

The Daily Dispatch

January 11, 2018
TODAY'S TOP NEWS

FDI in PH hit 16-mo. high in October 2017

The amount of foreign direct investments coming into the Philippines last October hit its highest level in 16 months, suggesting positive investor sentiment over the country's strong macroeconomic fundamentals and growth prospects. Net FDI inflow for the 1st 10 months of 2017 grew 20.5% to \$7.86 billion.

PLDT unit to forge strategic partnerships in Q1

PLDT Incorporated unit Voyager Innovations Incorporated is set to sign strategic partnership deals with at least two foreign firms in the first quarter of 2018. "It's going to be strategic and financial. The agreement could be signed within the first quarter of this year. I'll stick my neck out for it," Manuel Pangilinan said.

Factory output drops 8.1% in November

Factory output declined by 8.1 percent in November as tobacco makers remained cautious due to the additional excise tax implemented beginning this month in accordance with the tax reform law, the National Economic and Development Authority (NEDA) said yesterday.

World Bank keeps 6.7% growth forecast for PH

The World Bank (WB) has maintained its 6.7 percent growth forecast for the Philippines until 2019, still on the back of strong fundamentals and a monetary policy supportive of growth. WB sees the domestic economy consistently growing by 6.7 percent from 2017 to 2019 before tapering off to 6.5 percent in 2020.

NEA: Higher coal tax to have minimal impact on rates

The National Electrification Administration (NEA) expects power rate hikes in the provinces to be minimal despite higher coal taxes under the Tax Reform for Acceleration and Inclusion (TRAIN) law. NEA administrator Masongsong said clients of ECs may expect price adjustments in their power bills by March, but these would be nominal.

Philippine Stock Market Update



Previous Close:

8,920.29

1 Yr Return:

21.97%

Open:

8,908.64

YTD Return:

2.64%

52-Week Range:

7,123.33 - 8,926.78

Source:

Bloomberg

Foreign Exchange

As of Jan. 10, 2018

US Dollar	Philippine Peso
1	50.431

PDST-R2 Rates

As of Jan. 10, 2018

Tenor	Rate
1Y	2.8636
3Y	4.2720
5Y	4.7490
7Y	5.3086
10Y	5.7264
20Y	5.7015

Daily Quote

"Always be a first-rate version of yourself instead of a second-rate version of somebody else."

--Judy Garland

The Daily Dispatch

MORE LOCAL NEWS

DOE tightens watch over oil firms

As prices have started going up drastically at some gas stations, the Department of Energy (DOE) declared that it is intensifying its monitoring of the oil companies relative to increases triggered by the Tax Reform Acceleration and Inclusion (TRAIN) Act of the Duterte administration.

PH trade deficit hits record high in Nov

The country registered a record trade deficit in November last year after imports grew at a much slower pace than exports, data from the Philippine Statistics Authority (PSA) showed yesterday. According to the PSA, the Philippines incurred a \$3.78B trade deficit during the month as imports jumped 18% year-on-year while exports rose by only 1.6%.

BDO addresses clients' complaints

Facing snowballing customer complaints of unauthorized banking transactions, the country's largest lender, BDO Unibank, vowed to devote more manpower to fraud investigation.

Focus shifts to spending after TRAIN enactment

ENACTMENT of Republic Act (RA) No. 10963, or the Tax Reform for Acceleration and Inclusion Act (TRAIN) that took effect Jan. 1, will help dispel any doubts about the government's ability to pursue its aggressive infrastructure development program, but much now depends on spending as planned, Moody's Investors Service said yesterday.

PH, ADB seal \$680-M loan packages

Two loan packages amounting to a total of \$680 million were signed by the Philippine government and the ADB. DOF Secretary Dominguez and ADB President signed a \$380-million loan agreement for the Improving Growth Corridors in Mindanao project and led an official exchange of documents for the \$300-million Encouraging Investment

NFA selling property to transport agency for P1B

The policymaking council of the National Food Authority (NFA) has approved the sale of the agency's P1 billion worth of idle property in Valenzuela City as part of efforts to improve its balance sheet.

