

The Daily Dispatch

Jan. 19, 2017
TODAY'S TOP NEWS

Duterte admin embarks on first global bond sale

The government is selling 25-year global bonds worth at least \$500 million, the Duterte admin's first foray in the offshore debt market. The money that will be raised in the dollar-bond issuance due in 2042 will fund the national budget, especially infrastructure projects, amid plans to increase spending to over 7 percent of the gross domestic product by

Strong consumption to hike demand for property

Strong consumption and increased disposable income will strengthen the retail sector, one of the significant drivers of the gross domestic product. Santos Knight Frank Inc. said in a property forecast for 2017 strong consumption would drive demand for manufacturing, warehouses and industrial lots, with economic zones at full occupancy.

Common station set to start construction in Dec.

The government and its private sector partners will start the construction of the P2.8-billion common station that will link Metro Manila's overhead train system in Quezon City by December, eight years after discussions started.

Dominguez confident on new tax measures

Finance Secretary Dominguez said he'll reach an agreement this quarter with lawmakers on a plan to raise taxes, helping to stave off a credit-rating downgrade to junk. Dominguez said President Rodrigo Duterte won't hesitate to use his political power to ensure passage of key tax changes needed to fund higher state spending.

PH eyes 40-50% tariff on rice after QR expires

THE Philippines will operate under a tariff-based restriction to protect local palay farmers once the country's quantitative restriction (QR) expires in July this year, a Cabinet official said on Wednesday, noting that the tariff range could be at 40-50 percent.

Philippine Stock Market Update



Previous Close:

7,156.36

1 Yr Return:

15.11%

Open:

7,183.99

YTD Return:

5.12%

52-Week Range:

6,084.28 - 8,118.44

Source:

Bloomberg (01/19/17)

Foreign Exchange

As of Jan. 19, 2017

US Dollar	Philippine Peso
1	49.93

PDST-R2 Rates

As of Jan. 11, 2017

Tenor	Rate
1Y	2.1775
3Y	3.3893
5Y	3.8500
7Y	4.2075
10Y	4.2856
20Y	5.3486

Daily Quote

"If there is no struggle, there is no progress."
--Frederick Douglas.

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MORE LOCAL NEWS

PNOC to develop first tidal-energy project in PH

PNOC RC and H&WB Asia Pacific Corp. are working on to develop the first tidal-energy project in the country. The ocean-power project, which will utilize Tidal In-stream Energy Conversion technology, will be located in H&WB's three concession areas in San Bernardino Strait between Matnog in the province of Sorsogon, and Capul and

Gov't needs P366 B yearly for infra funding

The Duterte administration needs to raise some P366B a year to fund its infrastructure and social protection programs. Finance Undersecretary Karl Kendrick Chua said about P206.8B would come from the tax reform program in the first full year of its implementation.

Alcantara Group on the go

Alsons will begin construction of a 105MW baseload power plant in Zamboanga City and a 15MW run-of-river hydroelectric plant at the Siguil River also in Sarangani province. The hydro plant is the group's first foray into the renewable energy sector, with some \$650M allocated for renewable energy projects in the next 6 years.

San Miguel to spend \$300M for brewery expansion

San Miguel Corporation (SMC) will spend \$300 million to construct a new brewery and bottling plant in Cagayan de Oro City and expand its existing facility in Sta Rosa in Laguna, which will happen in two years' time.

Metro Pacific to spend around P60 billion in 2017

Infrastructure conglomerate Metro Pacific Investments Corporation (MPIC) plans to spend around P60 billion in capital expenditures for this year, primarily to support the growth of its core businesses.

Duterte hosts intimate dinner for top businessmen

Federalism, tax reform, infrastructure projects in Mindanao, and contractualization were among the topics discussed during President Rodrigo Duterte's 3-hour-long dinner with the country's top businessmen on Tuesday, January 17.

PHP Rated Asia's Most Resilient Currency for 2017

Asia's worst-performing emerging-market currency in the past year is being tipped as the one likely to suffer least from the global slings and arrows of 2017.

Primex prepays P1.8B in debt strengthens fin pos

Property developer Primex Corp. settled about P1.8 billion in group-wide debt ahead of maturity as part of a strategy to clean up its balance sheet and brace for a higher interest rate environment.

DENR cancels permits of 6 firms

The DENR said Wednesday it cancelled the ECC of 6 companies, including four miners. "I asked our usec for legal to look at all the operations with ECCs which might inflict damage to the common good. That is also the heart and soul of the Duterte administration," Environment Secretary Regina Lopez told reporters in a briefing.

TODAY'S TOP ASIAN NEWS

Singapore's GIC hits snag in Vietnam deal

Singapore sovereign fund GIC Pte. has hit a snag, as it seeks government approval for its planned investment in Bank for Foreign Trade of Vietnam JSC, the nation's biggest lender by market value, people with knowledge of the matter said.

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MORE ASIAN NEWS

China 2016 growth slides to 26-yr low – AFP poll

BEIJING: China's growth slipped to its slowest rate in more than a quarter of a century in 2016, an AFP survey has forecast, as analysts see mounting risks for the world's number two economy with Donald Trump heading for the White House.

Asean+6 in talks on consolidating \$22-T GDP

THE ongoing talks between the Association of Southeast Asian Nations (Asean) and its economic partners under the aegis of the Asean +6 could help consolidate the region's gross domestic products (GDP) estimated at \$22.4 trillion, equivalent to a quarter of the world's annual GDP.

South Korea Court Rejects Arrest of Samsung Heir

A court in South Korea turned down prosecutors' request to arrest Samsung Group's Jay Y. Lee on alleged bribery, perjury and embezzlement, letting him stay in place atop the country's most powerful company while they continue their investigation.

Vietnam to raise foreign investor caps on banks

Vietnam caps foreign ownership in banks at 30% and is seeking more investment to help strengthen the financial system, which has been hobbled by a surge in non-performing loans to state-owned companies.

China steps up capital controls on state firms

China issued regulatory rules on outbound investments by centrally controlled state firms, the state asset regulator said on Wednesday, the latest move by Beijing to tighten controls on money moving out of the country and stabilise a faltering yuan.

E-Shang Redwood buys 80% in Cambridge Industrial

Warburg Pincus-backed pan-Asian logistics real estate developer, owner and operator ESR (e-shang Redwood) has reached a deal to buy 80% indirect stake in the manager of Cambridge Industrial Trust (CII) from National Australia Bank and investment firm Oxley Group.

China may allow foreign firms to launch IPOs

SHANGHAI: China may allow foreign companies to launch IPOs on its stock exchanges and issue corporate bonds, the government said, after President Xi Jinping promised the world his country was committed to opening its markets.

TODAY'S TOP GLOBAL NEWS

China cuts US Treasury holdings: lowest since 2010

Beijing's efforts to stabilise its currency threaten to push interest rates higher

Trump touts new Wal-Mart, GM, & Bayer investments

President-elect Donald Trump on Tuesday, January 17, trumpeted a trio of major company announcements pledging additional investments in the United States as proof his America-first stance on the economy is already producing results.

Economic Calendar

Date	Release
01.15.2017	PH: Overseas Remittances YOY
01.18.2017	PH: Balance of Payments
01.25.2017	PH: GDP YoY
01.30.2017	PH: Bank Lending YoY
02.01.2017	US: FOMC Rate Decision

Source: Bloomberg Economic Calendar