

The Daily Dispatch

October 03, 2017
TODAY'S TOP NEWS

SC voids ALI's ownership of prime Las Pinas lot

Property giant Ayala Land Incorporated (ALI) lost control of a 6.8-hectare lot of prime land in Las Piñas City following a ruling by the Supreme Court (SC). The 6.8-hectare lot, which houses the Southlinks Golf Club and materials depot, is located inside ALI's Ayala Southvale Village in Las Piñas City.

Senate seeks to retain perks for tech, BPO firms

Filed as Senate Bill (SB) 1592 late last month, the bill will keep the zero-VAT status on the sale of goods and services, a move which means that the IT—Business Process Management industry will be able to keep the perks that were said to have played a crucial part in keeping the industry competitive against rival markets.

UB seeks to raise P70 bn to support loan book

Aboitiz-led Union Bank of the Philippines is hatching two funding instruments that would allow it to raise as much as P70 billion, allowing the bank flexibility to expand its loan book and help oil the needs of a growing economy.

STI greenlights 25% annual dividend policy

Tanco group-led private school network operator STI Education Systems Holdings Inc. has adopted a new policy to distribute no less than 25 percent of its core income from the previous fiscal year as dividends to stockholders.

Gov't to lower foreign capital cap in retail trade

The government will further open up retail trade as it plans to drastically lower the foreign capital limit from the current \$2.5 million to \$200,000 (about P10.2 million), a top economic manager said. Socioeconomic Planning Secretary Pernia said that the move is in line with the easing of the Foreign Investment Negative List.

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. 2, 2017

US Dollar	Philippine Peso
1	50.865

PDST-R2 Rates

As of Oct. 2, 2017

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

Daily Quote

"I knew that if I failed I wouldn't regret that, but I knew the one thing I might regret is not trying."

--Jeff Bezos

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MORE LOCAL NEWS

8 infra projects on China's priority list

The Chinese government has urged the Philippine government to prioritize the approval and implementation of eight infrastructure projects which it proposed for Beijing's financing assistance, the Department of Finance (DOF) said yesterday.

AirAsia plans IPO next year

Philippines AirAsia Inc. is planning to hold its initial public offering (IPO) in the middle of next year, with the proceeds to be used to support the expansion of operations. "Hopefully, we can have it in the middle of next year," Philippines AirAsia chief executive officer Dexter Comendador told reporters.

Hedging risks a concern in cross-border trade

Local exporters are more concerned about the risks in hedging rather than the documentation requirements and foreign exchange regulations in cross-border trade, the country's biggest business group said. The IMF is working with the Bangko Sentral ng Pilipinas (BSP) in developing the forex market.

Senate tax reform bill to yield P60B only

The Senate version of the tax reform would usher the Duterte administration's ambitious infrastructure plan to abysmal failure as net revenue potential of the upper-chamber's proposed measure fell well below the economic managers' expectation.

Firms prefer to buy \$ from black market than banks

The informal foreign exchange or the black market is thriving in the Philippines and businessmen prefer to transact with because it is convenient and no required documentation, the Philippine Chamber of Commerce and Industry (PCCI) told a team from the International Monetary Fund (IMF)

TODAY'S TOP ASIAN NEWS

Japan business confidence hits decade high

Confidence among Japan's biggest manufacturers has jumped to its highest level in a decade, a key central survey showed Monday, October 2, as the world's number three economy picks up pace. The Bank of Japan's Tankan report showed a reading of 22 among major manufacturers in its latest report.

IND's Ola raises \$2B from SoftBank, Tencent

Ola scored \$2 billion in new funding from a group of investors including SoftBank Group Corp. and Tencent Holdings Ltd., according to a person familiar with the matter, helping to bankroll Uber Technologies Inc.'s fiercest rival in India.

New environment tax will hit businesses in CH hard

China will abandon its current system under which polluters are charged locally in favour of the nationwide environmental protection levy – designed to reduce air, soil and water contamination – from January 1.

SG home prices rise for the first time in 4 years

An index tracking private residential prices gained 0.5 per cent in the three months ended Sept. 30 from the previous quarter, according to preliminary data from the Urban Redevelopment Authority released on Monday.

Central Group to buy Dean & DeLuca ops outside US

Thailand's retail giant Central Group is set to acquire Dean & DeLuca's operations outside the United States from luxury property developer PACE Development Plc for \$50 mn. The deal is in the due diligence process, the company said on Monday

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TODAY'S TOP GLOBAL NEWS

Gulf states say goodbye to tax free reputation

Energy-rich Gulf states will next year introduce value-added tax to a region long known for being tax-free. Some have hailed introducing VAT as the start of "exciting, dramatic" change in the region, but the measure is also expected to push prices up for all residents including citizens and low-income workers.

Tesla falters with Model 3 as output trails forecast

Tesla Inc. struggled to produce its cheapest model shortly after the car debuted, setting back Chief Executive Officer Elon Musk's mission to reach mainstream consumers. The automaker built only 260 Model 3s during the quarter ended in September, less than a fifth of its 1,500-unit forecast.

GS to explore starting Bitcoin trading venture

Goldman Sachs Group Inc. is exploring how it could help clients trade bitcoin and other digital currencies, according to a person briefed on the plan. The New York-based bank is in talks with cryptocurrency experts but hasn't yet formulated a business plan, a timetable for implementation or made any bitcoin-related investments.

US wants to reduce trade deficit with TH

President Donald Trump wants to reduce the U.S. trade deficit with Thailand, he told the country's prime minister on Monday in a meeting that marked another sign of warming ties between Washington and Bangkok.

Yellen says AIG's threat to stability is reduced

American International Group Inc (AIG.N) poses less of a threat to financial stability because it shrank its assets by more than \$500 billion, Federal Reserve Chair Janet Yellen said on Monday in explaining why she voted in favor of releasing the company from stricter oversight.

Metro Inc to buy Jean Coutu Group in \$3.60B deal

Metro Inc, Canada's third biggest food retailer, said on Monday it would buy pharmacy chain Jean Coutu Group for C\$4.5 billion (\$3.60 billion). Shares of Jean Coutu rose as much as 2.1 percent to touch a more than two-year high at C\$24.81 in afternoon trading on the Toronto Stock Exchange.

Uber board set for meeting over ex-CEO's power

The board of Uber Technologies Inc [UBER.UL], including two new appointees of former Chief Executive Travis Kalanick, will meet on Tuesday to consider proposals that diminish the co-founder's influence, strip early investors of supervoting power and secure a multibillion-dollar investment, sources said.

Five tailwinds set to boost global market rally

Financial markets are dancing again to the risk-on beat, with the latest upswing in global manufacturing the latest reason to boogie. With the threat of higher interest rates and others for now, seemingly powerless to unhinge stocks and bonds from their bullish foundations, there could be even more pain in store for naysayers.

Stocks add gains, dollar climbs on economic cheer

Strong factory data and the prospect for American tax cuts boosted confidence in the global economy, lifting the dollar and emboldening bulls who drove U.S. equities to fresh record highs and pushed up shares in Asia. Goldman Sachs Group Inc. analysts see the dollar as having some further room to run, thanks to solid growth prospects.

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