PSEi slightly down but stays above 8,900

The local stock barometer ended flat but stayed above the 8,900 level yesterday as some investors reassessed their portfolios following the recent run-up to record highs.

TODAY'S TOP ASIAN NEWS

Mumbai home prices post first drop in a decade

India's financial capital Mumbai witnessed a decline in residential property prices for the first time in a decade last year following a crackdown on undeclared cash, new consumer protections and the roll-out of a nationwide sales tax, according to Knight Frank.

India eases rules to lure foreign investors

Indian Prime Minister Narendra Modi eased restrictions on FDI across several sectors, including allowing overseas airlines to invest in Air India Ltd., in a bid to revive growth in Asia's third largest economy. Modi is trying to lure foreign capital to revive economic growth that is seen expanding at the slowest pace since 2014.

Naspers said to plan \$200m investment in Swiggy

Naspers Ltd. is in talks to lead an investment of as much as 2.5 bn rand (\$200 mn) in India's Swiggy to increase its stake in the online food-delivery company, according to two people familiar with the matter. Africa's biggest company by market value plans to team up with Tencent to put together the new financing round.

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MORE ASIAN NEWS

Black Fish raises \$145m from Gobi, Lightspeed, etc

Black Fish, a consumer finance platform based in China's Nanjing region, has received \$145 million in a series A round from a cluster of firms including Lightspeed China Partners and Shanghai and Kuala Lumpur based Gobi Partners.

Australian VCs to tap ASEAN for deals

Yasser El-Ansary, the chief executive officer of the Australian Private Equity and Venture Capital Association Limited (AVCAL), sees Australian VCs more likely to tap Southeast Asia's growth opportunities in the coming years as their knowledge of the region grows.

HSBC: HK property shielded from rate spikes

Don't expect interest rates to spike anytime soon in Hong Kong, where abundant liquidity has fueled spectacular rallies in the stock and property markets. HSBC Holdings says a key measure -- the aggregate balance maintained by commercial banks -- would need to plunge by \$10 billion for local rates to show any substantial gains.

Hyundai Motor invests in ride-hailing firm Grab

Hyundai Motor said it had invested in SG-based ride-hailing firm Grab, in the SK automaker's first foray into the rapidly growing sector as it tries to diversify following a sales slump in CH. Grab has expanded to eight SEA countries and has said it is the biggest operator in the region's third-party taxi hailing and private-vehicle hailing sector.

Noble exits global oil trading

Noble Group is closing down its London oil desk and winding down its Asia oil operations as heavy losses and high debt force what was once Asia's biggest commodities trader to restructure. The closures follow the sale of its larger oil trading business in the US to Vitol and a 9-month loss of some US\$3 billion.

TODAY'S TOP GLOBAL NEWS

CH weighs slowing buying of US treasuries

China added to bond investors' jitters on Wednesday as traders braced for what they feared could be the end of a three-decade bull market. Senior government officials in Beijing reviewing the nation's foreign-exchange holdings have recommended slowing or halting purchases of U.S. Treasuries, sources say.

Buffett elevates Abel or Jain as likely successor

Warren Buffett finally confirmed what many investors have already guessed about who will succeed him as chief executive officer of Berkshire Hathaway Inc., the sprawling conglomerate he's built over the past five decades, in naming two senior executives -- Ajit Jain and Greg Abel -- to the company's board.

Ferrero to Buy Nestle's U.S. Chocolate Unit

Italian Nutella maker Ferrero SpA is nearing a deal to acquire Nestle SA's U.S. confectionery business for about \$2.8 billion, according to a person familiar with the matter.

Emirate to seek \$1B Sukuk to diversify funding

Emirates, the world's largest airline by international passengers, is talking to banks about raising as much as \$1 billion through an Islamic bond sale that could happen in the first half, people familiar with the matter said.

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