

The Daily Dispatch

July 05, 2017
TODAY'S TOP NEWS

PWD employers get tax perks

Private corporations which employ PWDs are set to receive incentives, the BIR said. Under the IRR of Republic Act 10524, private companies that employ PWDs as regular employee, apprentice or learner are entitled to a gross income deduction equivalent to 25 percent of the total amount paid as salaries and wages to PWDs.

PITC maps out pharma zones

The Philippine International Trading Corp. (PITC), the trading arm of the Department of Trade and Industry (DTI), is putting up economic zones dedicated to pharmaceutical companies as it aims to make the Philippines a major manufacturing hub for medicine in the region.

Cebu port project in pipeline for Korea financing

A P9.2B international container port project in Cebu is in the pipeline for financing from the South Korean government, the DOF said yesterday. Finance Asst. Secretary Tan said the Export-Import Bank of Korea has already approved the P9.2B New Cebu International Container Port as one of the projects it would finance through ODA.

Meralco defends 7 power supply deals as above board

Power utility giant Manila Electric Company (Meralco) has defended itself before a Congressional hearing yesterday that the seven power supply agreements (PSAs) it entered into without the benefit of competitive selection process (CSP) or bidding are in no way considered "midnight deals."

Duterte's 14 trips yield \$59.3B in econ. benefits

Duterte's visits to 14 countries during his first year in office have generated approximately \$59.3B in economic benefits to the Philippines. Trade Sec. Lopez reported that the visits have resulted in various deals such as \$37B worth of investment pledges; \$18B in official development assistance funds; and \$4.3B in trade.

Philippine Stock Market Update



Previous Close:

7,833.96

1 Yr Return:

2.03%

Open:

7,848.03

YTD Return:

14.50%

52-Week Range:

6,499.00 - 8,118.44

Source:

Bloomberg

Foreign Exchange

As of July 04, 2017

US Dollar	Philippine Peso
1	50.491

PDST-R2 Rates

As of July 04, 2017

Tenor	Rate
1Y	2.8921
3Y	3.9561
5Y	4.4668
7Y	4.5000
10Y	4.9875
20Y	5.0821

Daily Quote

"No matter what people tell you, words and ideas can change the world."

-Robin Williams

The Daily Dispatch

MORE LOCAL NEWS

Metrobank raising P5B from LTNCDs

Metrobank is raising P5 billion of fresh funds from long-term negotiable certificates of time deposit (LTNCDs) with an option to upsize depending on demand. In a disclosure to the Philippine Stock Exchange, Metrobank said the seven-year LTNCDs carry a 3.87 percent annual yield rate payable quarterly.

Peso to weaken further this yr and 2018 – ING

ING Bank expects the Philippine peso to weaken further this year from the current P50:\$1 levels as the import season approaches, interest rates rise and the domestic political environment fails to impress foreign investors. On average, the peso may weaken by 3 percent to 4 percent this year, and 1 percent to 2 percent in 2018.

Mindanao Railway construction starts in 2018

After more than two decades and several feasibility studies, construction of the 830-kilometer Mindanao Railway Network will finally begin in 2018. The administration of President Rodrigo Duterte will start off with the commuter line from Tagum City in Davao del Norte to Digos City in Davao del Sur.

KOR, CH top list of Boracay arrivals in 1H2017

Visitor arrivals from South Korea and China are the top source markets of Boracay Island for the first 6 months of 2017, thanks largely to regional and domestic flights mounted to Kalibo and Caticlan airports. South Korea topped the tourist-generating markets with 175,470 arrivals, followed closely by China with 174,064.

7 projects lined up for funding by Korea Eximbank

THE Department of Finance (DoF) said it has identified seven projects to be funded by the \$1 billion concessional loan offered by South Korea last month, through its Economic Development Cooperation Fund.

CLI allots IPO funds for JV projects

Cebu Landmasters, Inc. has reallocated a portion of the net proceeds of its maiden offer in June to finance joint ventures instead of singly acquiring land. They said that its board of directors has approved the reallocation of P420M to JV projects, as well as an excess of P130 million that can be used to fund future developments.

