

The Daily Dispatch

January 10, 2018
TODAY'S TOP NEWS

PCC approves SM's Goldilocks acquisition

The Philippine Competition Commission has approved the acquisition of homegrown restaurant chain Goldilocks Bakeshop by the SM Group of retail despite the competition watchdog's previous concerns over the transaction.

Incentives hinder efficiency in tax collection

The government's efficiency in collecting corporate income taxes is suffering due to the grant of fiscal incentives and perks to various industries, according to a high ranking official of the Department of Finance (DOF).

TRAIN to push 2018 revenues to P2.806 trillion

The national government's revenue is projected to reach P2.806 trillion this year due to additional collections to be generated from the final tax reform law, data from the Department of Finance (DOF) showed.

Anchor Land builds P1.5-B dormitory

Anchor Land Holdings Inc. is diversifying its recurring income base with the planned launch of the P1.5B Cosmo Suites, its first urban bed-spacing project. The firm said the twin-tower property will offer affordable, yet high quality bed spaces to young employees who are looking for ways to avoid the challenging commute in Metro Manila.

Gov't revenues seen breaching P4 T in 2022

Government revenue is expected to breach the P4-trillion level in the next five-years with the implementation of the first tax reform law alone, data from the Department of Finance (DOF) showed. The government is expected to generate P2.806 trillion this year.

Philippine Stock Market Update



Previous Close:

8,745.12

1 Yr Return:

23.54%

Open:

8,758.96

YTD Return:

3.33%

52-Week Range:

7,123.33 - 8,858.07

Source:

Bloomberg

Foreign Exchange

As of Jan. 10, 2018

US Dollar	Philippine Peso
1	50.385

PDST-R2 Rates

As of Jan. 10, 2018

Tenor	Rate
1Y	2.8616
3Y	4.5475
5Y	4.7268
7Y	5.4318
10Y	5.9171
20Y	6.0361

Daily Quote

"Don't let your happiness depend on something you may lose."

--C.S. Lewis

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MORE LOCAL NEWS

SEC warns public vs unregistered virtual currency

The SEC has warned the public against investing in the so-called “initial coin offerings” and “virtual currency.” The SEC posted an advisory on its website stating that ICOs and virtual currency were considered securities or investment contracts which under the Securities and Regulation Code should be registered with the corporate regulator.

Govt set to start \$500m flood control project

The government plans to start the \$500-million Flood Control Management Project this month, following the approval by the boards of the WB and the AIIB of the loans for the project, according to the DOF. The department said of the total project cost, \$207.603 million would come from the WB as approved by its board of executive directors on

PH corporate income tax collection lagging

Fiscal incentives have led to the Philippines recording the lowest collection efficiency in the region with regard to corporate income taxes, the Finance department claimed on Tuesday. In a statement, the department noted that the country had the worst collection rate of 12 percent.

Sta. Lucia to raise P5B via corp notes facility

Sta. Lucia Land is planning to issue up to P5 billion worth of corporate notes to finance existing obligations and future projects. SLI told the PSE that its board authorized the company to negotiate and avail of a seven-year corporate note facility for an aggregate amount of P3 billion with an overallotment option of P2 billion.

Gov't stops Consunji logging operations

President Duterte has ordered the closure of all logging operations of Consunji-owned South Davao Development Co. Inc. (Sodaco) in Zamboanga del Norte after flash floods and mudslides triggered by severe tropical storm “Vinta” killed hundreds of people and damaged agricultural lands in four towns in the province.

Century Properties tops off two more Acqua towers

Antonio family-led Century Properties Group Inc. recently topped off the last two skyscrapers under the Acqua Private Residences master plan in Mandaluyong City: the 57-story residential tower Acqua Iguazu and the 41-story Novotel Suites Manila.

Robinsons Bank, Pru Life team up on bancassurance

Gokongwei-led Robinsons Bank has teamed up with insurer Pru Life UK to sell basic protection products in its branches as part of its bid to be a more significant player in the highly-fragmented banking sector and debut into the underpenetrated local insurance space.

