

# The Daily Dispatch

October 26, 2017  
TODAY'S TOP NEWS

## Jobs mismatch affecting local construction sector

The Philippine construction sector is experiencing a mismatch between available jobs and the required skill set as 10 million Filipinos remain unemployed, a trade official said. On the sidelines of the ASEAN+6 Construction Forum, Trade Undersecretary Ruth Castelo denied any shortage of labor in the country's construction sector.

## BOI approves perks for P4.15-B solar project

The Board of Investments (BOI) approved the application of Pilipinas Newton Energy Corp. to develop a P4.15-billion solar energy project in Pangasinan. In a statement on Wednesday, BOI said the company qualified for fiscal and nonfiscal incentives under the Investment Priorities Plan, including a four- to six-year income tax holiday.

## Duterte offers GSIS chief post to BIR's Aranas

Amid a power struggle in the Bureau of Internal Revenue, President Duterte has offered BIR Deputy Commissioner Jesus Clint Aranas, who helped in his campaign, the still unfilled position of president and general manager of state-run pension fund Government Service Insurance System (GSIS).

## SBS Group to acquire Mandaluyong property

SBS Philippines Corp. is strengthening its foray into real estate with the incorporation of a new company to be used for the acquisition of a commercial property in Mandaluyong City. The listed firm said its wholly owned subsidiary SBS Holdings and Enterprises Corporation (SHEC) has incorporated Joine Holdings Corp., where it

## Eton completes 5th BPO building in Quezon City

The property firm of billionaire Lucio C. Tan announced on Wednesday that it has finished construction of the 25-storey building called Centris Cyberpod Five. The tower is located within Eton Centris, the company's 12-hectare township located across the Metro Rail Transit's Quezon Avenue station in Quezon City.

## Philippine Stock Market Update



**Previous Close:**

8,018.05

**1 Yr Return:**

-0.34%

**Open:**

8,015.68

**YTD Return:**

15.58%

**52-Week Range:**

6,499.00 - 8,106.74

**Source:**

Bloomberg

## Foreign Exchange

As of Oct. 25, 2017

US Dollar	Philippine Peso
1	51.806

## PDST-R2 Rates

As of Oct. 25, 2017

Tenor	Rate
1Y	2.8703
3Y	4.0982
5Y	4.7893
7Y	4.8325
10Y	4.7486
20Y	5.4661

## Daily Quote

"Entrepreneurship is neither a science nor an art. It is a practice." --Peter Drucker

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## MORE LOCAL NEWS

### Peakpower set to commence operation of 3 plants

Peakpower Energy, Inc. (PEI), which is 20 percent owned by listed A Brown Company, is set to commence commercial operations of three power plants by November, a top executive told reporters on Wednesday. PEI President and Chief Executive Officer Roel Castro said the company has secured a provisional certificate of compliance.

### Govt not in a hurry to open up construction

The DTI is not keen on immediately liberalizing the construction sector as favored by foreign advocacy groups and business chambers. DTI Undersecretary for construction and Construction Industry Authority of the Philippines head Ruth Castelo said the government was still assessing the liberalization of the construction sector.

### Globe launches payment option

Globe has raised the ante in mobile electronic payments war after launching a new payment option along with a unit of Jack Ma's Alibaba Group. The Ayala Group and Ant Financial Services Group, parent company of Alipay, through Mynt, launched a new payment option that allows customer to pay by simply using their smartphones.

### S'pore banks beat benchmark index - property bull

THE local banks' Q3 results will be scrutinised closely to see if their 2017 strong rally still has legs. United Overseas Bank and DBS Bank will report Q3 results on Nov 3 and 6. Year-to-date, OCBC and DBS have risen as much as 30% while UOB has lagged at a slower 21 per cent. The benchmark ST Index is up just 16 per cent.

### Easing of foreign investment rules seen

The Bangko Sentral ng Pilipinas will further liberalize foreign exchange rules by easing registration requirements for foreign direct investments, Governor Nestor A. Espenilla Jr. said.

### MICC unearths questionable contracts

The Department of Environment and Natural Resources (DENR) is looking into mining contracts with questionable expansion arrangements in 24 mining sites, according to the Mining Industry Coordinating Council (MICC).

