

# The Daily Dispatch

January 05, 2018  
TODAY'S TOP NEWS

## Sustained econ growth to drive M&A, capital raises

The sustained economic growth and rosy outlook for the country will prompt more mergers and acquisition and capital raising activities this year, according to First Metro Investment Corp. In a briefing yesterday, FMIC officials expressed bullishness over developments in the capital market this year as well as in M&A activities.

## Philippines ready vs potential shocks - BSP

Monetary authorities in the country are ready to face potential shocks this year as they continue to lay down foundations for sustained economic growth. BSP Governor Nestor Espenilla Jr. said characteristics of strength, resilience and the capability to innovate would help authorities navigate through the challenges this year.

## DOE eyes FIT extension for biomass, run-of-river

The Department of Energy (DOE) is likely to extend the feed-in tariff (FIT) allocation for biomass and run-of-river technologies by another three years, a ranking official said. A draft for the FIT allocation extension has been submitted for signing by Energy Secretary Alfonso Cusi, DOE Undersecretary Felix Fuentesbella said.

## PSEi treks to new record high anew

The local stock barometer on Thursday continued soaring to new highs, settling above the 8,700 resistance level as world shares smashed records. The bellwether Philippine Stock Exchange index rose 0.18 percent or 15.70 points to 8,739.83 — beating the previous record of 8,724.13 that was set on Wednesday, the first trading day of 2018.

## Inflation rate expected at steady pace in December

Philippine consumer prices increased in December at the same annual pace as the previous month, holding the year's average within the 2-4 percent target range. Headline inflation in December was 3.3 percent, the median forecast of nine economists showed, the midpoint of the central bank's projected range of 2.9 to 3.6 percent for the month.

## Philippine Stock Market Update



**Previous Close:**

8,018.05

**Open:**

8,015.68

**52-Week Range:**

6,499.00 - 8,106.74

**1 Yr Return:**

-0.34%

**YTD Return:**

15.58%

**Source:**

Bloomberg

## Foreign Exchange

As of Jan. 04, 2018

US Dollar	Philippine Peso
1	49.840

## PDST-R2 Rates

As of Jan. 04, 2018

Tenor	Rate
1Y	2.9736
3Y	4.2809
5Y	4.7173
7Y	5.3914
10Y	5.5000
20Y	5.6408

## Daily Quote

"You take your life in your own hands, and what happens? A terrible thing: no one to blame."

--Erica Jong

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## MORE LOCAL NEWS

### Gov't infrastructure spending rises 45% in Nov.

Infrastructure spending posted a sharp uptick in November last year owing to higher disbursements to public works and highways, acquisition of equipment for local government, as well as payments for patrol vessels.

### Competition agency clears Family Mart sale

Anti-trust regulators have given Dennis Uy the green light to purchase the local operations of FamilyMart via listed Phoenix Petroleum. In a Jan. 3 decision, the PCC ruled that Phoenix Petroleum's acquisition of shares in Philippine FamilyMart would "not result in a substantial lessening of competition in the relevant market."

### 7 companies submit bids to build \$2-b LNG facility

PNOC said it received seven proposals from the private sector to develop the country's first integrated LNG facility estimated to cost \$2 billion. The proposals include the offers of KEPCO, Lloyds Energy, China National Offshore Oil, Energy World, PT. Jaya Samudra Karunia and PT PGN LNG/PT Bosowa Corporindo.

### Philab taps global pharma firm

Philab Holdings Corp. said subsidiary Philab Industries Inc. formed a highly strategic partnership with multinational company Industria Macchine Automatiche S.p.A to distribute high-powered automated machineries for the processing and packaging of pharmaceutical products, such as medicines and food supplements.

### IFC may extend \$90m debt to EDC

The International Finance Corporation (IFC), the private lending arm of World Bank, is considering extending a loan of \$90 million to Energy Development Corporation (EDC), an integrated geothermal steam and electric power producer in the Philippines.

