

# The Daily Dispatch

September 05, 2017  
TODAY'S TOP NEWS

## SEC opens probe on DW Capital trade deals

The Securities and Exchange Commission (SEC) has formally started investigating a claim that stock brokerage house DW Capital Inc. sold as much as P2.6 billion of its clients' shares without their knowledge.

## Recapitalization seen key to Caritas

Amid allegations of financial challenges besetting one of the country's biggest health maintenance organizations (HMOs), the management of Caritas Health Shield Inc. yesterday reassured the public that it was capable of paying the benefits of some 600,000 policyholders nationwide.

## Pampanga accepts MPIC bulk water project

METROPAC WATER Investments Corp.'s (MPW) proposal to provide bulk water to Pampanga has been accepted by the province's governor, paving the way for the company to negotiate the details of the project, its parent firm said on Monday.

## Chelsea Logistics to buy Starlite Ferries

CHELSEA LOGISTICS Holdings Corp. (CLC) on Monday said it is acquiring Starlite Ferries, Inc., as it continues to expand its operations. In a statement, CLC said it signed a memorandum of understanding with Starlite owners regarding its offer to buy 100% of the shares of Starlite and its subsidiaries.

## MPIC gets proponent status for Pampanga project

THE water unit of Pangilinan-led conglomerate MPIC announced on Monday it had been officially granted original proponent status for the Pampanga Bulk Water Supply Project from the Office of the Governor of Pampanga. The project will allow MPIC unit Metro Pacific Water Investments Corp. (MPW) to supply water to millions of

## 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 September 5, 2017

US Dollar	Philippine Peso
1	51.185

## PDST-R2 Rates

As of September 5, 2017

Tenor	Rate
1Y	2.8913
3Y	3.6815
5Y	4.6314
7Y	4.4073
10Y	4.6313
20Y	5.1671

## Daily Quote

“Between saying and doing, many a pair of shoes is worn out.” – *Iris Murdoch*

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## MORE LOCAL NEWS

### CEZA proposes to expand economic zone for growth

The Cagayan Economic Zone Authority is proposing land expansion and development for the Greater Cagayan Special Economic Zone and Freeport. “CEZA is updating its 20-year old master development plan for the economic zone amid strong demand by foreign investors,” CEZA said in a statement on Monday.

### Deal on internet infra, defense equipment signed

State-owned Philippine International Trading Corp. (PITC) has signed a memorandum of agreement with the Department of Information and Communications Technology (DICT) for the procurement of Wi-Fi infrastructure system in line with the government’s bid provide free Internet access nationwide.

### Govt now seeks ODA for airports

The Transportation Department said it is now seeking official development assistance loans to finance the construction of five regional airports which were earlier offered to private investors under the public private partnership program.

### BSP keeps calm, allows orderly peso movement

The BSP yesterday vowed to exercise self-restraint as the peso is not likely to stand still under a floating exchange rate regime. BSP Governor Nestor Espenilla Jr. said authorities would continue to craft and implement rational as well as transparent rules to promote order in the foreign exchange market.

### Manufacturing growth further slows in August

A slowdown in demand and input pressures further eased the growth of the domestic manufacturing sector in August, the latest reading of the Nikkei Philippines Manufacturing Purchasing Managers’ Index (PMI) showed. The PMI registered a lower reading of 50.6 in August from 52.8 in July and 53.9 in June, the weakest since 2016.

### MPIC unit allots P700 M for Cavite expansion

Metro Pacific Investments Corp. (MPIC) unit Cavite Infrastructure Corp. (CIC) is looking to spend P700 million to expand the Manila-Cavite Toll Expressway (Cavite). CIC president Luigi Bautista said in a briefing yesterday the company is investing about P700 million for enhancements at the Cavite.