### Sytin acquires control of LMG

Businessman Dominic Sytin, the man behind United Auctioneers and United Holdings Power Corp., has signed a deal to acquire a controlling stake in LMG Chemicals Corp. LMG, a subsidiary of the Garcia family's Chemical Industries of the Philippines, is a shell company deemed suitable for backdoor listing.

## TODAY'S TOP ASIAN NEWS

### THAI board wants Airbus joint venture

The board of Thai Airways International Plc (THAI) has given the nod for the national carrier to enter a joint investment with Airbus to develop a major maintenance, repair and overhaul (MRO) facility at U-Tapao International Airport.

### Peso plunges to new low at 51.77:\$1

The Bangko Sentral ng Pilipinas (BSP) will pursue tactical intervention in the foreign exchange market as the peso slumped to its weakest level in more than 11 years, BSP Governor Nestor Espenilla Jr. said yesterday.

### Shopper engagement app Snapcart raises \$10m

Snapcart, a real-time shopper engagement app that operates out of Jakarta, has raised a \$10 million funding in its Series A round led by existing investor Vickers Venture Partners. Other new investors like Social Capital, Kickstart Ventures and Endeavor Catalysts also participated in the round.

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## MORE ASIAN NEWS

### VC-backed firms mop up record \$9.6b in Jan-Sept '17

When India's venture capitalists ring in the holiday season this year, they will be more upbeat than it has been for the past couple of years. In the nine months, venture capital-backed firms, a universe that encompasses seed stage start-ups, unicorns and everything in between, mopped up a record \$9.6 billion in fresh capital.

### Keppel divests Keppel China Marina for 2.9b yuan

Keppel Corporation has divested its subsidiary Keppel China Marina Holdings (KCMH) to Delight Prime Limited for 2.9 billion yuan (\$597.4 mn). KCMH indirectly owns an 80% effective stake in Sunsea Yacht Club, which is both owner and developer of Keppel Cove, an 891,752 sqm integrated residential cum marina lifestyle project.

### Up to A dozen IPOs coming to SGX by year-end

The year 2017 might be about to end, but stock market professionals are keeping busy. As many as 10 to 12 initial public offerings (IPOs) are potentially in the pipeline by the end of 2017. This would push the total number of SGX IPOs to the "high 20s" from the 18 already done this year.

### Singapore won't regulate cryptocurrencies

Singapore doesn't plan to regulate cryptocurrencies such as bitcoin, but will remain alert to money laundering and other risks stemming from their use, the head of the country's central bank said. "As of now I see no basis for wanting to regulate cryptocurrencies," Monetary Authority of S'pore managing director Ravi Menon said.

## TODAY'S TOP GLOBAL NEWS

### Sands to invest \$1.1B in London-themed remodel

Las Vegas Sands Corp., capitalizing on the rebound in Macau gambling, will spend \$1.1 billion renovating its properties there, including turning the Sands Cotai Central into a London-themed resort.

### ACWA Power plans \$4B spend on renewables in 2018

ACWA Power International plans to spend \$4 billion on renewable energy projects next year, with plants to be developed in Dubai, Jordan, Egypt and Morocco, Chairman Mohammad Abunayyan said.

### CH firms eye Learning Care valued at up to \$1.6B

Chinese suitors have indicated their interest in buying U.S. child care provider Learning Care Group that has been put on the block by its private equity owner and could fetch up to \$1.6 billion. The second largest for-profit early education and care provider in North America has drawn interest from VC firm IDG Capital and Bright Scholar Education

### Earnings Are Fraying Nerves Already

Maybe it's because there's so little volatility in the market, but this earnings season is proving a particularly jarring one in individual stocks. That's according to Goldman Sachs Group Inc., which looked at 67 companies and found their shares moved an average 4% after earnings this quarter, among the biggest reactions of the past 5 years.

### EU Starts a Brexit Plan B

The European Union agreed to start internal preparations for the possibility of Brexit negotiations failing to reach a breakthrough at a crunch December summit, as the former British envoy to the EU said the U.K.'s trade goals were unrealistic.

## Economic Calendar

Date	Release
10.15.2017	PH: Overseas Remittances YoY
10.15.2017	PH: Overseas Workers Remittances
10.18.2017	PH: BoP Overall
10.18.2017	PH: Budget Balance
10.30.2017	PH: Bank Lending YoY

Source: Bloomberg Economic Calendar