

# The Daily Dispatch

November 17, 2017  
TODAY'S TOP NEWS

## Loan signing for subway project set for January

The Duterte administration is targeting to seal a loan agreement with the Japanese government for the country's first underground train system by January 2018, the Department of Transportation said yesterday.

## PLDT to expand international cable network

Industry giant PLDT Inc. outlined steps it was taking to expand its international cable network, which would have a total capacity of 8 terabits per second (tbps) in two years, given exploding demand for internet services around the country.

## PH sells P30-B retail bonds as bonus season peaks

The government will sell at least P30 billion in five-year retail treasury bonds (RTBs) next week while Filipinos are still planning what to do with their year-end bonuses. This will be the third time the Duterte administration will be borrowing from small investors.

## PH overtakes China in economic growth again

The Philippines pulled ahead of China in the 3rd quarter of 2017 as the Southeast Asian economy reported growth of 6.9%, slightly faster than the Asian superpower's 6.8%. The last time the Philippines pulled this off was in the 3rd quarter of 2016, when the Philippines expanded 7% and China 6.7%.

## Chelsea Logistics NI quadruples on 2GO acquisition

The newly-listed logistics firm of Dennis Uy, Chelsea Logistics Holdings Corporation, saw its net income quadruple to P405.7 million in the first 9 months of the year, after it acquired equity shares in the parent firm of 2GO Group Incorporated. In March, Chelsea Logistics acquired 28.15% indirect economic interest in 2GO Group.

## 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 Nov. 16, 2017

US Dollar	Philippine Peso
1	50.765

## PDST-R2 Rates

As of Nov. 16, 2017

Tenor	Rate
1Y	2.9237
3Y	4.6500
5Y	5.1357
7Y	5.2429
10Y	5.4536
20Y	5.5696

## Daily Quote

"Flaming enthusiasm, backed by horse-sense and persistence, is the quality that most frequently makes for success."  
--Dale Carnegie

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## MORE LOCAL NEWS

### BSP downplays fears of overheating

The Bangko Sentral ng Pilipinas (BSP) downplayed anew fears of overheating after a stronger-than-expected economic expansion in the third quarter. “Not there yet,” BSP Governor Nestor Espenilla Jr. replied when asked if the economy is starting to overheat as a result of the strong GDP growth in the third quarter.

### UnionBank readies \$1 B term notes

Aboitiz-led Union Bank of the Philippines has completed the establishment of a \$1 billion medium term note program to beef up its working capital and at the same time manage its liabilities. UnionBank has tapped Citigroup Global Markets Ltd. and Standard Chartered Bank to act as arrangers and initial dealers for the program.

### San Miguel pays \$4.8 M fees to PSALM

San Miguel Corp. has paid \$4.8 million in various fees to the Power Sector Assets and Liabilities Management Corp. (PSALM) as of end-October even amid their ongoing dispute over the Ilijan power plant contract.

### PH, US set to start FTA talks this month

The Philippines and the US will start strategic dialogue end of this month for the planned bilateral free trade agreement where the former will push for market access for garments and textile and agriculture products.

### Weaker peso trims PSALM debt to P482 B

State-run PSALM managed to trim its debt to P482.1 billion as of end-September on account of a weaker peso. The agency’s total financial obligation consists of outstanding debts amounting to P270.26 billion and independent power producer (IPP) lease obligations in the amount of P211.83 billion, PSALM OIC Lourdes Alzona said.

### Provisional toll hike not enough – Metro Pacific

The provisional toll hike imposed on vehicles using the NLEX is not enough to recoup the cost of expanding the tollway system, Metro Pacific Investments Corporation (MPIC) said. MPIC is the parent company of Metro Pacific Tollways Corporation (MPTC) which operates NLEX, SCTEx and the CaviteX.

