

# The Daily Dispatch

October 27, 2017  
TODAY'S TOP NEWS

## Ayala expands coworking space network

A new coworking space under Ayala Land Inc.'s "Clock In" brand has opened in Bonifacio High Street, offering flexible office address to freelancers, start-up entrepreneurs and corporate teams who do not want to be tied to long-term leasing contracts.

## Local mining sector adopts Canada model

As it continues to police its ranks, the country's mining industry is set to adopt Canadian practices, which have been globally recognized for its standards. The Chamber of Mines of the Philippines said officials of the Mining Association of Canada are arriving in the country by Dec. to launch the Towards Sustainable Mining program.

## PNB raises P6.3 B from LTNCD

Tan-controlled Philippine National Bank (PNB) raised P6.35B from the issuance of long-term negotiable certificates of time deposits (LTNCDs), more than double the issue size of P3B. The LTNCDs due April 2023 with an interest rate of 3.875% per annum were listed at the Philippine Dealing and Exchange Corp. (PDEX) yesterday.

## A Brown ventures into renewable power

A Brown Co. Inc. (ABCI) is entering the renewable energy sector with around 120 megawatts (MW) of hydropower projects under development, its top official said yesterday. A Brown president and CEO Roel Castro said the company has several hydropower projects in the development stages.

## EU to extend P6-B grant for Marawi

The EU is extending a grant of 55M euros scalable upwards to 100M euros for Mindanao, especially for the reconstruction of Marawi, ignoring earlier pronouncements by the Duterte government not to accept financial assistance from EU because of attached conditionalities from the 28-member states of this political and economic bloc.

## 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 Oct. 26, 2017

US Dollar	Philippine Peso
1	51.800

## PDST-R2 Rates

As of Oct. 26, 2017

Tenor	Rate
1Y	3.0130
3Y	4.1018
5Y	4.2500
7Y	4.9271
10Y	4.7459
20Y	5.1521

## Daily Quote

"If you want your children to turn out well, spend twice as much time with them, and half as much money."  
--Abigail Van Buren

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## MORE LOCAL NEWS

### Land Bank exemption trims GOCC dividends

Dividends from state-owned firms fell in the first nine months of the year following an exemption granted to Land Bank of the Philippines, a Finance official said. Fifty GOCCs remitted P21.62 billion to the Bureau of the Treasury as of end-September this year, Finance Assistant Secretary Soledad Emilia Cruz reported.

### BoI clears P4.1-b solar power project in Tarlac

The Board of Investments granted fiscal incentives to the P4.15-billion solar energy project of Pilipinas Newton Energy Corp. under the Renewable Energy Act and the Investment Priorities Plan. The company is building the solar project in San Manuel, Pangasinan, over a land area of approximately 70 hectares.

### BSP seen increasing rates to tame peso decline

Bangko Sentral ng Pilipinas may consider raising interest rates if the peso continues to weaken further against the US dollar, DBS Bank of Singapore said Thursday. DBS said in a report the peso declined 3.9 percent against the dollar this year, making it the worst performing unit in the region.

### Chinese CCCI to buy Canada's Aecon for \$1.18b

Canadian construction company Aecon Group Inc said on Thursday it agreed to be bought by China's CCC International Holding Ltd in a deal with an enterprise value of C\$1.51 billion (\$1.18 billion). CCCI is the overseas investment and financing arm of engineering and construction company China Communications Construction

### Bank cybersecurity standards tightened

The BSP is set to issue tighter regulations requiring financial institutions, particularly banks, to elevate the level of their cybersecurity standards. "We are set to issue in a few weeks enhanced standards with regard to BSP's expectation on cybersecurity arrangements in a financial institution," BSP Governor Nestor Espenilla Jr. said.

### Gov't to sell assets worth P2B in Q4

The Privatization and Management Office (PMO) will dispose of 13 properties in Luzon and Mindanao in the fourth quarter as the government targets to hit P2 billion in privatization proceeds by the end of the year.

