

The Daily Dispatch

December 01, 2017
TODAY'S TOP NEWS

Banks favor gradual cut in reserve requirement

Major players in the country's banking industry said the plan to gradually lower the level of deposits that banks are required to maintain with the central bank would help sustain the strong economic expansion.

Ayala Corp Industrials eyes renewable energy

The industrial holding firm of Ayala Corp.(AC) is gearing up to expand its manufacturing portfolio as it eyes to venture into the renewable energy space while also exploring new export markets for its locally produced motorcycles.

MPIC expects CALAx contract inked next year

Metro Pacific Investments Corp. (MPIC) unit MPCALA Holdings Inc. is looking to sign the contract for the construction of the Cavite segment of the Cavite-Laguna Expressway (CALAx) by early next year. "We will sign possibly in January," MPCALA Holdings president and chief executive officer Luigi Bautista said in a text message.

PH eyes pharma manufacturing

The government is targeting multinational firms to make the Philippines their production hub for some of the country's heavily imported consumer products, particularly medicines, leveraging the huge domestic market and at the same time boosting local manufacturing.

Price hike in rice is not due to lack of supply

State-run grains agency National Food Authority (NFA) assured that price increase seen in the country's main staple is not related to the level of buffer stock that the Philippines has at the moment. To set the record straight, NFA said there is no shortage in rice supply as the agency has adequate rice inventories.

Philippine Stock Market Update



Previous Close:

8,018.05

Open:

8,015.68

52-Week Range:

6,499.00 - 8,106.74

1 Yr Return:

-0.34%

YTD Return:

15.58%

Source:

Bloomberg

Foreign Exchange

As of Dec. 01, 2017

US Dollar	Philippine Peso
1	50.675

PDST-R2 Rates

As of Dec. 01, 2017

Tenor	Rate
1Y	3.4111
3Y	4.2676
5Y	5.0889
7Y	5.2129
10Y	5.5550
20Y	5.7932

Daily Quote

"Do what you can with what you have, where you are."

--Theodore Roosevelt

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MORE LOCAL NEWS

SMC to sue SEC for 'onerous' fine

San Miguel Corp. will take legal action against the Securities and Exchange Commission after the corporate regulator imposed an “onerous” fine on the conglomerate for its alleged late filing of supporting documents disclosing its investment in Manila Electric Co. in 2012.

CLI now seeks to tap P10B from bond market

Newly listed property developer Cebu Landmasters Inc. (CLI) plans to debut on the local bond market, seeking to raise as much as P10 billion in the next three years as it seeks to accelerate various projects.

Biz Buzz: The long wait

Anyone who is waiting for the much anticipated appointment of a new president of the PLDT Group will have to wait a little longer after no less than its head honcho, Manuel Pangilinan, said that a new CEO might be chosen next year.

Alsons, GBP ink partnership deal

Alsons Consolidated Resources Inc. (ACR) and Global Business Power Corp. (GBP) have signed an agreement that formalizes a partnership through the former's power generation holding company in Mindanao.

Uy group to undertake P62-B reclamation project

Udenna Development Corp. (UDEVCO), Ulticon Builders, Inc. and China Harbour Engineering Company Limited submitted an unsolicited proposal to reclaim and develop 265 hectares of foreshore and offshore areas of Manila Bay located at the western part of Pasay City, Lawrence G. Velasco, project development director of the Public-Private

Metro Manila has 3rd worst traffic in SEA - study

Metro Manila commuters and motorists alike spend more than an hour, on average, in traffic every day, placing the Philippines' capital region the 3rd worst in traffic in Southeast Asia. This was among the findings of a recent survey conducted as part of a study called "Unlocking Cities," done by global firm Boston Consulting Group.

Weak peso pushes up govt debt to P6.5t

Gov't debt hit a record P6.5 trillion as of end-October, up by 0.9 percent or P57.19 billion from September's level, on peso depreciation, the Bureau of the Treasury said. “The effect of local currency depreciation on foreign currency debt considerably affected the end-month level of the national government debt,” the Treasury said.

