

# The Daily Dispatch

December 19, 2017  
TODAY'S TOP NEWS

## SEC clears PAL equity restructuring

Flag carrier Philippine Airlines has obtained the go-signal of the SEC to undergo equity restructuring to eliminate its deficit as of last year. PAL Holdings Inc. said "the request to undergo equity restructuring by the corporation's subsidiary, PAL, has been granted by the SEC in a Certificate of Approval of Equity Restructuring..."

## SMC takes over Masinloc power plant for \$2.4 B

Diversified conglomerate San Miguel Corp. (SMC) is taking over the Masinloc power project in Zambales after buying out its owners for roughly \$2.4 billion. SMC has reached a deal to acquire the 51 percent stake in Masinloc Power Partners Co. Ltd. (MPPCL) being unloaded by American energy giant AES Corp. as it exits the Philippines.

## SMC airport, Megawide rail projects move up

Three unsolicited project proposals for rail, airport and flood control are expected to hurdle regulatory approval and rolled out next year, having been identified as priority infrastructure projects, the Public-Private Partnership (PPP) Center said yesterday.

## Duterte expected to sign TRAIN as is today

President Duterte is expected to sign into law the TRAIN measure as is today, Finance Secretary Dominguez III said yesterday. "Still for discussion," Dominguez told the Manila Bulletin when asked to clarify reports that certain provisions of the first tax reform law would be blocked by President Duterte from being enacted into law.

## Aboitiz eyes construction partnerships in China

Aboitiz Construction, Inc. (ACI), the construction arm of the Aboitiz Group, is exploring possible partnerships in in China as part of its efforts to looking for business opportunities overseas. The firm said it recently visited two large companies in China: Shandong Electric Power Construction Corporation III and Dongfang Electric

## 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. 19, 2017

US Dollar	Philippine Peso
1	50.457

## PDST-R2 Rates

As of Dec. 19, 2017

Tenor	Rate
1Y	3.5249
3Y	4.6953
5Y	4.7033
7Y	5.3129
10Y	5.6805
20Y	5.6918

## Daily Quote

"The purpose of art is to dust off daily life off our souls."  
--Pablo Picasso

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## MORE LOCAL NEWS

### Cavite-Laguna Expressway seen completed by 2020

MPIC said it is on track to complete the construction of the P34.5-billion Cavite-Laguna Expressway project by December 2020. “It’s delayed on the right of way [acquisition], but we think we can accelerate and complete it by end of December 2020,” MPCala Holdings president Luigi Bautista said.

### PH, Thailand ink banking agreement

Philippine and Thai monetary authorities on Sunday inked a memorandum of understanding (MOU) on banking supervision, which they said would provide a “solid foundation for effective supervision of banking institutions operating in both countries”.

### ‘Part B’ of Train to be OKd in Q1 – Dominguez

Congress has committed to pass a second installment of the Tax Reform in the first quarter of next year, a Cabinet official said. Last week’s ratified measure, Finance Secretary Carlos Dominguez 3rd said, covers two-thirds of what the government proposed under the first package of its Comprehensive Tax Reform Program (CTRP).

### Coal tax hike to bring in additional P2B

The higher coal taxes under the recently approved first tax reform package will generate P2 billion in revenues in the first year of implementation, over six times more than the yearly take under prevailing rates, Department of Finance officials said.

### BOI registers all-time high investments of P617B

The Board of Investments (BOI) registered P616.7 billion worth of investment pledges this year, its highest since the agency’s establishment five decades ago. Trade Secretary and BOI chair Ramon Lopez yesterday said such accomplishment was a validation of the business confidence in the Duterte administration.

### Aboitiz in bid to tap CH for power, infra projects

The Aboitiz group is in talks with two large Chinese companies—Shandong Electric Power Construction Corp. III (Sepco3) and Dongfang Electric Company (DEC)—for prospective partnerships in big-ticket power and other infrastructure projects.

