

# The Daily Dispatch

October 02, 2017  
TODAY'S TOP NEWS

## SSS: Rate hike to over 12% effective in Jan.

Starting January next year, the contribution rate of Social Security System (SSS) members will increase to over 12.5 percent as a means for the state-run pension fund to compensate for the higher disbursements to retirees.

## Outstanding debt hits record P6.43T

The weaker peso further raised the national government's outstanding debt to a record P6.43 trillion as of end-August, up 7.6 percent year-on-year, the latest Bureau of the Treasury data showed.

## Ortigas & Co. fuels serviced apartment trend

Property developer Ortigas & Co. has entered the hospitality business with the launch of The Cirque, a 55-unit serviced residences business carved out of its master-planned, mixed-use community Circulo Verde straddling Quezon City and Pasig.

## PH retail scene remains upbeat

While many retail stores in the United States and elsewhere in the world had been shuttered over the last few years, rendered obsolete by the consumer's growing preference for online shopping among other factors, the Philippines meanwhile has been attracting a number of major foreign brands to set up brick-and-mortar stores in the country.

## TransCo wants to diversify into telecom

The head of National Transmission Corp. wants to pursue diversification and convert the company into a telecommunications and power generation firm. TransCo president Melvin Matibag said in an interview the move would help achieve the company's goal of nationwide broadband rollout, while securing the country's ancillary

## 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 Sept 29, 2017

US Dollar	Philippine Peso
1	50.865

## PDST-R2 Rates

As of Sept 29, 2017

Tenor	Rate
1Y	2.8674
3Y	3.6651
5Y	4.6375
7Y	4.3206
10Y	4.6085
20Y	5.1479

## Daily Quote

"Luck is a dividend of sweat. The more you sweat, the luckier you get." --Ray Kroc

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## MORE LOCAL NEWS

### MPIC offers P20b to run MRT 3

The group of Metro Pacific Investments Corp. and Ayala Corp. offered to invest up to P20 billion to rehabilitate, operate and maintain Metro Rail Transit Line 3. MPIC president and chief executive Jose Maria Lim said the required amount of investment for MRT 3 could reach P20 billion, including the equity component.

### Charter change to begin next year

Finance Secretary Carlos Dominguez III told Japanese businessmen that the Philippine government will ease foreign ownership restrictions in certain industries by amending the Constitution starting next year. Dominguez said this was in line with President Rodrigo Duterte's commitment to open up the economy.

### Ongpin unveils luxury Benguet real estate dev't

Roberto V. Ongpin, the tycoon behind some of the country's most luxurious playgrounds such as the members only Balesin Island Club and City Club, has just unveiled his latest project, the Alphaland Baguio Mountain Lodges, and is already enjoying brisk demand from some of the country's elites and well-heeled crowd.

### BMI sees peso closing at P51 to \$1 by yearend

"Over the near-term, we hold a neutral view on the peso as upside and downside pressures appear roughly balanced, informing our forecast for the currency to end the year at 51 to \$1," BMI Research said.

### Housing prices down in Q2

Housing prices declined in the second quarter due to lower cost of single detached units, according to a survey conducted by the Bangko Sentral ng Pilipinas (BSP). The Residential Real Estate Price Index (RREPI) during the quarter ending June decreased 4.6 percent to 116.6 from 122.2 a year ago, the BSP said.

### Offshore gaming expected to continue growing

Offshore gaming is expected to continue growing in the Philippines and further push demand for office space. Industry sources said the Philippine Amusement and Gaming Corp. (Pagcor) has issued 45 Philippine Offshore Gaming Operation (POGO) licenses and is expected to issue more because of strong demand.

### 2 more years of 'policy uncertainty' for RE

Local and foreign investors have been battling for clarity and certainty on policy issues in the renewable energy (RE) sector, but the Department of Energy (DOE) had dropped the bombshell that it will take two more years for new set of rules and market mechanisms to be concretized.

### BSP to issue new liquidity tool

The Bangko Sentral ng Pilipinas (BSP) is expected to issue another Basel III-liquidity standards tool before the year ends to assess the long-term liquidity buffers of banks. BSP Deputy Governor Fonacier said they will soon release the guidelines for the implementation of the net stable funding ratio (NSFR).

## TODAY'S TOP ASIAN NEWS

### HK fast developing as a cryptocurrency centre

Hong Kong fast developing as a cryptocurrency centre, but with ecosystem so new, some observers worry that one bad ICO could derail the whole market. Initial coin offerings are the most talked about, if not the most popular, form of fundraising for cryptocurrency projects around the world – and Hong Kong is starting to get in on the action.

### China: Happigo to fully acquire Mango TV for \$1.4B

Happigo Home Shopping Co Ltd, a TV shopping platform listed on ChiNext, is fully acquiring Mango TV, an online video platform of Hunan Satellite TV, for \$1.4 billion (RMB9.5 billion), CMN reported. Mango TV was valued at \$2 billion when it raised a \$228 million in a series B round in June last year.

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## MORE ASIAN NEWS

### SKor fund worth \$9.1B mulls Europe student housing

Student housing in Europe and Australian infrastructure are luring global funds out of their comfort zone, as a South Korean manager of local government employee savings joins peers around the world getting creative overseas in search of better returns.

### SG home prices rise for first time in four years

Singapore's home prices rose for the first time in four years, snapping a record run of declines and confirming recent signs that the property market is rebounding. An index tracking private residential prices gained 0.5% in the three months ended Sept. 30 from the previous quarter, according to preliminary data.

### IDN First Billion-Dollar Startup Looks to Expand

Go-Jek, Indonesia's first billion-dollar startup, is looking to expand its ride-hailing services to three to four countries in Southeast Asia, escalating its rivalry with Grab and Uber Technologies Inc.

### QTC Energy goes into renewables

SET-listed QTC Energy Plc, Thailand's leading transformer producer, expects revenue from the renewable power sector to comprise 70% of total revenue by 2022, up from less than 10% this year.

## TODAY'S TOP GLOBAL NEWS

### Noble Group expects to sell oil liquids business

Noble Group expects to sell its oil liquids business by the end of December as part of a plan to slim down drastically its core Asian coal trading business after a crisis-wracked two years.

### Uber's Kalanick rekindles power struggle

Uber Technologies Inc co-founder Travis Kalanick said he had appointed two new directors, a surprise move that publicly reignited a board battle over the role of the ousted former chief executive.

### SoftBank's Thorny Uber deal

If the Uber-SoftBank deal gets done, it may be one for the record books. With \$10 billion changing hands, it could be the largest private stock sale ever. The people involved might remember it for a different reason, however: as the most contentious deal they've ever done.

### Citigroup to settle dispute with Lehman Brothers

Citigroup Inc and Lehman Brothers Holdings Inc resolved a fight over \$2.1 billion that dates to the financial crisis era after Citigroup agreed to give back \$1.74 billion to the estate of the investment bank, according to Bloomberg.

### Global Logistics Prop. expands with \$2.8bn M&A

Global Logistics Properties (GLP) said on Monday it has agreed to acquire Gazely, a leading European logistics platform, for about \$2.8 billion, as part of its expansion into Europe.

## Economic Calendar

Date	Release
10.01.2017	Nikkei Philippines PMI Manufacturing
10.04.2017	PH: CPI YoY
10.05.2017	PH: Foreign Reserves
10.09.2017	PH: Exports and Imports YoY
10.09.2017	PH: Trade Balance

Source: Bloomberg Economic Calendar