### EDC keeps highest credit rating for P7-B bonds

EDC maintained the highest credit rating for its P7-billion outstanding bonds, a local debt watcher said on Thursday. Philippine Rating Services Corp. (Philratings) said the energy firm secured anew a PRS Aaa credit rating for its retail bonds, with P3 billion set to mature on May 3, 2020 and the remaining P4 billion due on May 3, 2023.

## TODAY'S TOP ASIAN NEWS

### Govt to sell 5% stake in NLC India for nearly \$115m

The government is likely to raise Rs750 crore by selling a 5% stake through an offer for sale in NLC India Ltd, the finance ministry said in a statement. Formerly Neyveli Lignite Corporation, NLCIL is a Navratna company engaged in mining of lignite and generation of power through lignite-based thermal power plants.

### SMDC eyes P6b in sales from Las Piñas project

SM Development Corp., the residential unit of property developer SM Prime Holdings Inc., said Thursday it expects to generate P6 billion in sales from the four-tower residential condominium project along Alabang-Zapote Road in Las Piñas City.

### Dymon Asia PE plans to raise \$300m for 2nd fund

Dymon Asia Private Equity, the PE arm of Dymon Asia Capital, is in talks to raise its second fund, according to two people aware of the development. The firm is learnt to have begun talks with potential investors, or limited partners, to raise more than \$300 million for the fund.

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## MORE ASIAN NEWS

### Seagate wont buy Toshiba chip unit for 10 yrs

Seagate Technology PLC, a member of the group taking over Toshiba Corp's chip unit, pledged not to buy any stake in the unit for 10 years as part of the \$18 billion deal. The pledge was made as Toshiba's chip joint venture partner Western Digital Corp objected to the unit's sale to rivals.

### Asia billionaires overtake US for the first time

The world's wealthiest individuals are on a roll with billionaires in Asia leading the pack. Billionaire wealth increased 17% to \$6 trillion in 2016, after a decline the previous year. Led by China, the number of the region's billionaires surpassed the U.S. for the first time.

### iFlytek launches \$150m AI fund

Chinese speech recognition company iFlytek, one of MIT's list of smartest companies, has reportedly announced a RMB1.02 billion (\$150 million) fund to invest in software and hardware startups that look to apply artificial intelligence in consumer electronics, healthcare and other industries.

### Istanbul to borrow \$1.1B to expand subway

Istanbul Metropolitan Municipality plans to borrow 925 million euros (\$1.1 billion) from several international banks to finance six underground train projects. Executives from the city's administration are in talks with lenders for a loan with a maturity of eight years.

### China got bids for 11 times the \$2B bonds it sold

China saw strong appetite Thursday for its first sale of sovereign dollar bonds since 2004, with demand for the sovereign notes climbing to 11 times the offering size and pricing coming in under initial guidance. The Ministry of Finance priced the bonds 15 basis points over Treasuries for its \$1 billion of five-year notes.

## TODAY'S TOP GLOBAL NEWS

### Microsoft tops forecasts with 16% profit growth

Microsoft on Thursday delivered stronger-than-expected earnings for the past quarter, lifted by gains in cloud computing and other business services. For its first fiscal quarter to September 30, the tech giant said profit was up 16 percent from a year ago to \$6.6 billion.

### CVS makes more than \$66 billion bid for Aetna

U.S. pharmacy operator CVS Health Corp has made an offer to acquire No. 3 U.S. health insurer Aetna Inc for more than \$200 per share, or over \$66 billion, people familiar with the matter said on Thursday.

### Cloud computing drives growth for U.S. tech firms

Amazon.com Inc, Microsoft Corp, Alphabet Corp's Google and Intel Corp are all putting their chips on the cloud computing business, and it is booming. All four companies posted stellar quarterly earnings on Thursday, showing the strength of the shift in corporate computing away from company-owned data centers and to the cloud.

### GE explores divesting its transpo, healthcare IT

General Electric Co is exploring divesting its transportation and healthcare information technology businesses, as it seeks to reshape its portfolio under new Chief Executive John Flannery, people familiar with the matter said.

## 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