DOF to press for minimum corporate income tax

As the government can only collect from big corporations' profits, taxes equivalent to a mere 3.7 percent of the economy due to a wide array of exemptions despite high rates, the Department of Finance (DOF) is pushing for reforms in corporate income taxation.

TODAY'S TOP ASIAN NEWS

IFC commits to invest \$15.3m in Vietnam's DNP Water

The International Finance Corporation (IFC), the private lending arm of the World Bank Group, has committed a \$15.3 million in the form of a convertible loan to DNP Water Joint Stock Company to support clean water supply for urban households in Vietnam, the IFC announced on January 9.

KKR closes second private credit fund at \$2.24B

Global private equity major KKR said it closed its second private credit fund at \$2.24 billion. The vehicle – KKR Private Credit Opportunities II – will focus on private corporate debt and mezzanine lending, financial assets, hard assets and structured credit.

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MORE ASIAN NEWS

TNB Aura Fund 1 reaches first close at \$22.5m

Singapore's TNB Ventures and Australia-based fund manager Aura Group have achieved the first close of their joint TNB Aura Fund 1 at S\$30 million (\$22.5 million). The Southeast Asia-focused fund was launched in 2016 with a target of raising about \$50 million.

Paytm's to inject \$10m in new entity

Paytm, run by One97 Communications Ltd, has set up a new entity called Paytm Money Ltd that will offer investment and wealth management products and will invest close to \$10 million upfront in the new entity.

Muthoot Group plans investments in fintech startups

Muthoot Pappachan Group, a Kerala-based lending and financial services conglomerate, plans to make strategic investments in fintech start-ups as part of a larger digital transformation exercise to drive synergies and profitability among its business units, as it chalks out a plan to list its flagship lending arm Muthoot Fincorp Ltd.

Alibaba's Jack Ma will consider listing units in HK

Alibaba co-founder Jack Ma will consider floating pieces of the Chinese e-commerce titan in Hong Kong, taking advantage of regulations that will allow the listing of companies with dual-class shares. China's richest man welcomed the relaxation of restrictions, a factor in Alibaba Group Holding Ltd.'s 2014 decision to list in New York.

TODAY'S TOP GLOBAL NEWS

Novo Nordisk makes \$4.2b bid for Belgian firm

Danish drugmaker Novo Nordisk made its largest takeover offer ever - an unsolicited €2.6 billion (\$4.2 billion) bid for Belgium's Ablynx to beef up its lesser known blood-disorder unit and rekindle growth.

Dogecoin increases to \$2B in market value

Dogecoin started out as a parody of then-struggling cryptocurrency Bitcoin. However, it has made serious gains recently, despite its technology left without an update for the past two years.

Trump to make surprise appearance at Davos

Donald Trump will take his populist message directly to the world's political and business elite later this month, becoming the first US president to attend the World Economic Forum in Davos in nearly 20 years. The last president to go was Bill Clinton, who attended in 2000.

Huawei deal to sell through AT&T falls through

A deal between Chinese smartphone maker Huawei and AT&T to sell smartphones in the United States has fallen apart, Bloomberg and The Wall Street Journal reported. The partnership allowing Huawei to sell its Mate 10 phone through AT&T was expected to be unveiled during the Consumer Electronics Show in Las Vegas this week.

Gundlach: S&P 500 will have negative 2018 return

Jeffrey Gundlach, the billionaire bond manager, says the S&P 500 Index will end the year with a negative return and is dubious of the long-term value of bitcoin. "All recession indicators are flashing no recession, which means it's priced in," Gundlach said Tuesday.

Economic Calendar

Date	Release
01.04.2018	PH: CPI YoY
01.04.2018	PH: CPI NSA MoM
01.04.2018	PH: CPI Core YoY
01.18.2018	PH: Budget Balance Php
01.23.2018	PH: GDP Annual YoY

Source: Bloomberg Economic Calendar