

The Daily Dispatch

November 23, 2017
TODAY'S TOP NEWS

Henry Sy's grandson Howard: self-storage biz

Howard Sy, the grandson of Chinese-Filipino retail magnate Henry Sy Sr, is on a mission to establish his own business empire and he is starting with self-storage. Last year, the millennial businessman launched StorageMart, a self-storage service for individuals, households, and businesses.

BSP still vigilant over potential econ. overheating

The chief of the Bangko Sentral ng Pilipinas (BSP) said the Philippine economy has not overheated yet, but if it does show signs of overheating, the central bank would be ready to step in. "We do not believe that we are there yet and we remain very vigilant to avoid it," Espenilla said in a keynote speech.

Foreign firms eyeing piece of SMC's F&B unit

San Miguel Corporation (SMC) said several foreign firms are courting the listed conglomerate to buy a piece of its consolidated food and beverage unit, soon to be known as San Miguel Food and Beverage Incorporated. There are plans to sell up to 30% of San Miguel Food and Beverage, which would translate to around \$3 billion.

More Philippine firms report unfilled vacancies

More Philippine companies have reported inadequate workforce due to lack of qualified candidates, according to a World Bank report that also shows rising demand for workers with enough soft skills despite significant progress in expanding access to education.

UnionBank raises \$400 M from offshore debt market

Aboitiz-led UnionBank of the Philippines has raised \$400M after receiving a record order worth \$3.5B as investors from Asia, Europe, Middle East and Africa swarmed the fund raising activity. UnionBank president and incoming CEO Edwin Bautista said the fund raising activity represents the debut drawdown under the bank's \$1B medium term note

Philippine Stock Market Update



Previous Close:

8,265.68

Open:

8,291.86

52-Week Range:

6,499.00 - 8,605.15

1 Yr Return:

23.38%

YTD Return:

21.32%

Source:

Bloomberg

Foreign Exchange

As of Nov. 22, 2017

US Dollar	Philippine Peso
1	50.606

PDST-R2 Rates

As of Nov. 22, 2017

Tenor	Rate
1Y	3.3036
3Y	4.8286
5Y	5.0571
7Y	5.3132
10Y	5.5393
20Y	5.8264

Daily Quote

"People who say it cannot be done should not interrupt those who are doing it."

--George Bernard Shaw

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MORE LOCAL NEWS

More agri. products identified for export to Russia

The Department of Agriculture (DA) is identifying other local products that may be exported to Russia as well as means of transporting products to the Eurasian country, Secretary Piñol said. “We are now looking into products that may be exported to Russia. I’ve informed the President about this and he likes the idea,” he said in a briefing.

DOF cuts withholding tax of gold sales

The Department of Finance (DOF) has approved a new set of regulations reducing the creditable withholding tax (CWT) imposed on gold sales to encourage more small scale miners to sell their gold produce to the Bangko Sentral ng Pilipinas (BSP).

PH is ASEAN’s second fastest car market

Motor vehicle sales in ASEAN grew by modest 5.6 percent in the first three quarters this year to 2,436,271 units from 2,308,028 units with the Philippines maintaining its ranking as second fastest market, after Myanmar, among the 8 countries tallied by the ASEAN Automotive Federation (AAF).

Small telco dreams big, eyes Chinese partners

Philippine Telegraph and Telephone Corp. (PT&T) is looking to invest about \$200 million (P10 billion) over three years to expand its fixed broadband business in Metro Manila and key areas in Luzon, its chair Salvador B. Zamora II said.

BOI-approved projects grew 38% at end-Oct

The value of investments registered with and approved by the Board of Investments (BOI) surged 38 percent year-on-year at end-October to reach P408.7 billion, bolstering hopes that the agency would reach its full-year goal of P500 billion.

IPO-bound firms must follow min. 20% public float

The Securities and Exchange Commission (SEC) has ordered all companies planning to conduct an initial public offering (IPO) to make way for a minimum public float of 20 percent. This move would boost liquidity, improve price discovery and lessen opportunities for price manipulation, the SEC said Tuesday.

WTH tax on gold cut to plug black market lure

To dissuade small miners from tapping the black market, the government cut their creditable withholding tax (CWT) on sales made to the Bangko Sentral ng Pilipinas (BSP), the Department of Finance (DOF) said Tuesday.

SMC folding packaging business into PureFoods

The San Miguel group plans to infuse its packaging business into consumer arm San Miguel PureFoods Co. Inc.—which will be renamed San Miguel Food and Beverage Inc.—to complete the consolidation of its traditional businesses under one roof.

TDF auction gets tepid buying after P130B RTB sale

The central bank’s 28-day term deposit facility yesterday awarded only P40.361 B out of its R90 B offer as some of market funds were diverted by government bonds. BSP Deputy Governor Guinigundo said the BTr sale of P130 B worth of fixed-rate, five-year retail treasury bonds last week is one of the main reason for the huge under-subscription.

TODAY’S TOP ASIAN NEWS

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

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

South and Southeast Asia-focused private equity (PE) firm Credor 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