More townships seen to rise outside Metro Manila

Property developers would have to be more strategic in scouting for landbanking opportunities as more companies venture into township developments outside Metro Manila, according to Colliers International. They noted how the government's massive infrastructure program prompted developers to build townships outside Metro Manila.

Biz Buzz: Appetite for PIZZA

As a signal of confidence in this restaurant chain, the Po family—through holding firm Century Pacific Group Inc. (CPGI)—has been buying more shares of Shakey's Pizza Asia Ventures Inc. (SPAVI) in the open market.

TODAY'S TOP ASIAN NEWS

Chinese billionaire's vision is fading fast

Chinese billionaire Jia Yueting, who once envisioned building an empire that would rival US tech giants Apple, Tesla and Amazon, is seeing it fall apart before his eyes. A Shanghai court has frozen the 16 billion yuan stake Jia owns in LeEco's Shenzhen-listed Leshi Internet Information & Technology Corp.

Tencent loses US\$17.5 billion in market value

Tencent Holdings, the operator of China's dominant social network and publisher of the world's most popular role-playing mobile game, plunged in Hong Kong trading, after a commentary in the People's Daily newspaper described its Honour of Kings game as "poison" and "drug" that's harming teenagers.

The Daily Dispatch

MORE ASIAN NEWS

Huishan Dairy rolls out debt restructuring plan

China's debt-laden Huishan Dairy said its debt restructuring advisor has proposed grouping the businesses of the company and selected assets of its chairman Yang Ka and his own ventures together to form a new entity held by some of its creditors, shareholders and management.

VIB to acquire Commonwealth Bank's branch

Commonwealth Bank of Australia has received the State Bank of Vietnam's nod to sell its Ho Chi Minh City branch to local commercial lender Vietnam International Bank (VIB). Accordingly, VIB will acquire all the assets and liabilities of the foreign bank's branch.

AgriNurture takes majority stake in China's Fucang

AgriNurture Inc, a diversified agro-commercial company in the Philippines, has acquired an additional 2 per cent stake in China-based Zongshan Fucang Trade Co Ltd (Fucang) to become the firm's majority shareholder. The latest investment was made following AgriNurture's 49 per cent stake acquisition in Fucang last October 7, 2016.

Tug of war as India's banks dump \$20B bonds

India's US\$750 billion (S\$1.04 trillion) sovereign debt market is caught in a tug of war between foreign investors and state-run banks, the biggest holders of the securities. As lenders sold 952 billion rupees (S\$20 billion) of sovereign bonds in the last quarter, overseas funds added more than 422 billion rupees to their holdings of the debt.

Samsung to invest \$26B to extend memory chip lead

Samsung Electronics yesterday said it plans to invest at least 21.4 trillion won (S\$25.8 billion) in South Korea as it seeks to extend its lead in memory chips and next-generation displays for smartphones.

TODAY'S TOP GLOBAL NEWS

Airbus' A380s could be broken up for parts

The double-decker jets could be "parted out" to recover engines and other spares worth at least US\$100 million (S\$138 million) per plane, according to German fund manager Dr Peters, which owns four A380s due to be returned between October and June by Singapore Airlines following the expiry of 10-year lease deals.

Economic chaos fuels gold rush in South Sudan

After South Sudan's peace deal collapsed, Ahmed al-Nur faced the economic crisis in a trade that's had an unexpected boost from the new wave of violence: gold. With inflation soaring and the currency collapsing, the precious metal that's mainly extracted by artisanal miners in Africa's newest nation is more highly prized than ever.

Oil slows longest 2017 run as Russia opposes cuts

Oil's longest win streak this year slowed as Russia was said to oppose any proposal to deepen OPEC-led production cuts. Russia wants to stick with the current deal and any further supply curbs would send the wrong message to the market, according to people familiar.

Yen, gold rise on Korea tension; Asian stocks mixed

Geopolitical concerns loomed over financial markets for a second day, as saber-rattling over North Korea's nuclear weapons program sent investors seeking out haven assets. Markets in the past have shown a capacity to quickly move beyond periods of tension on the Korean peninsula following short bouts of risk aversion.

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