

### NEA takes over Abra power firm over debts

The National Electrification Administration (NEA) has taken over the power utility serving Abra province, averting a power crisis that would have left 47,700 households in 27 towns in darkness on Monday.

### BSP taps ‘three tenors’ to guide loan pricing

Banks will soon be able to price their loans to corporate and retail borrowers more accurately after the Bangko Sentral ng Pilipinas (BSP) introduced a third interest rate benchmark in its existing term deposit facility (TDF), resulting in what the central bank chief described as the “three tenors”.

### PH is world leader in social media usage

The Philippines again topped the world in terms of social media usage as the number of internet users in the country hit 67 million people, according to a new report by London, United Kingdom-based consultancy We Are Social.

## TODAY'S TOP ASIAN NEWS

### CH's currency policy may be facing new chapter

In the fraught history of Chinese currency policy, a new chapter could be looming this year as authorities consider the consequences of a yuan that's testing its strongest levels since mid-2015. Policy makers may now have the luxury of looking at relaxing some of the strictures on domestic money.

### Vietnam targets raising \$42.56m from Hapro IPO

Vietnam has decided to sell its entire 34.51 per cent stake in Hanoi Trade Corporation (Hapro) in an initial public offering (IPO) scheduled for March 30. With more than 40 subsidiaries under its belt, Hapro operates a chain of supermarkets and convenience stores and owns many land plots and properties at prime locations in the country.

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## MORE ASIAN NEWS

### Hillhouse to raise \$6b in new PE fund

Hillhouse Capital Management, the Chinese investment firm that last year helped lead Asia's biggest-ever buyout deal, is targeting to raise about \$6 billion in a new private equity fund, people with knowledge of the matter said. Hillhouse has started gauging interest from potential investors.

### Furlenco in talks to raise up to \$15m

Furniture rental start-up Furlenco is in the process of raising equity capital of \$10 to 15 million from new and existing investors, three people aware of the talks said. Besides early investor Lightbox, Furlenco is in talks with other venture capital firms for the round. Mint could not ascertain the identity of the new investors.

### Norwest Venture Partners raises \$1.5b

Silicon Valley firm Norwest Venture Partners has raised its largest fund to date, a \$1.5 bn pool of money, joining a wave of record fundraising as venture firms jockey for deals in the competitive field of startup investing. The new fund comes just two years after Norwest raised a \$1.2 billion fund.

### KKR in talks to sell Singapore's MMI Holdings

KKR & Co. is in advanced talks to sell Singapore's MMI Holdings Ltd. to a Chinese investor group, as it pursues an exit more than a decade after buying the hard-drive component maker. KKR is negotiating a sale of MMI, to a private equity fund affiliated with Beijing HBH Innovation Industry Fund.

### Toshiba tips return to black after asset sales

Troubled Japanese conglomerate Toshiba said it would swing into the black for the full fiscal year as it completes the multi-billion-dollar sale of its chip business to restore its balance sheet. The Tokyo-based firm said it now expects a net profit of 520 billion yen (\$4.9 billion) for the year to March.

## TODAY'S TOP GLOBAL NEWS

### These are the world's most miserable economies

Rising prices are more of a threat to the global economy this year than joblessness, according to Bloomberg's Misery Index, which sums inflation and unemployment outlooks for 66 economies. Venezuela marks its fourth year as the world's most miserable economy, with a score that's more than three times what it was in 2017.

### Buffett's bumpy ride with IBM draws to a close

Warren Buffett is just about done with International Business Machines Corp. His conglomerate, Berkshire Hathaway Inc., reported that it cut its stake in Big Blue by 94 percent during the fourth quarter, essentially drawing to a close a rare blemish on his investing record.

### Qualcomm meets Broadcom to discuss \$121 bn offer

Qualcomm Inc said on Wednesday it met with Broadcom Ltd earlier in the day to discuss the latter's revised \$121 billion bid, the first time the chipmakers have discussed what would be the technology sector's largest ever acquisition.

### Cisco tops estimates as turnaround takes center

Cisco Systems Inc reported its first rise in quarterly revenue in more than two years and forecast upbeat current-quarter profit, as the network gear maker's years-long efforts to transform into a software-focused company begins to pay off.

## Economic Calendar

Date	Release
02.18.2018	BoP Overall
02.25.2018	Budget Balance PHP
02.27.2018	Bank Lending YoY
02.27.2018	Money Supply M3 SRF YoY
02.28.2018	Nikkei Philippines PMI Mfg

Source: Bloomberg Economic Calendar