

The Daily Dispatch

July 04, 2017
TODAY'S TOP NEWS

Business leaders stay upbeat on admin infra push

A year after President Rodrigo Duterte took office, some of the biggest local and foreign business chambers in the country still have high hopes for the administration, betting on the promise of a “golden age of infrastructure” on top of a proinclusive growth and probusiness legislative agenda.

PSEi firms up on 'cautious' bargain hunting

The local stock barometer firmed up on Monday as investors took heart from mostly upbeat regional markets. Reversing the weakness in early trade, the main-share Philippine Stock Exchange index gained 23.36 points or 0.3 percent to close at 7,866.52.

DOF eyes single state guarantee system

Finance Secretary Carlos G. Dominguez III has ordered top Department of Finance officials to come up with a plan to merge all state-run guarantee corporations into a single government guarantee system. Under one guarantee organization, fund raising through bond issuances could be easier, Dominguez had noted.

ADB seeks action on infra projects

The head of the Asian Development Bank (ADB) urged swift action on priority infrastructure projects during a business forum yesterday that featured the architects and lead implementing agencies of President Duterte’s “build, build, build” initiative.

Filinvest to build 34-storey building in Ortigas

Filinvest Land Inc. (FLI) is breaking into the Ortigas office property market with a 34-story “intelligent” building project that is targeted for completion by 2020. FLI has broken ground for the premier office tower called One Filinvest, which will bring about 40,353 square meters of additional office space.

Philippine Stock Market Update



Previous Close:

7,788.06

1 Yr Return:

1.04%

Open:

7,774.91

YTD Return:

13.31%

52-Week Range:

6,499.00 - 8,118.44

Source:

Bloomberg

Foreign Exchange

As of July 04, 2017

US Dollar	Philippine Peso
1	50.654

PDST-R2 Rates

As of July 04, 2017

Tenor	Rate
1Y	3.2732
3Y	3.9246
5Y	4.4696
7Y	4.4910
10Y	5.0411
20Y	5.0741

Daily Quote

"If you're offered a seat on a rocket ship, don't ask what seat! Just get on."

-Sheryl Sandberg

The Daily Dispatch

MORE LOCAL NEWS

Korean Air honored: Best Airline Service Provider

Korean Air was honored as the "Best Airline Service Provider" by the 2017 Global Customer Satisfaction Index, sponsored by Japan Management Association Consulting and China-flight magazine "Han Sang," a part of the Beijing Youth Daily Group. This was the 13th consecutive year for the airline to capture the award.

PEZA warns of P250B losses from local supplier VAT

The Philippine Economic Zone Authority (PEZA) has warned of annual losses running up to P250 billion for local suppliers of export-oriented firms once the value-added tax (VAT) exemption currently enjoyed by these suppliers is removed.

Ayala in talks to bring in MG car brand

Ayala is in talks with China's largest vehicle manufacturer to bring the MG automotive brand to the Philippines. The move is seen to further beef up the conglomerate's presence in the local automotive industry as the MG brand will add to its existing car dealership businesses on top of the Volkswagen, Honda and Isuzu brands.

AboitizPower lists P3-B bonds

Aboitiz Power Corp. started trading yesterday P3B worth of fixed-rate retail bonds at the PDEX. The AP Series A Bonds due 2027, the first tranche of the company's P30-billion retail bonds, will be traded on the secondary market with a fixed interest rate of 5.3367 percent per annum. The bonds will mature on July 3, 2027.

BSP chief favors lower reserve ratios for banks

Bangko Sentral ng Pilipinas (BSP) Governor Nestor A. Espenilla Jr. said he prefers to see lower bank reserve ratios within the next six months since at 20 percent, local banks are charged with the highest rate in the world.

TODAY'S TOP ASIAN NEWS

Abe's divisive policies face hurdles after defeat

Japanese Prime Minister Shinzo Abe may be forced to rethink his most controversial policy after voters inflicted his first major election defeat since taking power in 2012. His long-held ambition of revising the country's 70-year-old pacifist constitution may have to go on the back-burner after his party's election defeat.

