

# The Daily Dispatch

November 03, 2017  
TODAY'S TOP NEWS

## Budget, TRAIN bill face delay in Senate

The Senate is again facing a delay in the approval of the P3.767-trillion national budget for 2018 and the Tax Reform for Acceleration and Inclusion (TRAIN) bill due to the country's hosting of the Association of Southeast Asian Nations (ASEAN) Summit from Nov. 13 to 15.

## New alcohol tax stamps out by January

The Department of Finance is planning to roll out by January new tax stamps for alcoholic products. In an interview, Finance Undersecretary Antonette Tionko said the Bureau of Internal Revenue (BIR) is targeting to issue by January 2018 the guidelines on the Internal Revenue Stamps Integrated System (IRSIS) for alcoholic products.

## Jack Ma keen on pushing e-commerce in Philippines

Chinese business tycoon and Alibaba founder Jack Ma is keen on assisting the Philippine government in ensuring an "enabling" regulatory environment for e-commerce in the country, according to the Department of Finance.

## PH aims to leapfrog in World Bank ranking by 2022

The government yesterday vowed not just to recover the 14 notches, the country's steepest drop since 2012 in the 2018 Ease of Doing Business ranking of the World Bank, but to leapfrog into the top 20 percentile or at least rank 38 by 2022 in this global ranking.

## Local shares surge; PSEi ends at new high at 8,586

Local shares ran to another record just a day after President Duterte brought home a combined amount of US\$15B worth of government assistance and business deals from his recent Japan trip. Yesterday, Philippine Stock Exchange index hit the all-time high of 8,586.73, before finally closing at 8,516.02, up 1.80 percent, or 150.76 points.

## 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. 2, 2017

US Dollar	Philippine Peso
1	51.405

## PDST-R2 Rates

As of Nov. 2, 2017

Tenor	Rate
1Y	3.0368
3Y	4.1382
5Y	4.4808
7Y	4.9111
10Y	5.0146
20Y	5.4443

## Daily Quote

"The best time to plant a tree was 20 years ago. The second best time is now."

--Anonymous

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## MORE LOCAL NEWS

### Jollibee closes Hotpot restaurant chain in China

Asian food service giant Jollibee Foods Corp (JFC) has shut down operations of its 12 Hotpot brand restaurant chain in the People's Republic of China. The Philippine-listed company disclosed the operations were discontinued on Tuesday by 12 Hotpot (Shanghai) Food and Beverage Management Co Ltd.

### Fintech startup AsiaKredit launches in PH

AsiaKredit, a Southeast Asia-focused fintech startup, has raised \$675,000 in its combined pre-series A and seed funding backed by Fintonia Group and FORUM even as it launched its online lending platform in the Philippines. AsiaKredit seeks to expand to other countries across SE Asia with plans to expand into Indonesia in 2018.

### Alcohol tax stamp scheme starts in Jan

After years of delay, the government will finally pilot the tax stamps scheme on alcohol products and distilled spirits by January next year to ensure correct payment of excise taxes.

### Manufacturing output picks up as demand rises

Manufacturing picked up in October ahead of the holiday season although the weaker peso that month pushed costs higher, the latest Nikkei Philippines Manufacturing Purchasing Managers' Index (PMI) showed.

### Phoenix raises P807M via sale of treasury shares

Phoenix Petroleum Philippines Inc. sold some 70 million treasury shares to raise about P807 million to relieve the company of its financial obligations. The Davao-based firm said in a disclosure to the Philippine Stock Exchange it had sold 70,193,400 common shares in treasury on Oct. 30 at P11.50 per share.

### Megaworld records P9B in reservation sales

Megaworld Corp. said on Thursday it recorded P9 billion in reservation sales following the turnover of 1,000 residential units in its developments in the Makati central business district (CBD). In a disclosure to the PSE, Megaworld said it has turned over Paseo Heights, a 30-story tower, as well as the 50-story Three Central.