### URC allows use of its land for Iloilo highway

URC is allowing the City Government of Passi in Iloilo to use a 4ha portion of its property for a thoroughfare leading to a proposed economic zone. URC said a deed has been signed by URC President and CEO Lance Gokongwei, URC Sugar and Renewables Business Unit General Manager Renato Cabati, and Passi City Mayor Jesry Palmares.

### BSP vows to frustrate currency manipulators

The Bangko Sentral ng Pilipinas (BSP) won’t allow unnecessary volatility in the foreign-exchange (forex) market, and said on Monday they have the resources and regulatory powers to correct price distortions.

## TODAY’S TOP ASIAN NEWS

### Common currency next step in Asean integration

Fund management guru Mark Mobius has given the 10-member Association of Southeast Asian Nations (Asean) a grade “A” for its integration efforts in the last 50 years and is hoping that the regional bloc would next move toward a common currency and banking system.

### DBS Bank as wholly owned subsidiary in India

DBS Bank Ltd has received approval from the Reserve Bank of India (RBI) to offer banking services in India through the wholly owned subsidiary model. The central bank’s approval will make DBS the second foreign bank to operate through the WOS model in India after State Bank of Mauritius.

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## MORE ASIAN NEWS

### Zomato with Alibaba's Ant Financial to raise \$200m

Food ordering and restaurant discovery platform Zomato Media Pvt. Ltd is in talks with China's payments giant Ant Financial Services Group to raise \$100-200 million, three people familiar with the matter said. The deal, which hasn't been finalized, may value Zomato at between \$800 million and \$900 million.

### United Tech to buy Rockwell Collins for \$30b

Aerospace supplier United Technologies Corp has struck a \$30 billion agreement to buy avionics and interiors maker Rockwell Collins Inc, the companies said on Monday, in a deal that bulks up UTC's power with plane makers by creating one of the world's largest makers of civilian and defense aircraft components.

### Singapore developers seek to top up their landbank

The recent pick-up in residential sites acquired by Singapore developers suggests that they have finally come around to the prospect of a more decisive recovery in Singapore's residential market, and the downside of a depleting landbank.

### China hits crypto market with coin fundraising ban

China on Monday banned and deemed illegal the practice of raising funds through launches of token-based digital currencies. The move was targeted at so-called initial coin offerings (ICO) in a market that has exploded since the start of the year.

### Sky-high rents force HK bankers to dorm life

Young finance industry workers are bunking down in dormitory-style accommodation in Hong Kong as "co-living" developments take off in the world's priciest city for property. Stratospheric housing costs in Hong Kong are giving a push in the city to a trend taking off around the world as young people struggle with elevated home prices.

### Tech savvy SG still prefers cash over digital

In tech-savvy Singapore, where almost everyone has a smartphone, nine out of 10 people still prefer to pay for everyday transactions the old-fashioned way – with cash. Preference for cash in Singapore is higher than the 88 percent average across Asia Pacific, according to a recent report from Paypal Holdings Inc.

## TODAY'S TOP GLOBAL NEWS

### VW's \$1.8B Ducati sale stalls

German carmaker Volkswagen (VOWG\_p.DE) has put the 1.5 billion-euro (\$1.8 billion) sale of Ducati motorcycles on hold after resistance from German trade unions and internal rifts on strategy, sources familiar with the matter told Reuters. Ducati is wholly controlled by VW's luxury brand Audi.

### World's richest mines slipping from multinationals

Outnumbered and outflanked, Freeport-McMoRan Inc. Chief Executive Officer Richard Adkerson made an about-face. Only months before, Adkerson had dismissed the idea of selling a majority stake in the Phoenix-based company's flagship Indonesian copper-and-gold mine to local investors, but now he plans to do just that.

### Hollywood calls a wrap on \$3.8B, worst since '06

The credits have rolled on Hollywood's worst summer in a decade, closing out with a dismal Labor Day weekend that was the first in a generation without a big, new movie opening in wide release. The summer drew a little more than \$3.8 billion in sales, the first time the season's tally has dipped below the \$4 billion mark since 2006.

### 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