

The Daily Dispatch

December 18, 2017
TODAY'S TOP NEWS

Batangas taps CH firm to develop airport, seaport

Batangas Governor Hermilando Mandanas recently signed a memorandum of understanding (MOU) with Chinese company Teamrise Group Company Limited for the development of projects that would promote tourism, food security, and air and cargo transportation in the province.

PCCI wants 3rd telco to go to underserved areas

The nationality of the potential third player to break the “duopoly” in the country’s telecom industry is not a cause of concern for the Philippine Chamber of Commerce and Industry (PCCI), but it wants to be assured whoever is chosen will be able to significantly improve mobile and internet services, particularly in far flung areas.

P6B earmarked for initial dev’t of Clark Global

Clark Global City Corp. (CGCC), a wholly owned subsidiary of Udena Development Corp. (Udevco), plans to spend P6 billion for the initial development of the 177-hectare Clark Global City within the Clark Freeport Zone in Pampanga.

MGen eyes 2 wind projects

Meralco Powergen Corp. (MGen), the power generation arm of Manila Electric Co., is exploring the development of two wind power projects with a combined capacity of 300 megawatts (MW) by next year as it charts its next move toward cleaner technologies.

Coal tax draws mixed reaction

Businessmen and consumers are concerned about higher power costs due to the increase in the tax on coal under the Tax Reform for Acceleration and Inclusion Act (TRAIN) Bill, the government insists it is legal while one sector sees this as a means for the Philippines to comply with its global commitment in the Paris climate deal.

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 Dec. 15, 2017

US Dollar	Philippine Peso
1	50.450

PDST-R2 Rates

As of Dec. 15, 2017

Tenor	Rate
1Y	3.0194
3Y	4.2500
5Y	4.6843
7Y	5.2982
10Y	5.6850
20Y	5.9957

Daily Quote

"Even if you're on the right track, you'll get run over if you just sit there." --*Will Rogers*

The Daily Dispatch

MORE LOCAL NEWS

Eyes on consumer firms as TRAIN bill advances

It is now up to consumer firms or other companies that will be directly affected by the Tax Reform and Acceleration Inclusion (TRAIN) bill to make sure necessary adjustments are made to ease the reform's impact to the demand in their products.

Local bank deposits hit record P11.3 trillion

The total deposit liabilities of the domestic banking system further rose to a fresh record-high P11.307 trillion at the end of the first nine months, the latest Philippine Deposit Insurance Corp. (PDIC) data showed.

P65B worth of ecozones still await Palace nod

The year is almost over and there are still economic zones that have yet to receive Malacañang's approval, putting on hold more than P65 billion worth of development projects.

AEV spending P50B in '18 for power, infra projects

Conglomerate Aboitiz Equity Ventures (AEV) expects to spend up to P50 billion in the coming year to complete new power generation projects and jump-start new infrastructure-related initiatives.

More tax reforms seen in 1st quarter of 2018

Congress is expected to pass by the first quarter of 2018 a so-called tax reform package "1B," which will contain tax amnesty as well as other tax administration measures that were excluded in the bicameral-approved first package.

ADB approves \$380-M loan for Mindanao roads

The ADB granted on Thursday night a \$380-million loan to the Philippines aimed at strengthening Mindanao's road network and spur economic development there. Approved by the Manila-based multilateral lender's board of directors, the project seeks to improve about 280 kilometers (km) of national roads and bridges in the island region.

Dennis Uy investing P6b in Clark

An affiliate of Udenna Corp. plans to invest an initial P6 billion to develop a 177-hectare land in Clark Freeport Zone into a new central business district. "[We are initially spending] P6 billion on our side. This is for roads, drainage and other development," Freddie Placino, vice chairman of Clark Global City Corp., said.

Fitch's rating upgrade boosts '18 PH global bond

THE move of major credit watchdog Fitch Ratings to upgrade the Philippines' sovereign rating to "BBB" augurs well for the planned bond offering of the government in 2018, National Treasurer Rosalia de Leon said. De Leon said in a statement said the development provided a resounding endorsement of the administration's economic strategy.

