

The Daily Dispatch

September 04, 2017
TODAY'S TOP NEWS

Pangilinan-Ayala group eyes MRT3 takeover by 2018

If everything goes as planned, the consortium headed by Manuel Pangilinan and Jaime Augusto Zobel de Ayala expects to take over the operations, maintenance, and rehabilitation of the MRT3 by early 2018. It was last July 14 when MPIC, together with Ayala and Macquarie Infrastructure, formally submitted an unsolicited proposal.

Megaworld set to open P2B Southwoods Mall in Oct.

Andrew Tan-led Megaworld is set to open its newest mall just south of Metro Manila in time for the holiday season. In a disclosure to the Philippine Stock Exchange (PSE) on Thursday, August 31, the property developer announced it will officially open its P2-billion Southwoods Mall in its 561-hectare township Southwoods City in October.

Trouble brewing at HMO firm

Caritas Health Shield—reportedly the biggest health maintenance organization (HMO) and preneed firm “hybrid” in the Philippines—has been asked by the Insurance Commission to raise fresh capital amid allegations by former managers that the firm has a deficiency of as much as P7 billion in its actuarial reserves.

DoubleDragon building industrial hubs

Property developer DoubleDragon Properties Corp. has acquired a 6.2-hectare lot in Luisita Industrial Park in Tarlac for the first of what it envisions to be a chain of industrial hubs that will add 100,000 square meters to its leasing portfolio by 2020.

Fitch raises PLDT outlook to stable

In a statement, Fitch said the revised outlook reflects its expectation that the telecommunications company can keep funds flow from operations (FFO)-adjusted net leverage at under or around 2.5 times, lower than the 2.6 times last year. If the figure goes above this, Fitch said it would consider negative rating action.

Philippine Stock Market Update



Previous Close:

8,018.05

1 Yr Return:

-0.34%

Open:

8,015.68

YTD Return:

15.58%

52-Week Range:

6,499.00 - 8,106.74

Source:

Bloomberg

Foreign Exchange

As of August 31, 2017

US Dollar	Philippine Peso
1	51.133

PDST-R2 Rates

As of August 31, 2017

Tenor	Rate
1Y	2.8930
3Y	3.7479
5Y	4.5907
7Y	4.4260
10Y	4.6663
20Y	5.1677

Daily Quote

"I believe in the dignity of labor, whether with head or hand; that the world owes no man a living but that it owes every man an opportunity to make a living."

--John D. Rockefeller

The Daily Dispatch

MORE LOCAL NEWS

Pag-IBIG Fund exceeds cash loan target

In a statement e-mailed to reporters on Thursday, Pag-IBIG Fund or the Home Development Mutual Fund said it disbursed a total of P24.7 billion in cash loans or short-term loans (STL) to its members in the January to June period, 8% up from the P22.8 billion disbursed in the first half of 2016.

PDIC to auction off land

THE Philippine Deposit Insurance Corp. (PDIC) will be auctioning off parcels of land from around Luzon cumulatively worth P105.6 million, with the proceeds to be used to settle claims to pay uninsured deposits.

SMC Power plans to sell P35B debt securities

SMC Global Power Holdings Inc., said it plans to issue up to P35 billion worth of debt securities under a shelf-registration program to refinance dollar-denominated debts. SMC Global said in a recent regulatory filing its board of directors approved the issuance and offering of bonds with an initial tranche of P25 billion.

World Bank commits \$1.4-b loans

The WB said Friday funding support to the Philippines could reach \$1.4B in the next two years, including loans to support peace efforts and development in Mindanao as part of a mid-term adjustment plan. The bank said in a statement it would commit loans of \$660M in 2018, including funding for the Metro Manila Flood Management Project.

ICTSI to expand capacity of Manila seaport

LISTED port operator International Container Terminal Services Inc. (ICTSI) plans to increase the capacity of its Manila International Container Terminal (MICT) with the construction of berths seven and nine in the next few years.

BSP seen keeping rates till 2018

Capital Economics said the weakening of the peso against the US dollar is not a major threat to the economy as the BSP is seen keeping interest rates untouched until next year. Subdued inflation and a relatively low level of foreign currency debt continue to cushion the impact of the weakness of the local currency.

