

The Daily Dispatch

January 04, 2018
TODAY'S TOP NEWS

Stricter rules vs dirty money take effect

Banks, insurance firms and securities dealers will face stricter registration and reporting guidelines starting today, the AMLC said. Mel Georgie Racela, executive director of the AMLC Secretariat, described the new guidelines as a significant step toward improving the quality and usefulness of information and reports submitted by covered persons.

Chelsea boosting 2GO stake to 40%

Chelsea Logistics Holdings Corp. (CLC) is set to increase its ownership in logistics giant 2GO Group Inc. to 40 percent. CLC president and chief executive officer Chrissy Damuy told reporters the firm is currently working on a tender offer to increase its stake in 2GO.

Minimal impact of TRAIN on inflation seen

The Bangko Sentral ng Pilipinas (BSP) said the impact of the new tax law that took effect this year would be minimal at below one percent as the Department of Finance (DOF) expects the consumer price index to have eased to 3.2 percent last month.

ERC needs to fill up 100 vacant positions

The Energy Regulatory Commission (ERC) is targeting to fill up roughly 100 vacant positions in the agency's table of organization, so it can deliver on its "zero backlog" commitment on the dispensation of pending cases.

Aboitiz' int'l unit acquires solar subsidiary

A Netherlands-registered investment arm of Aboitiz Power Corporation has fully acquired shareholdings in affiliate firm San Carlos Sun Power, Inc. (Sacasun) that developed the 59-megawatt peak solar photovoltaic facility in San Carlos City, Negros Occidental.

Philippine Stock Market Update



Previous Close:
8,724.13

1 Yr Return:
26.09%

Open:
8,710.00

YTD Return:
1.94%

52-Week Range:
6,874.68 - 8,760.26

Source:
Bloomberg

Foreign Exchange

As of Jan. 03, 2018

US Dollar	Philippine Peso
1	49.835

PDST-R2 Rates

As of Jan. 03, 2018

Tenor	Rate
1Y	3.0205
3Y	4.2794
5Y	4.7141
7Y	5.2857
10Y	5.5500
20Y	5.5572

Daily Quote

"The only way to do great work is to love what you do."
--Steve Jobs

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MORE LOCAL NEWS

SMC scores initial victory over Ilijan dispute

The Court of Appeals affirmed the writ of preliminary injunction filed by SMC Global Power Holdings Corp. against Power Sector Assets and Liabilities Management Corp. on the 1,200-megawatt Ilijan natural gas power plant in Batangas province. SMC Global said in a disclosure the appellate court denied PSALM's appeal.

BSP auction oversubscribed

The first weekly auction of seven-day term deposits conducted by the Bangko Sentral ng Pilipinas this year was highly oversubscribed amid investors' strong demand for short-term instruments. Data showed that total tenders for the P40-billion seven-day term deposits reached P95.55 billion.

Cusi asks Duterte to name new commissioners of ERC

DOE Secretary Cusi asked President Duterte to temporarily appoint four members of the ERC in place of those whom the Ombudsman placed under one-year suspension. "The secretary wrote a letter to the Office of the President to look into the possibility of appointing temporary commissioners and look into this also," DOE Usec Felix William

PH stocks break 8,700 level to open 2018

Philippine stocks achieved another new record on the 1st trading day of 2018, breaching the 8,700 level for the first time in history. On Wednesday, January 3, the Philippine Stock Exchange index (PSEi) was at 8,724.13 points, up by 165.71 or 1.94% from last Friday, December 29.

Filipinos to feel impact of higher fuel tax in Jan

Starting mid-January, Filipinos are expected to feel the impact of higher fuel excise tax rates at gasoline pumps. For now, the DOE said in a statement that the additional excise tax on fuel under the newly-enacted Tax Reform for Acceleration and Inclusion (TRAIN) law should not affect the costs of oil companies' old or existing stocks

TODAY'S TOP ASIAN NEWS

CH's growth may surprise again this year

The consensus among economists is that expansion in the world's second-largest economy will slip to 6.5% in 2018 from 6.8% last year. Yet as the latest data show that the official manufacturing gauge remains robust, and offshore shares had their best start to a year since 2009, there are voices predicting a better performance than that.