TODAY'S TOP ASIAN NEWS

Tencent to buy stake in supermarket chain

Tencent Holdings Ltd. will buy a stake in Chinese supermarket chain Yonghui Superstores Co. for about 4.22 billion yuan (\$638 million), setting up a clash with arch-rival Alibaba Group Holding Ltd. in physical retail. China's largest internet corporation is acquiring about 5 percent of Yonghui from existing shareholders.

Japan's export recovery stretches to 12th month

Japan's exports grew for a 12th straight month in November, as external demand fueled the nation's longest stretch of economic growth since the 1990s. A yearlong recovery in exports has kicked Japan into higher gear, fueling record profits and rising capital spending.

The Daily Dispatch

MORE ASIAN NEWS

ThaiBev seeks to buy a near \$5b stake in Sabeco

Vietnam's trade ministry said that Vietnam Beverage Co Ltd, a unit of Thai Beverage, was the only investor seeking to buy all shares of Vietnamese brewer Sabeco on offer worth nearly \$5 bn. The keenly anticipated sale gained momentum in recent months after being hampered for years by politics and valuation complications.

KWAP picks 45% in Vortex Solar Investments

Vortex, a European renewable energy-focused private equity platform, has sold a 45 per cent equity stake in Vortex Solar Investments S.a.r.l to Malaysia's second-largest pension fund, Kumpulan Wang Persaraan (KWAP), in a GBP67.5 million (\$90 million) transaction.

Bain to manage Harvard Endowment's \$3.4b of RE

Bain Capital agreed to manage Harvard University's \$3.4 billion in direct real estate investments and hire 22 people who oversaw the portfolio at the Ivy League school endowment. The deal, effective Feb. 1, represents a significant expansion for the Boston-based private equity firm.

Half of Ch's online lending platforms set to close

At least half of mainland China's online lending platforms are likely to shut down by the middle of next year when a regulatory crackdown on the once booming industry is set to wrap up, industry experts told a forum in Shanghai on Sunday.

Convoy to spend HK\$300mn on hiring and bonuses

Convoy Global Holdings, the Hong Kong financial advisory firm that lost its three most senior executives 10 days ago to the city's largest graft crackdown in a decade, said it was going to spend its way into the hearts and minds of customers and investors to restore their confidence.

TODAY'S TOP GLOBAL NEWS

Thales outflanks Atos in surprise bid for Gemalto

French aerospace specialist Thales SA knocked out Atos SE's unsolicited attempt to buy Dutch cybersecurity provider Gemalto SA, outbidding the rival with a cash offer valued at 4.76 billion euros (\$5.6 billion) that won backing from the target company.

Asia stocks gain on US tax plans, bonds retreat

Asia-Pacific stocks kicked off the penultimate week of the year on a positive note after a Republican agreement on the shape of U.S. tax cuts aimed at boosting growth in the world's largest economy. Equity benchmarks climbed from Sydney to Tokyo, after the S&P 500 Index and other American gauges closed at records on Friday.

Venezuela's PDVSA sets bond payments

Struggling Venezuelan state oil company PDVSA says it has begun paying \$539 million in interest payments on four bonds hours before a grace period expires. The company, source of 96 percent of the country's foreign revenues, was declared in partial default by global rating agencies earlier this month and in November.

Bitcoin futures begin trading on Chicago

Another security based on the price of bitcoin, the digital currency that has soared in value and volatility this 2017, began trading on the Chicago Mercantile Exchange (CME) on Sunday.

Economic Calendar

Date	Release
12.04.2017	PH: CPI YoY
12.05.2017	PH: Bank Lending YoY
12.06.2017	PH: Foreign Reserves
12.11.2017	PH: Unemployment Rate
12.11.2017	PH: Trade Balance

Source: Bloomberg Economic Calendar