Phl showing signs of overheating — ING

ING Bank said the PH is showing signs of overheating with the country's GDP growing between six and seven percent over the next five years. Joey Cuyegkeng, senior economist at ING Bank Manila, said the level of liquidity and bank lending in end-July continued to indicate a relatively strong economic activity.

Aug inflation seen at 3.1%

The country's inflation rate in August likely accelerated to 3.1 percent as prices of food and petroleum products increased during the period, the DOF said. Finance Undersecretary Gil Beltran said inflation may have risen to 3.1 percent last August, as compared to the 1.8 percent recorded the same month in 2016.

DENR shortens duration of ECC approvals: power

The Department of Environment and Natural Resources (DENR), in collaboration with the Department of Energy (DoE), will simplify and shorten the duration of approval processes for the environmental compliance certificates (ECCs) of power projects.

DOF wants BOC to meet P468-B collection target

Finance Secretary Carlos Dominguez III has given his marching orders to newly-appointed Customs commissioner Isidro Lapeña, and that is to focus on meeting the Bureau of Customs' P468 billion collection target for 2017. Dominguez told Lapeña to concentrate on bringing the adequate revenues to the BOC.

The Daily Dispatch

Ayala completes acquisition of CFG stake in Zalora

Philippine conglomerate Ayala Corp has completed its acquisition of Global Fashion Group's (GFG) 49 per cent stake in online fashion portal Zalora Philippines. Ayala and GFG announced the transfer of the ownership on Thursday, August 31, following a strategic partnership agreement signed by both firms last February.

BDO Unibank raising \$700m via notes issue

BDO Unibank Inc (BDO) is raising \$700 mn through a senior notes issue, the largest single issuance by a Philippine bank. BDO is set to issue the amount in fixed rate senior notes under its Medium Term Note programme. This will be the second drawdown under the programme following the \$300mn issued in October last year.

TODAY'S TOP ASIAN NEWS

Investors can't get enough of CH developer bonds

Dollar bonds sold by China's property developers are being lapped up by investors, lured by the companies' stronger earnings and improving credit profiles. Notes sold in July and August by Chinese developers attracted orders 6.3 times the issue size, compared with 2.5 times in May and June.

HK banks checked on loans to HNA and Wanda

The Hong Kong Monetary Authority is tightening scrutiny over banks' exposure to HNA Group Co. and Dalian Wanda Group Co., according to a report by Apple Daily. The city's de facto central bank asked Chinese banks and major lenders in Hong Kong for details on their loans to HNA and Wanda Group, Apple Daily reported, citing unidentified people.

Blackstone may cash out from Maldives

Blackstone Group LP may cash out from the Maldives, the tropical island chain known for its white-sand beaches and turquoise seascapes. The buyout firm is exploring options for seaplane operator Trans Maldivian Airways Pvt, including a possible sale, after receiving takeover interest in the company.

Tigers of SE Asia take the stage at Asia PE-VC Summit

While Singapore and Indonesia get the lion's share of attention when it comes to Southeast Asia, we will be shining the spotlight on the region's tiger cub economies — Malaysia, Vietnam, the Philippines and Thailand — at Asia PE-VC Summit 2017.

TODAY'S TOP GLOBAL NEWS

Why Private Equity has \$963B in dry powder

Investors give private equity managers their capital with the expectation that they'll make it grow. But today these managers are sitting on a record \$963.3 billion of dry powder, as they call money that they've raised but have yet to invest. The size of that pile, and the fact that it keeps rising, is making everyone antsy.

Russia likely to back extension of OPEC deal

Russia is likely to back a further extension of the OPEC agreement cutting oil output, judging that it has helped to stabilize the market, the country's deputy prime minister said. Members of the Organization of Petroleum Exporting Countries agreed in May to maintain curbs on production until March 2018.

Texas sees Harvey damage at up to \$180B

U.S. Treasury Secretary Steven Mnuchin on Sunday challenged Congress to raise the government's debt limit in order to free up relief spending for Hurricane Harvey, a disaster that the governor of Texas said had caused up to \$180 billion in damage.

Economic Calendar

Date	Release
09.04.2017	PH: CPI YoY
09.06.2017	PH: Foreign Reserves
09.11.2017	PH: Unemployment Rate
09.11.2017	PH: Trade Balance
09.14.2017	PH: Overseas Remittances YoY

Source: Bloomberg Economic Calendar