

The Daily Dispatch

November 02, 2017
TODAY'S TOP NEWS

PHI buys offshore business of HNZ

PHI Inc. is acquiring the offshore helicopter operations of HNZ Group in the Philippines, New Zealand, and Papua New Guinea by January 2018. Under the deal, HNZ Group Inc President and Chief Executive Officer Don Wall will acquire all of HNZ's outstanding common and variable voting shares

PH pledges \$1 billion to IMF emergency fund

The Philippines again signed a \$1-B loan facility with the IMF, committing to help countries going through financial troubles and in effect, minimizing the probable impact on the world's macroeconomic fundamentals. Seeing it as a shared responsibility, the Philippines decided to extend the loan facility, which was first signed in 2013.

MPIC optimistic on tollway deals in IDN, MAL

Metro Pacific Investments Corp. (MPIC) is hopeful it can complete within the year negotiations for an investment in the tollways sector either in Indonesia or Malaysia. MPIC chairman Manuel V. Pangilinan told reporters the infrastructure conglomerate is in negotiations for tollway projects in Indonesia and Malaysia.

Paris-based AFD offers €100-M loan

Agence Française de Développement has committed to provide a €100M loan to the PH to strengthen local governance and ensure inclusive growth in the regions. The DOF said the Philippines would soon enter into an agreement with AFD for a €100M loan to support the Local Government Finance and Fiscal Decentralization Reform

SMC-run expressways ready for expansion

Diversified conglomerate San Miguel Corp. (SMC) is ready to start the expansion of the South Luzon Expressway (SLEX), the Skyway system, and the Ninoy Aquino International Airport Expressway (NAIAX) to help ease congestion in the metropolis.

Philippine Stock Market Update



Previous Close:

8,365.26

1 Yr Return:

18.18%

Open:

8,342.98

YTD Return:

23.38%

52-Week Range:

6,499.00 - 8,586.73

Source:

Bloomberg

Foreign Exchange

As of Nov. 1, 2017

| US Dollar | Philippine Peso |
|-----------|-----------------|
| 1 | 51.609 |

PDST-R2 Rates

As of Nov. 1, 2017

| Tenor | Rate |
|-------|--------|
| 1Y | 2.8521 |
| 3Y | 3.8320 |
| 5Y | 4.5125 |
| 7Y | 4.5384 |
| 10Y | 4.7952 |
| 20Y | 5.1595 |

Daily Quote

"Fear is only as deep as the mind allows."

--Anonymous

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MORE LOCAL NEWS

EDSA BRT up for SoKor funding

The government has included the P37.76-billion Metro Manila Bus Rapid Transit (BRT) Line 2 among the projects it will propose for financing assistance from South Korea. Finance Assistant Secretary Maria Edita Tan said the government is preparing the list of projects it would submit to the Export-Import Bank of Korea for possible loan

25% of Filipinos shift to digital payments

The Philippines is well on its way to be a cashless nation, with 25 percent of consumers have indicated that traditional (physical credit card, bank transfer/Internet banking, cheque, etc.) and new payment methods are now their primary payment, survey said.

DA tweaks priorities to focus on local consumption

Agriculture Secretary Emmanuel Piñol is now seeing a need for the Department of Agriculture (DA) to “tweak its priorities” when it comes to food production as more and more homegrown commodities are being shipped abroad to boost the country’s exports.

Araneta investing P10b in Laguna hydro plant

Businessman Gregorio Araneta III is spending P10 billion to build an 800-megawatt pump storage hydropower plant in Pangil, Laguna. Araneta said Gregorio Araneta Inc. was now conducting a predevelopment feasibility study on the project which would have an initial capacity of 170 MW.

Credit Suisse readies PH expansion

Switzerland-based Credit Suisse AG is expanding its presence in the Philippines, joining the list of 10 Asian banks that entered the country after the government further liberalized the banking industry. BSP Deputy Governor Fonacier said in an interview the Swiss bank already submitted documents to establish a local office.

PH to receive \$366M dev’t loan from ADB, France

The government is set to ink a deal that will see the Philippines receiving around \$366 million in development loans to be used for programs to support inclusive growth and poverty reduction. The loan, the DOF said, “is being co-financed by AFD and the Asian Development Bank (ADB), with the latter providing \$250 million”.

