

The Daily Dispatch

December 21, 2017
TODAY'S TOP NEWS

Metro Manila Subway leads infra buildup in 2018

2018 is when the government's Build, Build, Build program is expected to really kick in, garnished by big-ticket projects such as the long-awaited Metro Manila Subway and the expansion of the Clark International Airport, the Department of Budget and Management (DBM) said Wednesday, December 20.

Work begins on Clark Int'l Airport expansion

The transformation of Metro Manila's second airport, Clark International Airport, into a major Asian gateway has started with work finally beginning on a new terminal. The Clark International Airport Expansion project formally kicked off with a groundbreaking and capsule-laying ceremony at the airport grounds in Pampanga on December 20.

Manila Water signs P2.4-B loan deal

Boracay Island Water Co. Inc., a unit of Ayala-led Manila Water Co. Inc., has secured a P2.4 billion loan to help sustain the growth of its operations in the country.

Hot money outflows swing BOP to deficit anew in Nov

The Philippines incurred a Balance of Payments deficit for the second straight month with a shortfall of \$44 million in November amid the strong withdrawal of foreign portfolio investments or hot money, the Bangko Sentral ng Pilipinas reported yesterday.

Udenna dips into water business

Dennis Uy has acquired Philippine H2O Ventures Corp., his foray into the water supply system in Calapan, Mindoro and other parts of the country. Uy, through his Udenna Development Corp., signed a memorandum of agreement to acquire the shares of Jollville Holdings Corp., its subsidiaries and related parties, in H2O Ventures.

Philippine Stock Market Update



Previous Close:

8,362.61

1 Yr Return:

26.66%

Open:

8,371.91

YTD Return:

21.81%

52-Week Range:

6,499.00 - 8,605.15

Source:

Bloomberg

Foreign Exchange

As of Dec. 20, 2017

US Dollar	Philippine Peso
1	50.248

PDST-R2 Rates

As of Dec. 20, 2017

Tenor	Rate
1Y	3.0491
3Y	4.7529
5Y	4.7203
7Y	5.3100
10Y	5.7196
20Y	5.6043

Daily Quote

"Talent is cheaper than table salt. What separates the talented individual from the successful one is a lot of hard work."
--Stephen King

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MORE LOCAL NEWS

Meralco seeks ERC clarification on FIT

Manila Electric Co. is asking the Energy Regulatory Commission to clarify that feed-in tariff payments to renewable energy developers should be based on meters as these are being charged to consumers.

PE industry sees growing no. of investable firms

The private equity (PE) investment ecosystem in the Philippines remained nascent in 2017 but the number of companies worth investing continued to grow, says Alasdair Thomson, a partner and co-founder of the PE firm Sierra Madre Philippines.

Collectius acquires bank's \$350m NPL portfolio

Multinational credit management service and asset management company Collectius Group has completed its acquisition of a Non-Performing Loan (NPL) portfolio from a leading bank in the Philippines valued at \$350 mn. The deal consists of 340,000 credit cards and personal loans.

Duterte expected to veto items in budget, Train

Provisions of the newly signed 2018 national budget and the Tax Reform Act could be vetoed by President Rodrigo Duterte following recommendations by the Budget department. The P3.76 trillion national budget is 12.4 percent higher than the 2017 budget and equivalent to 21.6 percent of gross domestic product.

Ayala bonds receive award

Thomson Reuters' International Financing Review Asia named Ayala Corp.'s \$400-million fixed-for-life perpetual bond as the Philippine Capital Market Deal for 2017. IFR Asia is the leading source of fixed income, capital markets and investment banking news and commentary.

Petron investing \$5b to expand refinery

Oil company Petron Corp. is embarking on a \$5-billion refinery expansion that will bring the capacity of its Bataan facility to 360,00 barrels a day in three years. Petron president Ramon Ang said the expansion of the existing facility would be done in phases at 90,000 barrels per day for each phase.

MPIC raises P10B from loan deals with 2 banks

MPIC has entered into separate agreements with two banks to secure loan facilities worth a total of P10 billion. In a disclosure on Wednesday, MPIC said it signed a 10-year fixed-rate term loan agreement of P5 billion each with BDO Unibank, Inc. and Union Bank of the Philippines on December 19.

TODAY'S TOP ASIAN NEWS

CH tourists could cause yrs of misery for airports

Thailand, land of golden temples, white-sand beaches, smiling hosts. Or of overcrowded airports, epic traffic jams and littered seashores. Facing a deluge of Chinese tourists that has strained its airports beyond capacity, the Southeast Asian nation is spending billions to upgrade its infrastructure.

There's a flip side to Asia's dollar bond boom

Asian companies are turning to the dollar bond market like never before, selling record amounts of securities that leveraged investors desperate for yield are scooping up. But there's a flip side to all that growth: it's getting easier for funds to sell them short.

Singapore embraces tech to face health challenges

Singapore is embracing technology and focusing more on personal health, as an expected doubling of seniors over the next two decades forces the nation to confront politically sensitive decisions on financing and immigration.

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MORE ASIAN NEWS

GIC exits Irish telco Eir with stake stale

GIC, Singapore's sovereign wealth fund, has exited its stake in Irish telecoms operator Eir with a sale to French telecoms entrepreneur Xavier Niel. Niel's Euronext-listed firm Iliad SA is looking to acquire a majority stake in Eir in an EUR 650 million (\$772.1 million) deal that takes his firm into its second foreign market.

Aus' Mineral Resources to buy AWE Ltd for \$403m

Australian gas producer AWE Ltd said on Thursday it would accept a sweetened takeover offer from Mineral Resources Ltd worth about A\$526 million (\$403 million), which trumped an all-cash bid from a Chinese state-owned firm.

Noble gets extension on waiver for credit facility

Commodities trader Noble Group on Thursday (Dec 21) said it has obtained an extension to May 18, 2018, on a waiver in relation to the financial covenants in its committed unsecured revolving credit facility.

Japan's CB keeps monetary policy unchanged

The Bank of Japan left policy settings unchanged in the final meeting of 2017, retaining its unprecedented monetary stimulus as it waits for a pickup in stubbornly low inflation. The central bank will continue to target interest rates and buy financial assets to achieve its 2 percent inflation goal.

China's Didi Chuxing raises \$4B in new funding

Didi Chuxing, China's biggest ride-hailing app, increased its valuation to about \$56 billion after completing a new funding round of more than \$4 billion. The financing increases its cash reserves to \$12 billion and includes backing from Abu Dhabi's Mubadala.

Keppel Corp unit, partner bag \$5.4b HK contract

A Keppel Corp unit and a partner have won a HK\$31 billion (S\$5.36 billion) contract to design, build and operate a waste management facility in Hong Kong. The facility will be built off the coast of Shek Kwu Chau and south of Lantau Island.

TODAY'S TOP GLOBAL NEWS

EU court says Uber is taxi service, can be regulated

The EU's top court ruled on Wednesday, December 20, that Uber is an ordinary transportation company instead of an app and should be regulated as such, in a decision that will be closely watched around the world. The case is yet another thorn in the side for US-based Uber.

Saudi Arabia to freeze more accounts in crackdown

Saudi Arabia's crackdown on alleged corruption showed no signs of letting up, with more people being questioned and banks freezing more accounts, according to people familiar with the situation. The government's Center for International Communication didn't immediately respond to requests for comment.

Asian equities dip as cheer ebbs over US tax cut

Stocks in Asia opened lower after U.S. equities dipped in the wake of congressional passage of U.S. tax cuts, suggesting investors see the growth-boost narrative from the corporate and individual rate reductions as having played out.

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