

# The Daily Dispatch

February 19, 2018  
TODAY'S TOP NEWS

## BSP cuts banks' reserve requirement

The BSP cut the percentage of deposits a bank is required to keep on hand in a bid to free up more capital for lending in what is a growing economy. The BSP announced that the Monetary Board "has approved the reduction in the reserve requirement ratio (RRR) by one percentage point to 19% from 20%".

## Oil firms cut prices for 2nd straight time

Oil companies in the Philippines rolled back prices of petroleum products again, reflecting movements in the international oil market. Effective 6 am on Sunday, February 18, PTT Philippines, Eastern Petroleum, and Phoenix Petroleum cut the price of gasoline by P1.05 per liter and diesel by P1.25 per liter.

## PH remittances beat target, hit record in 2017

Money sent home by overseas Filipino workers (OFWs) ended last year strong, resulting in all-time high remittance numbers in 2017, said the BSP. Full-year personal remittances hit \$31.29 billion, 5.3% higher than the \$29.7 billion recorded in 2016 and exceeding the 4% projection of the BSP.

## World's largest bank to open in the Philippines

Beijing-based Industrial and Commercial Bank of China (ICBC), the world's largest bank in terms of assets with \$3.47 trillion, is setting up shop in the Philippines after a failed entry almost 10 years ago.

## Pag-IBIG to invest in equities

State-run Home Development Mutual Fund (HDMF), also known as the Pag-IBIG Fund, it remains keen on diversifying its investment portfolio by investing P5 billion in equities, with the goal of gaining better returns and providing higher dividend payouts for its members.

## Philippine Stock Market Update



**Previous Close:**

8,612.44

**1 Yr Return:**

22.77%

**Open:**

8,593.87

**YTD Return:**

2.26%

**52-Week Range:**

7,146.27 - 9,078.37

**Source:**

Bloomberg

## Foreign Exchange

As of Feb. 15, 2018

US Dollar	Philippine Peso
1	52.130

## PDST-R2 Rates

As of Feb.15, 2018

Tenor	Rate
1Y	2.9265
3Y	4.3699
5Y	4.9193
7Y	6.1804
10Y	6.5332
20Y	6.0013

## Daily Quote

"Success is empty if you arrive at the finish line alone. The best reward is to get there surrounded by winners."

--Howard Schultz

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## MORE LOCAL NEWS

### Multi-billion MWSS project attracts investors

Foreign and local groups have expressed interest to execute the multi-billion Water Eco-Tourism Hub Master Plan of the Metropolitan Waterworks and Sewerage System (MWSS) Masterplan, which will be implemented through Public-Private Partnership (PPP).

### PH debt ratio rises on higher borrowings

The PH government's debt ratio to economy has increased in the first-half of last year on higher borrowings, the DOF said yesterday. Debt of the Philippine government's entire bureaucracy increased by 10.3% to P5.8T in the first half of last year from P5.3T in the same period in 2016, owing to higher borrowings, the DOF said yesterday.

### Robinsons Land to develop more IT parks

RLC is aiming to develop up to two information technology (IT) parks within the next two to three years, a top official said. "We hope to put up one or two more within the next two, three years," RLC General Manager Faraday D. Go told reporters after the topping off ceremony for one of the company's office buildings in Quezon City last week.

### SMPF to open Laguna facility in 2019

SMPF is on track to complete a new manufacturing facility that will produce ready-to-eat products in Laguna by the first quarter of 2019. In a statement issued over the weekend, SMPF said the Sta. Rosa, Laguna facility will produce products that address the demand for convenience as well as capture a larger chunk of the consumer market.

### Solar PH downplays US tariff impact

SOLAR PHILIPPINES Power Project Holdings, Inc. remains confident about its business prospects despite Washington's decision last month to impose a tariff on imported solar panels.

### Manila Water to acquire 19% stake in Eastern Water

Philippine-listed water and wastewater services provider Manila Water Company Inc is acquiring an 18.72 per cent stake in Eastern Water Resources Development and Management Public Company Limited (East Water), a publicly listed water supply and distribution company in Thailand.