## TODAY'S TOP ASIAN NEWS

### CapitaLand to sell 20 malls in China for \$1.7b

CapitaLand is set to divest its share of interest in a group of companies that hold 20 retail malls in China for an agreed value of 8.37 billion yuan (\$1.71 billion) to unrelated parties. The real estate group said before trading opened on Friday (Jan 5) that these malls are located across 19 cities, 14 of which are non-core cities.

### Didi to acquire control of BR ride-hailing firm

China's ride-hailing app Didi Chuxing has agreed to acquire control of Brazil's 99, the companies said in a statement on Wednesday, potentially creating a formidable rival to Uber in Latin America's largest economy.

### KL may see \$3.3b raised in big IPOs in first half

Large IPOs in Malaysia could raise more than RM10 billion (\$3.3 billion) in the first half of the year, an official from CIMB Group Holdings said yesterday. Malaysia's IPO market saw a revival in 2017 after poor investment conditions, weak oil prices and a volatile ringgit cast a shadow over equity markets in recent years.

### Ascott lands deal to manage 9 more props. in CH

The Ascott has sealed contracts to manage nine properties with over 2,000 units in China. The move has put CapitaLand's serviced residence unit on track to achieve its global target portfolio of 80,000 units in 2018, two years ahead of schedule. Ascott said yesterday that it has also made inroads into new cities in China, including Harbin

### Scion acquires Harrison Street student housing

Scion Student Communities LP – a joint venture between The Scion Group, Singapore's sovereign wealth fund GIC and the Canada Pension Plan Investment Board (CPPIB) – has acquired a 22-property student housing portfolio of Harrison Street Real Estate Capital for about \$1 billion.

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## MORE ASIAN NEWS

### India: Fintech startup EarlySalary raises \$15.8m

Online lending startup EarlySalary has raised Rs 100 crore (\$15.8 million) in a funding round led by Eight Roads Ventures India, the investment arm of Fidelity. Existing investors, including IDG Ventures India and Dewan Housing Finance Corp. Ltd. (DHFL), also participated in the Series B round of funding, according to an official

### Memories Group debuts on Singapore Exchange

Memories Group, that operates a series of tourism-related businesses in Myanmar and is the largest operator of hot air balloons in that country, will debut on the Singapore Exchange today. Memories Group is a spin-off of the tourism assets of Yoma Strategic Holdings Ltd and two other companies, which had undertaken a RTO of SHC

### Asian shares near record high, dollar weak

Asian shares inched closer to a record high on Friday as U.S. jobs data pointed to firm economic growth although the greenback was soft as the specter of benign inflation capped domestic bond yields.

## TODAY'S TOP GLOBAL NEWS

### Kalanick selling nearly 1/3 of stake for \$1.4B

Uber Technologies Inc co-founder Travis Kalanick, who was ousted as chief executive in June, is selling nearly a third of his 10 percent stake in the ride-services company for about \$1.4 billion, a person familiar with the matter said on Thursday.

### Get Ready for More BOE Hikes

One of the first economists to correctly predict that the Bank of England would hike interest rates in November is telling clients to prepare for a faster pace of increases. Nomura's George Buckley is forecasting the bank will raise rates four times by the end of 2019 to keep inflation in check -- double the consensus among economists and

### U.K. Car Sales Drop Most Since Recession

U.K. car sales suffered their biggest annual slide since the global recession, stunted by Brexit's impact on buyer confidence and lingering skepticism over the emissions performance of diesel cars. Preliminary figures indicate 2017 sales fell 5.6 percent from a year earlier to 2.54 million vehicles, the steepest drop since 2009.

### Argentina begins \$9B of bond sale

Argentina is rushing to sell \$9 billion of debt on Thursday to meet its financing needs for the year as it seeks to get ahead of other developing economies tapping international debt markets.

### Southwest Airlines to pay \$15M as settlement

Southwest Airlines Co (LUV.N) agreed to pay \$15 million to settle nationwide antitrust litigation by passengers who accused the four largest U.S. carriers of conspiring to raise fares by reducing seating capacity.

### Oil dips away from 2015 highs as doubts emerge

Oil prices fell on Friday, dropping away from highs last seen in 2015, as soaring production in the United States undermined the 10 percent rally from lows hit in December that was driven by tightening supply and political tensions in OPEC member Iran.

## 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