CH's restraint two decades ago heralded new order

When the financial crisis swept across Asia in the late 1990s, China took a decision that provided a crucial firewall. As currencies and stock markets around the region collapsed, the government in Beijing held the yuan steady. The move ultimately helped stem contagion from the tumult in Indonesia, Malaysia, Thailand and South Korea.

Ascott REIT divests two properties in China

Ascott Residence Trust announced on Monday it has entered into two conditional sale-and-purchase agreements through its two wholly owned subsidiaries, Biyun Investments (Hong Kong) and Gaoxin Investments (Hong Kong), to divest two serviced residence properties in China for 980 million yuan to an unrelated third party.

CapitaLand Commercial Trust sells Wilkie Edge

CapitaLand Commercial Trust (CCT) said on Monday it would sell Wilkie Edge to Lian Beng (8) Pte Ltd for S\$280 million. Wilkie Edge is a 12-storey integrated development comprising office and retail units as well as a serviced residence, Citadines Mount Sophia.

Japan's 2016 land prices up, led by gains in cities

Land prices in major Japanese cities such as Tokyo and Osaka rose in 2016 by more than 10 per cent, lifting nationwide prices for a second year in a row, a government survey showed on Monday. Japan's average land price increased 0.4 per cent in 2016, a bigger rise than 0.2 per cent in 2015, the National Tax Agency said.

The Daily Dispatch

MORE ASIAN NEWS

Okada sues family to regain control of empire

Japanese casino and slot machine tycoon Kazuo Okada has filed a lawsuit against his son, daughter, and wife in Hong Kong in an attempt to regain control of his sprawling business empire, according to a court filing and Okada.

CH says India violating pact in border stand-off

China said yesterday that India was violating an 1890 border agreement between Britain and China that previous Indian governments have pledged to uphold, and it should be respected to end a "very serious" incursion by India.

North Korea Launches Missile Into East Sea

North Korea fired an unidentified ballistic missile off the East Sea from near its west coast at about 9.40am, South Korea's joint chiefs of staff said in a text message. The launch is the latest in a series of test firings.

TODAY'S TOP GLOBAL NEWS

Microsoft to lay off 'thousands' in reorganization

Microsoft is set to cut 'thousands' of jobs across the world, reports say, as part of a salesforce reorganization effort. A source with knowledge of the downsizing told TechCrunch the restructuring would include an organizational merger, involving its enterprise customer unit and one or more of its SME-focused divisions.

OPEC's output rose to the highest this year

OPEC's crude production rose to the highest this year in June as member nations exempt from output curbs pumped more. Members of the Organization of Petroleum Exporting Countries boosted their output by 260,000 barrels a day compared with May, according to a Bloomberg News survey of analysts, oil companies and ship-tracking data.

Big pharma turns to AI to speed drug discovery

The world's leading drug companies are turning to artificial intelligence to improve the hit-and-miss business of finding new medicines, with GlaxoSmithKline unveiling a new US\$43 million deal in the field on Sunday. Other pharmaceutical giants including Merck & Co. and J&J are also exploring AI.

Trump hopes to steal Putin's LNG business in Europe

Donald Trump has been hoping to "steal" Russia's European natgas relationships and clients, in hopes of making the US become the dominant supplier of LNG to Europe. Trump "will use fast-growing supplies of U.S. natural gas as a political tool when he meets with leaders that are captive to Russia for their energy needs."

Goldman to review commodities after bad start

Goldman Sachs Group Inc., the dominant commodities trader on Wall Street, is reviewing the direction of the business after a slump in the first half of the year, according to people with knowledge of the matter. Other banks have cut back or exited commodities trading in recent years amid falling revenue and tougher regulation.

US-China ties affected by some negative factors

President Xi Jinping has told Trump that US-China ties have been "affected by some negative factors", an allusion to a series of US actions in the past week slammed by Beijing. Trump called Xi and Japan's PM Abe separately, with the phone calls focused on the threat North Korea's nuclear ambitions pose to regional peace.

Economic Calendar

Date	Release
07.02.2017	PH: Nikkei Philippines PMI Manufacturing
07.04.2017	PH: CPI YoY
07.06.2017	PH: Foreign Reserves
07.10.2017	PH: Trade Balance
07.16.2017	PH: Overseas Remittances YoY

Source: Bloomberg Economic Calendar