

The Daily Dispatch

December 27, 2017
TODAY'S TOP NEWS

Current account deficit seen worsening over 2 years

DBS Bank Ltd. expects the country's external balance to worsen over the next two years with the CA deficit breaching one percent of the domestic output. Gundy Cahyadi, economist at DBS, said the country's current account shortfall would widen to 1.1 percent of gross domestic product in 2018 and further to 1.3 percent of GDP

Firms struggle to find role in Build Build Build

It's almost impossible not to talk about the domestic economy and the administration's bold infrastructure agenda in the same breath as hopes of sustaining the faster-than-expected growth in recent quarters is firmly hinged on the administration's promise of unflinching project delivery.

Suspension of ERC officials may affect lending

Lending to power project developers will be a concern for the banking industry after four commissioners of the Energy Regulatory Commission were suspended. The ERC approval on power supply contracts of certain power projects are critical in approving loans to developers, BDO Capital & Investment Corp. president Eduardo Francisco said.

Vista Land to become major mixed use player: 2020

Vista Land & Lifescapes Inc. aims to become a major mixed use player by 2020, its founder and chairman Manuel Villar said. "You will see a different Vista Land going forward. Our goal is to transform this housing developer into an integrated mixed use developer," Villar said.

DOF pushes for new energy sources

The DOF is pushing for new energy sources for country as the Malampaya natural gas field is set to run out of reserves in seven years. Finance Secretary Carlos G. Dominguez III raised the need for the rehabilitation of the Agus-Pulangi hydroelectric power plants in Mindanao and the construction of a liquefied natural gas (LNG) facility.

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. 27, 2017

US Dollar	Philippine Peso
1	50.012

PDST-R2 Rates

As of Dec. 27, 2017

Tenor	Rate
1Y	3.0782
3Y	4.4436
5Y	4.7559
7Y	5.4385
10Y	5.8269
20Y	5.7339

Daily Quote

"He is the richest who is content with the least, for content is the wealth of nature."

--Socrates

The Daily Dispatch

MORE LOCAL NEWS

ERC asked to probe 'midnight dispatch' of plants

The solar plants logging capacity dispatch at “witching hours” or when the sun is apparently not up at midnight, is a serious matter that the ERC has been asked to seriously investigate because these may have been adding up to the cost subsidies being passed on to all consumers via the FIT-All line item in the electric bills.

Ex MRT-3 service provider blacklisted

The Department of Transportation (DOTr) has made it clear that the terminated MRT-3 maintenance service provider, Busan Universal Rail Incorporated (BURI), and its affiliates can no longer participate in any other government projects.

Lopez optimistic PH will keep preferential status

After his meeting with a European Union (EU) trade official, Trade Secretary Ramon Lopez voiced optimism about the likelihood that the EU will retain the Philippines among the countries enjoying perks under the EU General System of Preferences Plus (GSP+) program.

Gov't to partner with PLDT unit

The Department of Trade and Industry (DTI) plans to further lower the interest rate of its financing program by partnering up with a subsidiary of PLDT Inc., which, in turn, will help micro entrepreneurs go digital.

Low sugar production forecast due to La Niña

With the La Niña phenomenon in the country expected to last until February next year, an official from the Sugar Regulatory Administration (SRA) said the agency was expecting lower sugar output for 2018.

Mining fiscal regime up for inclusion in 5th Train

The government plans to recommend a new, equitable mining fiscal regime independent from the related measures of the comprehensive tax reform program. Finance Undersecretary Bayani H. Agabin said that the interagency Mining Industry Coordinating Council was studying the sector's fiscal regime.

PhPo Seen as Asia's Worst Performing Currency 2018

Investors shouldn't expect the Philippine peso's year-end rally versus the U.S. dollar to continue into next year. The currency will slide to 51 per dollar by the end of 2018, a loss of about 1.5 percent from current levels, according to the median estimate of a Bloomberg survey.