## TODAY’S TOP ASIAN NEWS

### Indonesia stocks lead Southeast Asian peers

Indonesian shares climbed more than 1% on Thursday, snapping six straight sessions of declines, ahead of a central bank policy meeting, while Philippine stocks gave up early gains to close lower. Bank Indonesia is widely expected to keep its key interest rate unchanged, despite sluggish economic growth

### IFC to evaluate investments in VC funds in SE Asia

International Finance Corporation (IFC), the private investment arm of the World Bank Group, that has now become a strong player in the venture capital space, sees growing number of investable opportunities in emerging Asian markets such as Myanmar and Indonesia, a top official at the firm told this portal.

### Sansiri acquires 50% in local property developer

Thai listed property developer Sansiri Pcl has acquired a 50 per cent stake in Prime Area 38 Co Ltd as well as accepted the assignment of claim on promissory notes from U City Pcl, worth 836.98 million (\$25.36 million) baht in total.

### Greenko, ReNew eye SkyPower’s India solar power

Canadian solar energy developer SkyPower is in separate talks with Hyderabad-based Greenko Group and Sumant Sinha-led ReNew Power Ventures to sell stake in its Indian projects. These talks come against the backdrop of increased consolidation in India’s clean energy space, even though not many deals have been finalized.

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## MORE ASIAN NEWS

### Creador to launch new fund of up to \$600m by 2018

South and Southeast Asia-focused private equity (PE) firm Creador is planning to launch a new \$500-600 mn fund by 2018. The new fund, the firm's fourth, is expected to launch by next year and will primarily focus on India, Indonesia, Malaysia, the Philippines, Singapore and Sri Lanka.

### ATC to buy assets from Vodafone, Idea for \$1.2b

American Tower Corp. agreed to buy mobile-phone towers from Vodafone Group Plc's Indian business and Idea Cellular Ltd. for 78.5 billion rupees (\$1.2 billion). The agreement, subject to closing conditions and regulatory approval, is expected to be completed during the first half of 2018, ATC said in a statement on Monday.

### Singapore suspends trade ties with North Korea

Singapore has suspended trade ties with North Korea in the latest move by a country to implement UN sanctions to curb Pyongyang's nuclear weapons program, a customs document showed Thursday, November 16. Singapore Customs sent the notice to traders and agents on Tuesday, November 14.

### Biggest Dubai share sale in 3 years raises \$1.3B

Emaar Properties PJSC raised 4.82 billion dirhams (\$1.31 billion) from the sale of a 20 percent stake in its United Arab Emirates development business, pricing the initial public offering at the bottom of a revised range.

### China imposes new rules on policy banks

China has set new rules to curb risks at its policy banks as Beijing looks to avert a feared debt crisis in the world's number two economy. For the first time, the Regulatory Commission will impose specific rules designed in part to reduce financial risk at banks tasked with funding Beijing's pet projects and supporting companies abroad.

## TODAY'S TOP GLOBAL NEWS

### Siemens to cut 6,900 jobs

Most of the cuts, about 6,100, will be made before 2020 at Siemens's Power and Gas division, which once thrived on supplying large gas turbines for electricity generation but has been overtaken by the global surge in solar and wind capacity.

### Here are Goldman's top trades for 2018

In 2018, Goldman Sachs Group Inc. is doubling down on the global economy. "Late-cycle optimism" is the chief theme underpinning the bank's seven top trade theses, as outlined in a note Thursday by Francesco Garzarelli, co-head of global macro and markets.

### Why AT&T wants Time Warner so badly

Randall Stephenson has no intention of selling trophies like CNN to get his \$85 billion dream deal past Washington. Ask him why and he'll make his case with, of all things, "Gunsmoke." Stephenson, chief executive officer of AT&T Inc. and would-be master of Time Warner Inc., does it with a story about the cable channel Starz.

### For Sale: \$20B of unwanted big-oil shares

Big Oil is under pressure, unloved and on sale. Energy giants from Exxon Mobil Corp. to Royal Dutch Shell Plc are struggling back to their feet after a three-year oil slump, while also fighting to prove they can survive for decades to come amid an accelerating shift to clean energy.

## 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