Bankers support BSP plan to cut reserve req't

Several bankers expressed their full support behind the plan of the BSP to cut the reserve requirement ratio, saying the move will allow more liquidity in the market. BDO Unibank Inc. treasurer Pedro Florescio said lowering the RRR of 20 percent, one of the highest in the region, would be vital in improving the lending capacity of banks.

SEC fine excessive—San Miguel

Conglomerate San Miguel Corp. describes as “excessive and unreasonable” the P769.3-million fine slapped by the Securities and Exchange Commission against the company for the late filing of additional documents pertaining to the acquisition of shares in Manila Electric Company in 2012.

TODAY'S TOP ASIAN NEWS

Nomura returns to PE with initial target of \$895m

Nomura Holdings Inc is returning to private equity – a move that comes as it seeks more stable income through consulting services and as Japanese firms increasingly look to divest non-core businesses as part of restructuring plans. Nomura said it would initially invest about 100 billion yen (\$895 million) in the new business.

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MORE ASIAN NEWS

ShawKwei MD - Dry powder

Asia focused mid-market private equity investor ShawKwei & Partners has a dozen deals in “serious consideration” currently with each ranging from \$50 million to \$200 million in value even as it claims to be sitting on ample dry powder looking for avenues to be deployed.

Alibaba Group to acquire Israeli QR code startup

Chinese e-commerce major Alibaba Group, which is listed on the New York Stock Exchange (NYSE), is to acquire Israel-based personalized QR code startup Visualead Ltd. in a deal estimated to be worth tens of millions of dollars.

Singapore banks could lose 5% of operating income

Singapore banks that do not fend against fintech disruption could stand to lose more than 5% of their operating income, a study by the Monetary Authority of Singapore (MAS) showed. The MAS said most of the potential reduction in operating income would come from disintermediation in the payments space.

HK's property doom doesn't begin at 1%

Hong Kong's one-month interbank rate has reached its highest level since the global financial crisis. But don't expect the city's real estate prices to halt their spiral anytime soon, whatever the International Monetary Fund may say. Blame banks and property developers.

Cache Logistics Trust issues S\$1B notes programme

Cache Logistics Trust said its trustee HSBC Institutional Trust Services (Singapore) Limited has issued a S\$1 billion multi-currency debt issuance programme on behalf of the trust on Nov 30. DBS Bank Ltd has been appointed to act as the sole arranger and dealer of the programme.

TODAY'S TOP GLOBAL NEWS

Carlyle flagship buyout fund nearing \$18.5b cap

Carlyle Group LP is approaching the \$18.5bn cap for a flagship buyout pool that will be the largest targeting deals in North America. The firm is expected to close Carlyle Partners VII as early as the first quarter of 2018. The total, exceeding the initial \$15bn target for the fund, will include about \$1bn from Carlyle.

US rebukes China for backing off market embrace

The Trump administration rebuked China for not being tough enough over North Korea's nuclear program and said the Asian country is backsliding on market-oriented reforms. The unusually outspoken criticism comes as the U.S. seeks Beijing's aid in corralling North Korea's nuclear ambitions.

OPEC and Russia extend output cuts

OPEC and its allies outside the group agreed to maintain oil production cuts until the end of 2018, extending their campaign to wrest back control of the global market from America's shale industry. After a day of talks in Vienna, the decision showed the strength of the unprecedented alliance between the world's top two oil producers.

Musk's battery boast will be short-lived

Billionaire Elon Musk defied his doubters to beat Friday's 100-day deadline and install the world's biggest battery in the Australian outback. He'll probably relinquish that crown by February. South Korea's Hyundai Electric & Energy Systems Co. is building a 150-megawatt lithium-ion unit, 50 percent larger than Musk's.

Economic Calendar

Date	Release
11.19.2017	PH: BoP Overall
11.19.2017	PH: Budget Balance
11.28.2017	PH: Money Supply M3 SRF YoY
11.28.2017	PH: Bank Lending YoY
11.30.2017	PH: Nikkei Philippines PMI Mfg

Source: Bloomberg Economic Calendar