TODAY'S TOP ASIAN NEWS

India to become 5th largest economy in 2018

India is set to overtake the United Kingdom and France to become the world's 5th largest economy next year. Currently ranked 7th, India will move up to the 5th place in 2018 and vault to 3rd spot by 2032, the Center for Economics and Business Research, a London-based consultancy, said in its annual rankings.

Indian VC exits jump 56% to \$2.77b in 2017

This year saw Indian venture capital () funds reap exits worth around \$2.775 billion across 56 deals, a sharp 56.2% jump from the \$1.777 billion venture capital firms gained from 74 exits last year, data from private deal tracker Venture Intelligence shows.

Malaysia's Wah Seong sells plantation unit

Wah Seong has divested its struggling plantation arm while TFP Solutions has entered Bangladesh via a joint venture with Maestrosoft Ltd. Wah Seong Corp Bhd intends to sell its plantation unit WS Agro Industries Pte Ltd to Agro Panorama Sdn Bhd for \$6 million (RM24.46 million).

The Daily Dispatch

MORE ASIAN NEWS

Cummins in talks to acquire Kirloskar Oil Engines

The Cummins Group, one of the world's largest manufacturers of engines and power generation products, is in talks to acquire a controlling stake in Kirloskar Oil Engines Ltd in a deal valued at over \$500 million through one of its Indian subsidiaries, two people aware of talks between the companies said.

HelloGold-Boost pact; Affin ups stake in AXA Affin

Blockchain powered gold trading platform HelloGold has partnered with Boost, the mobile wallet of Axiata Digital, while Affin Holdings has acquired a larger stake in AXA Affin. The move will integrate HelloGold's offering with Boost, allowing users to buy 99.99 per cent pure gold starting from as little as RM1.

Bira eyes \$30m funding from private equity firms

B9 Beverages Pvt. Ltd, the maker of popular beer Bira91, is close to raising \$30 mn from private equity funds, two people familiar with the development said. TPG Growth, Blackstone Group Lp and New York-based private investment firm Veronis Suhler Stevenson (VSS) are among funds interested in the Delhi-based beer maker.

India: Avendus Capital looks to enter US, Europe

Avendus Capital, which has raised close to \$1.3 billion in India under its public equities alternative asset management business, is planning to grow the business by taking its two flagship products to new countries, said Ranu Vohra, co-founder and managing director.

TODAY'S TOP GLOBAL NEWS

Bahamas Developer Claims Chinese Fraud at Resort

China Construction America Inc. was accused in a lawsuit of ripping off the original developer of the long-delayed \$3.9 billion Baha Mar resort in the Bahamas by submitting fraudulent bills and collecting undeserved fees.

Bitcoin Rebounds to Surpass \$16,000

Bitcoin's rebound took it briefly above \$16,000 on Tuesday as traders of the world's biggest digital currency sought to draw a line under its roller coaster five-day slump. The tokens rose to as much as \$16,132.09 and were poised for the biggest gain on a closing basis in more than two weeks and the first in six days.

Vietnam Export Boom Defies Trump's Trade Threats

From mobile phones to furniture, Vietnam's export boom shows no signs of losing steam, defying a gloomy outlook at the beginning of the year when U.S. President Donald Trump persisted with his trade threats.

Iraq's Oil Minister Says Crude Prices Will Rise

Iraq's Oil Minister Jabbar Al-Luaibi said he's optimistic crude prices will increase in 2018, with global stockpiles falling and demand on the rise in China and India. "I am very optimistic that in the first quarter, oil markets will witness balance," Luaibi told reporters in Baghdad.

Libya's Oil Pipeline Explosion

Libya's oil industry revival suffered a setback Tuesday after an explosion at a pipeline carrying crude to the OPEC nation's biggest export terminal. Oil rallied. Production will drop by 70,000 to 100,000 barrels a day after the explosion. The pipeline, operated by Waha Oil Company, carries crude to the Es Sider terminal.

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