Samling said to prepare \$250m IPO for auto biz

Samling Group, the Malaysian timber giant, is planning an initial public offering of its automotive operations that could raise more than \$250 million, people with knowledge of the matter said. Samling is working with advisers to explore a possible dual listing of the business in Kuala Lumpur and Singapore later this year.

Chinese PE Orchid Asia mops up \$1.3b for 7th fund

Chinese private equity firm Orchid Asia Group has raised \$1.3 billion for its seventh fund Orchid Asia VII, exceeding the \$900-million target announced at the time of the fund's launch in July last year. According to a regulatory SEC filing by the firm on Tuesday, the date of first sale for the offering was December 15 2017.

VRG targets raising \$273m in Feb IPO

State-owned Vietnam Rubber Group (VRG) will offer 475.1 million shares, equivalent to nearly 25 per cent of its charter capital, for sale in its initial public offering (IPO) scheduled for February. With the starting price set at \$0.59 apiece, VRG expects to raise nearly VND6.2 trillion (\$273.1 million) from the share sale.

Kedaara Capital to buy NBFC Indian School Finance

Private equity fund Kedaara Capital Investment Managers Ltd is in talks to acquire a majority stake in Indian School Finance Co. Pvt. Ltd (ISFC), a Hyderabad-based non-banking financial company (NBFC) that lends to companies in the education sector, said two people aware of the development.

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MORE ASIAN NEWS

Malaysia faces higher rates and currency risks

Malaysia faces higher interest rates, currency risks and a contentious election battle in 2018 that will test Prime Minister Najib Razak's grip on power. Malaysia has benefited from a global trade recovery and a pickup in domestic spending, with economic growth probably reaching 5.8 percent last year.

Allianz plans to double Asian property investments

Allianz SE's property unit plans to double investments in Asia over three years as the German firm is drawing in more money from its insurance operations in the region. Property investments may swell to 3.75 billion euros (\$4.5 billion) by the end of 2020 from about 1.8 billion euros.

JPM boosts CH's 2018 GDP outlook to 6.7%

JPMorgan Chase & Co. has lifted its 2018 economic growth forecast for China to 6.7 percent from the consensus 6.5 percent on the back of improving global demand. The outlook puts the U.S. bank among the more bullish forecasts for the world's No. 2 economy.

TODAY'S TOP GLOBAL NEWS

Asia stocks rise after US records, dollar firms

Asian stocks headed toward fresh historic highs, with Japan's markets coming back from New Year holidays to see solid gains in the wake of U.S. records. The dollar and oil rose, while gold slipped. Gains in Tokyo led the region, with Hong Kong's Hang Seng Index flat and South Korea's Kospi dropping.

GIC buys US student housing portfolio for \$1.5b

The joint venture formed by Singapore sovereign wealth fund GIC, the Canada Pension Plan Investment Board (CPPIB) and The Scion Group has acquired a student housing portfolio in the United States for approximately US\$1.1 billion. The portfolio consists of 24 assets located in 20 university campus markets across the US.

Grantham: Stocks could be heading for 'melt-up'

Jeremy Grantham, long known for his bearish views, says the market's next move could take stocks higher. Dramatically higher. "As a historian of the great equity bubbles, I also recognize that we are currently showing signs of entering the blow-off or melt-up phase of this very long bull market," Grantham wrote.

Tesla falls after Musk delays Model 3 production

Tesla Inc. pushed back a production target for its Model 3 again and shipped fewer of the sedans than expected, setting back Elon Musk's goal to mass-manufacture electric cars. The electric-vehicle maker now expects to assemble 5,000 Model 3s a week by the end of June, delaying plans to reach that milestone by another three months.

Second tier crypto coins catching up to Bitcoin

Bitcoin alternatives are closing the gap with the market leader after names like stellar and cardano became red hot as 2017 was closing. The biggest cryptocurrency's share of market value has fallen to a record 36 percent from 56 percent a month ago.

Didi buys 99 Taxis, igniting fight with Uber

Didi Chuxing is buying Brazilian ride-hailing company 99 Taxis, placing Didi in direct competition with Uber Technologies Inc. in one of the U.S. company's busiest international markets. Didi, which led a \$100 million investment in 99 Taxis a year ago, announced the acquisition on Wednesday.

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