More rural bank mergers sought

Further rural banking sector consolidation is being encouraged with the revival of a program that expired last August, a senior BSP official said. “It is a relaunching with some amendments,” central Deputy Governor Chuchi Fonacier told reporters, referring to the Consolidation Program for Rural Banks (CPRB) launched in 2015.

TODAY’S TOP ASIAN NEWS

Li Ka-Shing sells HK tower for record price

Li Ka-Shing’s CK Asset Holdings Ltd. has agreed to sell its stake in The Center to C.H.M.T. Peaceful Development Asia Property Ltd for HK\$40.2 billion (\$5.2 billion), a record for a Hong Kong office tower. The deposit will be paid in cash, according to a statement released Wednesday.

Razer aims to raise up to \$743M through IPO

Gaming tech firm Razer is seeking to raise up to US\$545 million (S\$743 million) through an initial public offering (IPO) in Hong Kong that could value the company at up to US\$4.55 billion. Razer, which is on a roadshow until Nov 6, has indicated an IPO price range of between HK\$2.93 to HK\$4 a share.

mm2 Asia to acquire Cathay Cineplexes for \$230M

ENTERTAINMENT company mm2 Asia announced on Thursday it has entered into an option agreement to acquire all of Cathay Cineplexes’ Singapore cinema operations, with the acquisition aimed to close on Nov 24. Mainboard-listed mm2 Asia will pay S\$230 million in cash for the acquisition comprising of a S\$15 million deposit.

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MORE ASIAN NEWS

India: Edelweiss targets \$1b corpus for infra fund

The Edelweiss group is raising its first infrastructure fund, targeting a corpus of at least \$1 billion, its largest alternative asset fund till date. The group, through its various entities, manages several alternative investment funds such as credit funds, real estate funds and a distressed assets fund.

Crest Capital's Kotak buys 25% of Indian FinFix

Vikram Kotak, Managing Partner at Crest Capital & Investment, has acquired a 25 per cent stake in financial research firm FinFix Research and Analytics for an undisclosed amount. The fresh capital injection will be used for expanding the business of the company.

Sequoia Capital: replacing the smartphone

Neil Shen, the Sequoia Capital China co-founder, thinks the search for the next big platform will be a key focus for investors in 2018. The priority for venture capital and technology firms next year will be finding and developing candidates to help usher in the post-smartphone era.

Carlyle makes \$4.5b first close for fifth Asia fund

Global alternative investor The Carlyle Group has completed a first close of its fifth Asia buyout fund Asia Partners V at over \$4.5 billion, the firm said in its third-quarter earnings call on October 30. With a target of \$5 billion, the fund will be Carlyle's biggest capital raise for Asia if it achieves that milestone.

PE firm Permira to buy advisory firm Duff & Phelps

Private equity firm Permira Funds said on Wednesday it would buy corporate finance adviser Duff & Phelps for \$1.75 billion to tap the growing demand for advisory services as regulators push for improved corporate practices.

Centrum buys FirstRand Bank's India ops

Centrum Capital is acquiring South African financial services firm FirstRand Bank's India microfinance business to boost its lending operations focused on retail and small and medium enterprises. The financial details of the deal were not disclosed.

TODAY'S TOP GLOBAL NEWS

Americans are renouncing citizenship at record pace

In the third quarter of this year, 1,376 Americans renounced their U.S. citizenship, putting the annual tally on track to top 2016's record, data from the Treasury Department show. If this year's fourth quarter mirrors that of 2016, when 2,365 people chose to expatriate, 2017's annual tally would be 6,813.

Tesla is three years away from making cars in CH

Don't count on Tesla Inc. to make electric vehicles in China before the end of this decade. The company is about three years away from starting production in the world's largest auto market, Chief Executive Officer Elon Musk told analysts during an earnings call Wednesday.

Trump selects Powell for Fed chairman

President Donald Trump plans to nominate Federal Reserve Governor Jerome Powell to the top job at the U.S. central bank, according to three people familiar with the decision. Trump, who has said he'll announce his pick Thursday, would be choosing a former private-equity executive who favors continuing gradual interest-rate increases.

Economic Calendar

| Date | Release |
|------------|----------------------------------|
| 11.06.2017 | PH: CPI YoY |
| 11.06.2017 | PH: Foreign Reserves |
| 11.09.2017 | PH: BSP Overnight Borrowing Rate |
| 11.09.2017 | PH: Exports/Imports YoY |
| 11.15.2017 | PH: GDP YoY |

Source: Bloomberg Economic Calendar