### Philweb can't resume operations yet – Pagcor

Philweb Corp. will have to wait for the Philippine Amusement and Gaming Corp. (Pagcor)'s go-signal before resuming operations. The listed firm announced on Monday that it had received a certificate of accreditation from Pagcor as an electronic gaming system (EGS) provider to licensed electronic gaming sites.

## TODAY'S TOP ASIAN NEWS

### Indonesia's Go-Jek eyeing payment gateway Midtrans

Indonesia's biggest unicorn Go-Jek continues to be on the prowl for strategic acquisitions. The ride-hailing major is understood to be in talks to make a strategic investment in payments gateway startup Midtrans, according to three people aware of the development.

### China's Ctrip acquires US travel app Trip.com

Ctrip.com International Ltd, China's biggest trip-booking website, has acquired Silicon Valley-based travel planning and local discovery app and site Trip.com for an undisclosed sum. The acquisition will allow Ctrip's global travel search site Skyscanner to leverage select Trip.com capabilities under its own platform.

### Bitcoin is 'very definition' of a bubble

The speculation around bitcoin is the "very definition of a bubble," Credit Suisse Group AG Chief Executive Officer Tidjane Thiam said as the currency exceeded \$7,000 for the first time. "From what we can identify, the only reason today to buy or sell bitcoin is to make money, which the very definition of a bubble," he said.

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## MORE ASIAN NEWS

### Backlash against CH products ramps up in IND

Two-way trade statistics tell the tale. India's deficit with China has ballooned nine-fold over a decade to \$49 billion in 2016 as China's manufacturing edge stacks the odds against Prime Minister Narendra Modi's three-year-old 'Make-in-India' program. Now the backlash against Chinese products is ramping up.

### SG police examine GS's role in 1MDB deals

Singaporean prosecutors and police are examining Goldman Sachs Group Inc.'s relationship with the Malaysian state investment fund at the center of global money laundering probes, people with knowledge of the matter said. The Commercial Affairs Department and city prosecutors have interviewed current and former Goldman Sachs executives.

### US cuts off Chinese bank over North Korea ties

The United States excluded on Thursday China's Bank of Dandong from its financial system, alleging that it has helped North Korea evade financial sanctions to launder funds. Washington had alerted other businesses in June that it planned to take the action.

## TODAY'S TOP GLOBAL NEWS

### Long lines are back at Apple stores for iPhone X

Long lines formed outside Apple Inc. stores around the world, a sign of strong demand from consumers waiting for the company's 10th anniversary iPhone X. Beginning Thursday night locally, crowds surrounded Apple's retail stores in Singapore, Japan, and Australia, recalling the throngs that formed on the first day of iPhone sales.

### Asia stocks to start mixed, Apple shares rise

Asian equities headed for a mixed start to trading as investors assessed the latest news on U.S. tax-cut plans and looked ahead to Friday's American jobs report. Apple Inc. supported Nasdaq futures after its forecast for holiday sales topped estimates.

### Venezuela will seek to restructure its debt

President Nicolas Maduro said Venezuela will seek to restructure its global debt after the state-owned oil company makes one last payment, blaming U.S. financial sanctions for making it impossible to find new financing. The government will transfer funds for a \$1.1B principal payment on Petroleos de Venezuela bonds.

### S&P flat after tax cut plan; Dow climbs to record

Wall Street's Dow industrials climbed to a record high on Thursday while losses in Facebook kept the S&P 500 and the Nasdaq in check as investors assessed the long-awaited tax cut plan unveiled by U.S. President Donald Trump's fellow Republicans.

### Republicans debut tax bill, Trump seeks first win

Republicans in the U.S. House of Representatives unveiled a tax bill on Thursday that would cost \$1.51 trillion and deliver deep tax cuts as promised by President Donald Trump, setting off a race in Congress to give him his first major legislative win.

### Model 3 hell is burning Tesla's other projects

There will be no \$35,000 Teslas in 2017. The electric carmaker updated its website for customer reservations on Wednesday, including a table that shows the base Model 3 won't be available until some time next year. That follows a painful earnings call for CEO Elon Musk, who described the company as being in the "eighth level of hell"

## 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