### Ayala Land mulls over P20b from debt market

Ayala Land Inc. plans to raise roughly P20 billion from the debt market to partially finance its P111-billion programmed capital spending this year. Ayala Land CFO Augusto Bengzon said in a recent interview the company would consider a bond issue after San Miguel Corp. and SM Prime Holdings Inc. had completed their respective offerings.

### DoTR evaluating P350B NAIA offer

The Department of Transportation said it expects to complete in two months the evaluation of the proposed P350-billion rehabilitation and expansion of Ninoy Aquino International Airport submitted by seven of the country's biggest conglomerates.

### Ayala Land set to launch P125b worth of projects

Property developer Ayala Land Inc. said Thursday it will launch P125 billion worth of real estate projects this year, up 40.7 percent from P88.8 billion worth of projects it launched in 2017. Ayala Land president and chief executive Bernard Vincent Dy said P100 billion worth of residential and office for sale projects would be offered to the market this year.

### Finance dept backs tax amnesty measure

The Finance department is backing a tax amnesty bill, saying the measure will not only boost government revenues but also improve tax collections. "We support it," Finance Secretary Carlos Dominguez 3rd told reporters, referring to HB 7105 that proposes a pardon for all unpaid internal revenue taxes imposed by the government for 2017.

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## TODAY'S TOP ASIAN NEWS

### Bain-backed consortium highest bidder for Binani

An investor group led by Dalmia Bharat Ltd. with backing from Bain Capital submitted the highest bid for India's Binani Cement Ltd., which is being sold under the country's insolvency process, people with knowledge of the matter said.

### Indonesia to woo oil and gas majors via roadshows

Indonesia will hold roadshows in the U.S. and Europe later this month to lure investments from the world's top oil companies as the former OPEC member seeks to reverse a decline in oil and gas production. The Energy and Mineral Resources Ministry will seek bids for as many as 40 oil and gas blocks this week.

### SGX to launch new Indian derivatives

Singapore Exchange Ltd (SGX) said on Monday it will launch successor products to its flagship Indian equity index derivatives before the bourse's licence agreement with the National Stock Exchange of India (NSE) expires in August 2018.

### Noble gets in-principle nod for 3Y \$700M loan

Noble Group said on Monday (Feb 19) it had reached an in-principle agreement with the group's senior creditors, or "ad hoc group", and fronting bank ING for the provision of a three-year US\$700 million (\$918 million) trade finance facility.

## TODAY'S TOP GLOBAL NEWS

### Remington's bankruptcy just the tip of the iceberg

Firearms companies face declining sales, falling stock prices and tremendous debt. Gunmaker American Outdoor Brands Corp. has seen its stock plummet by almost half from 2017. On Monday, Remington Outdoor Co., an iconic, 200-year-old American firearms manufacturer, announced it's planning to file for bankruptcy.

### WhatsApp to launch money transfer service

WhatsApp will launch a "full feature" inter-bank money transfer service in India, its biggest market, after a test involving a million users, National Payments Corp. of India said. Friday's statement marks the de facto official launch of WhatsApp's new service as NPCI is the body set up by the central bank and lenders to oversee payment services.

### Mizuho sees up in U.S. M&A lending after tax cut

Japan's Mizuho Financial Group Inc sees a pickup in overseas lending after a slowdown last year in the United States, where a recently enacted corporate tax cut is widely expected to spur mergers and acquisitions (M&As)

### Snowy Hydro mulls raising \$1.6b

Snowy Hydro Ltd., Australia's largest hydropower producer, is considering raising as much as A\$2 billion (\$1.6 billion) by the end of 2018 for a project expansion, which will boost its 4,100 megawatt capacity by as much as 50 percent. The company has begun talks with global infrastructure funds and banks over financing options.

### Walmart keen to buy Flipkart but SoftBank opposed

American retailer Walmart Inc. may end up taking a large stake in Flipkart Ltd at a price that could value India's largest e-commerce firm between \$20 bn and \$23 bn, said three people close to the development. If it goes through, the deal will pit Walmart against Amazon in India, mirroring the fight between the two companies in the US.

## 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