### PT&T confident it can compete without partner

PHILIPPINE Telegraph and Telephone Corporation (PT&T) is confident it can compete in the market as the third telco player, regardless of the outcome of its “preliminary” talks with China Telecom. “We consider ourselves as the de facto third player,” PT&T Chairman Salvador Zamora told BusinessWorld last week.

## TODAY’S TOP ASIAN NEWS

### Top CH stock forecaster sees bright outlook in 2018

Chinese stock investors can expect a better performance next year as earnings growth picks up and MSCI Inc. includes the country’s equities in its benchmark indexes, according to the most accurate forecaster for 2017. Zhu Bin predicts the Shanghai Composite Index will climb to 3,700 by the end of 2018.

### SG chip firm Global A&T files for bankruptcy in NY

Global A&T Electronics, a Singapore-based chip assembler that took on hefty debt a decade ago through a buyout by TPG Capital and Affinity Equity Partners, filed for bankruptcy as a 2013 debt exchange came back to haunt it. The chip-assembler listed debt of more than US\$1 billion (\$\$1.35 billion) and assets of over US\$500 million.

### Rowsley to buy Thomson Med businesses for \$1.6b

Billionaire Peter Lim is injecting the privately held Thomson Medical Group and other healthcare assets into the Singapore-listed real estate firm Rowsley for \$1.6 billion. The deal is expected to be completed in the first quarter of next year.

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## MORE ASIAN NEWS

### China's HNA buys back bonds

China's HNA Group said it had repurchased some of its bonds and planned to buy back more as one of the country's biggest banks stated the acquisitive conglomerate was experiencing repayment troubles.

### Telecom firm Starhub acquires D'Crypt in \$90m deal

Singapore telecom firm StarHub Ltd has further augmented its enterprise solutions offering through the acquisition of city-state-based D'Crypt Pte Ltd for a maximum consideration of up to S\$122 million (\$90.4 million). The acquisition will be paid in cash and funded using internal resources.

### HK venture to buy into London Gotham City Tower

A group of four Hong Kong property companies including C C Land Holdings Ltd. has agreed to buy a majority stake in a skyscraper planned for the City of London financial district, two people with knowledge of the plan said. The investors will also fund the construction of the 40 Leadenhall office project, nicknamed Gotham City.

### Equinix to buy Metronode data centre grp for \$791m

U.S. data centre group Equinix Inc on Monday said it was buying Australian data centre company Metronode from the Ontario Teachers' Pension Plan in an all-cash deal worth A\$1.035 billion (\$791.15 million). Metronode operates internet and communications infrastructure facilities throughout Australia for some of the largest institutions.

### China stocks regulator approves 3 IPOs to raise \$560m

China's securities regulator has approved three initial public offerings (IPOs) that aim to raise a combined total of up to 3.7 billion yuan (\$559.86 million). One of the approved IPOs is on the Shanghai bourse, one is on the Shenzhen Small & Medium Enterprise board, and the other is on the ChiNext board.

## TODAY'S TOP GLOBAL NEWS

### France sues Amazon for abuse of position on market

The French finance ministry said Monday, December 18, it has brought a court case against Amazon for abuse of its dominant position on marketplace, the retail giant's third-party vendor platform. The case follows a two-year investigation into third-party vendor platforms, including Amazon's, the ministry said.

### Asian stocks hold gains, bond yields head higher

Asian stock benchmarks were broadly higher Tuesday as optimism grows that U.S. legislators are on the brink of passing sweeping tax cuts. Bond yields advanced. Japanese shares were little changed, while those in Sydney and Hong Kong advanced after U.S. gauges climbed to fresh records.

### Fight to eradicate Dengue faces setback

Break-bone fever is the world's most pernicious mosquito-borne virus, afflicting as many as 400 million people a year -- making the latest setback in the effort to stop the dengue scourge all the more frustrating.

### Disney weighing 2 internal candidates to lead ESPN

Walt Disney Co. will probably look at one of two internal candidates to lead ESPN, according to a person with knowledge of the matter, after John Skipper unexpectedly stepped down because of a substance addiction. Programming boss Connor Schell and distribution chief Justin Connolly are likely internal candidates.

## 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