

The Daily Dispatch

February 20, 2018
TODAY'S TOP NEWS

BPO property demand seen to rebound, then stay flat

After it took a beating last year, property demand from business process outsourcing (BPO) firms in the country is expected to rebound this year and then stay flat in the next two years, said Leechiu Property Consultants CEO David Leechiu.

Gov't releases draft guidelines for 3rd telco auction

Companies vying to be the country's 3rd major telecommunications player should have at least P10 billion in net worth, a congressional franchise, proven technical capability, and should not be related to PLDT Incorporated or Globe Telecom Incorporated.

Manila Water expands into Thailand

Ayala-led water distributor Manila Water Company Incorporated (Manila Water) continued its march into Asia by establishing a foothold in Thailand. The firm said it has signed a share purchase agreement with EGCO to acquire its 18.72% equity in Eastern Water Resources Development and Management Public Company Limited (East Water).

SM Prime logs 16% profit growth

SM Prime Holdings Inc., the integrated property company of the Sy family, said its recurring net income went up by 16 percent last year to P27.6 billion from P23.8 billion a year earlier as the mall business and sales of residential units remained strong.

DOF makes investment pitch to Mexico firms

The Department of Finance (DOF) has invited Mexico-based technology and manufacturing firms to invest in the country and possibly make the Philippines the center of their operations in Southeast Asia.

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. 20, 2018

US Dollar	Philippine Peso
1	52.362

PDST-R2 Rates

As of Feb.20, 2018

Tenor	Rate
1Y	3.3011
3Y	4.2655
5Y	4.9646
7Y	6.5675
10Y	6.6968
20Y	6.3180

Daily Quote

"Though no one can go back and make a brand new start, anyone can start from now and make a brand new ending."
--Carl Bard

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MORE LOCAL NEWS

PCC voids Udenna acquisition of KGLI

The Philippine Competition Commission (PCC) has voided the transaction involving the acquisition of Dennis Uy-led Udenna Corp. of KGL Investment Cooperatief U.A. (KGLI Coop) and penalized both companies for failure to comply with the compulsory notification of mergers and acquisitions under the Philippine Competition Act (PCA).

WB: PH monetary policy stance appropriate for now

The World Bank said the Philippines' monetary policy stance is appropriate for now even as inflation is set to breach the central bank's target this year. "Keeping the interest rate flat for now is presently the most appropriate response," Birgit Hansl, a World Bank economist in Manila, said in an emailed response to questions last week.

P9B perk package for PUV assemblers

The government is eyeing the grant of tax incentives amounting to P9 billion for the selected 4 platform suppliers and 4 truck body builders that will produce a minimum of 200,000 units of Philippine utility vehicles (PUVs) to replace the old and dilapidated jeepneys over a six-year period.

Peso plummets to 11-year low

The peso on Monday sank to a new 11-year low of 52.34 against the US dollar, amid expectations of a wider trade deficit this year coupled with the Bangko Sentral ng Pilipinas' dovish monetary policy stance. The peso lost P0.34 to close at 52.34 a dollar Monday from 52 per greenback on Thursday.

PH debt ratio worsens on higher budget deficit

THE general government (GG) debt-to-gross domestic product (GDP) ratio rose in the first half of 2017 on the back of a higher budget deficit, the Finance department reported during the weekend. The ratio worsened to 36.4 percent from 35.3 percent a year earlier.

BSP 'risks confusing market'

The Monetary Board could be "adding fuel to the fire" with its decision to cut bank reserve requirements, Credit Suisse said, given the view that current policy settings are too loose. "The central bank took pains communicating that this is an operational shift in liquidity management... Nonetheless, we think the BSP risks confusing the market with this move,"

Maynilad allots over P9b for '18 water projects

West Zone concessionaire Maynilad Water Services Inc. said Monday it is earmarking over P9 billion in capital expenditures this year for water and wastewater infrastructure projects. Maynilad will allot P6.5 billion of the amount to Maynilad's water infrastructure projects to enhance supply and pressure in the West Zone.

Dominguez backs Landbank move to acquire PDS

FINANCE Secretary Carlos G. Dominguez III is backing the move of the Land Bank of the Philippines (Landbank) to acquire the majority stake in the country's fixed-income exchange, saying that the local stock market operator has taken too much time for the buyout.

3rd telco player needs P10-B net worth

The Department of Information and Communications Technology (DICT) issued on Monday the draft guidelines it would use to select a "new major telco player" that would break the duopoly of PLDT Inc. and Globe Telecom and hopefully improve internet services to the public.

Record influx of new office units seen in '18

Metro Manila will likely see a record influx of new office supply this year, but this won't necessarily cause a glut as the rebounding business process outsourcing (BPO) industry and the burgeoning offshore gaming segment will keep landlords afloat, Lechiu Property Consultants (LPC) said.

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Finally, a unified stock trading floor

For the first time since the unification of two legacy stock exchanges 25 years ago, the Philippine Stock Exchange (PSE) opened a unified trading floor at its new headquarters in Bonifacio Global City on Monday, auspiciously timed on the first trading day of the new lunar Year of the Dog.

TODAY'S TOP ASIAN NEWS

Dubai's sovereign wealth fund seeks \$1b refinancing

Investment Corp. of Dubai is seeking to raise a \$1 bn loan to refinance existing debt. The emirate's main state-owned holding company is talking to banks to raise a five-year loan to partly repay a \$2.55 billion facility that matures in June. ICD will use its own cash to repay the rest of the loan.

Chinese entrepreneur launches \$100m hedge fund

Qian Yongqiang, who made his fortune in Chinese education and tech startups, is starting a \$100 mn hedge fund with his own money. Singapore-based QQQ Capital Fund will start trading in April. The long-short fund will trade education, tourism and technology stocks and is targeting an annual return of 15%.

Bukalapak weighs next fundraising strategies

Amid repeated calls by the government and the IDX urging Indonesia's unicorns to go the IPO route, marketplace platform Bukalapak, the country's newest unicorn, says it is in two minds about becoming a publicly listed company.

Tokyo's JustInCase close funding

JustInCase closes seed round backed by 500 Startups Japan Tokyo-based insurance tech startup JustInCase has raised additional seed funding from 500 Startups Japan and Naoki Aoyagi, the former CFO of Japanese internet major Gree. He is currently the CEO of MerPay, the financial services subsidiary of C2C commerce unicorn startup Mercari.

Alibaba, Tencent rally troops amid retail battle

China's tech giants Alibaba Group Holding Ltd and Tencent Holdings Ltd, worth a combined \$1 trillion, are on a retail investment binge, forcing merchants to choose sides amid a battle for shoppers' digital wallets.

TODAY'S TOP GLOBAL NEWS

Deutsche Bank to cut at least 250 banker jobs

Deutsche Bank AG has started cutting at least 250 jobs globally at its corporate and investment bank as Germany's largest lender seeks to keep a lid on expenses amid a sustained slide in the securities unit, according to people with direct knowledge of the matter.

Boom turns to bust for millennials

The income boom enjoyed by people born between 1966 and 1980 has turned to "bust" for the generation that followed them, according to a report. In an analysis of eight high-income countries, the report found that millennials in their early 30s have household incomes 4 percent lower on average than Generation X at the same age.

Noble, Delek sign \$15B deal to export Israel gas

The lead partners in Israel's largest gas fields said they signed a \$15 billion export deal with Egypt, adding an economic dimension to what until now has been a security-focused relationship between former regional rivals. Noble Energy Inc. and Delek Drilling-LP said they plan to supply around 64 billion cubic meters of natural gas over 10 years.

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