

# The Daily Dispatch

Jan. 24, 2017  
TODAY'S TOP NEWS

## Gov't infrastructure push attracts foreign banks

FOREIGN BANKS entering the Philippines are looking to ride on the government's infrastructure push as they expand their presence here, a central bank official said, offering fresh sources of capital that can be tapped for big-ticket projects.

## Lawmakers thumb down hike in excise tax on fuel

Lawmakers have rejected the proposal of the Department of Finance (DOF) to increase the excise taxes on petroleum products, saying the government should, instead, tax sugar-sweetened beverages (SSBs) to increase revenues.

## Big Chill plans to go public this year

The Big Chill Inc. (TBC), a company that offers fresh blended juices and operates a chain of coffee shops, said it will go public this year. TBC said it wants to expand in China, hitching on improved bilateral relations between Manila and Beijing.

## Pacific Plans execs face estafa complaint at DOJ

Around 450 plan holders of the defunct Pacific Plans Incorporated and its replacement company Abundance Providers and Entrepreneurs Corporation (APEC) on Monday, January 23 filed a syndicated estafa complaint with the Department of Justice (DOJ) against its top executives.

## San Miguel still keen on new airport dev't

Be it in Sangley Point in Cavite or in Bulakan in Bulacan, San Miguel Corporation (SMC) remains keen on building a new airport in the country and bidding for all air gateway projects up for grabs under the public-private partnership (PPP) program.

## Philippine Stock Market Update



**Previous Close:**

7,374.35

**1 Yr Return:**

20.93%

**Open:**

7,373.89

**YTD Return:**

7.76%

**52-Week Range:**

6,084.28 - 8,118.44

**Source:**

Bloomberg (01/24/17)

## Foreign Exchange

As of Jan. 24, 2017

US Dollar	Philippine Peso
1	49.81

## PDST-R2 Rates

As of Jan. 24, 2017

Tenor	Rate
1Y	2.2371
3Y	3.3880
5Y	3.8400
7Y	5.0375
10Y	4.4112
20Y	5.4304

## Daily Quote

"For me, the most fun is change or growth. There are definitely elements of both that I like. Launching a business is kind of like a motorboat: You can go very quickly and turn fast."  
--Tony Hsieh

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## MORE LOCAL NEWS

### Understanding VAT refunds (Part 3)

We continue the discussion of the issues to guide taxpayers who are either planning on filing refund claims or in the midst of processing their applications.

### Napocor seeks rate adjustment to recover P1B

STATE AGENCY National Power Corp. (Napocor) is seeking regulatory approval to charge electricity consumers more than P1.11 billion or a monthly equivalent of 1.34 centavos per kilowatt-hour (kWh) for one year.

### DENR revamps field officials

Environment Secretary Regina Paz Lopez announced on Monday a nationwide restructuring of 17 regional offices of the Department of Environment and Natural Resources (DENR) to ensure the success of environmental programs and projects designed to help local communities protect their surroundings and improve living conditions.

## TODAY'S TOP ASIAN NEWS

### Asian shares mixed after Trump inauguration

Japanese stocks tumbled while Chinese markets gained Monday after Donald Trump took office as U.S. president and promised "American first" policies, adding to concerns about the threat of protectionism.

### Singapore prices rise for first time since 2014

Consumer prices in Singapore rose last December for the first time in more than two years, adding to signs of recovery in the city-state's economy. CPI rose 0.2 percent from a year earlier, compared with unchanged prices last November. The median estimate of 16 economists in a Bloomberg survey was for a 0.1-percent gain.

### Samsung starts share buyback as chips fuel profit

Samsung Electronics Co.'s profit more than doubled in the last three months of 2016 on robust semiconductor sales and a recovery in its mobile business, giving it enough stamina to buy back 9.3 trillion won (\$8 billion) of its own shares.

### China to strengthen market regulation by 2020

China plans to strengthen market regulation by 2020 to fight fake goods, food and drug safety issues and lack of consumer protections, among other things, said the country's cabinet in an announcement posted on its official website on Monday.

### Malaysian mall owner woos Philippine retailers

Officials of the Kuching-based Plaza Merdeka visited Manila anew last week to meet executives from Suyen Corp. and Golden ABC, Inc., owners of Bench and Penshoppe, respectively, and fastfood giant Jollibee Foods Corp.

### Alibaba goes bricks and mortar: bid for mall ops.

Alibaba is pushing further into the very sector that it helped to disrupt with a \$2.6 billion bid for Intime Retail, a department store and mall operator in China. Alibaba already owned 28% of Intime and made an offer with Shen Guo Jun, the founder of the department store chain, to take the company private.

### China's foreign reserves are no savings at all

"Forex reserves are valuable assets that [China] can use at critical times. It's a pity that they are being sold heavily in the market. It should be the last resort."

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## MORE ASIAN NEWS

### Cosl eyes greater overseas exposure amid recovery

China Oilfield Services (Cosl), the country's dominant offshore oil and gas drilling services provider, plans a substantial increase its revenue contribution from overseas projects in coming years, as it gradually recovers from the worst industry downturn since going public in 2002.

## TODAY'S TOP GLOBAL NEWS

### Global stocks shaken by Trump's protectionism

Fears of a protectionist White House, and scant details on proposed tax cuts, infrastructure spending and deregulation, have prompted some investors to reassess the level of possible future government stimulus to bolster the US economy.

### Trump signs EO to withdraw US from TPP

President Donald Trump began recasting America's role in the global economy Monday, cancelling an agreement for a sweeping trade deal with Asia as one of his first official White House actions.

### Yahoo beats Street, sees Verizon 2Q deal close

Yahoo Inc on Monday reported better-than-expected quarterly profit and revenue, and said the sale of its core internet business to Verizon Communications Inc should be completed in the second quarter, allaying some investor concerns that the deal might collapse.

### At high valuations, Carlyle is 'trying to sell

"I think when interest rates go further up, as I suspect they will, and the stock market goes down a bit, I suspect valuations will come down, but right now they are not cheap." His firm, one of the largest private equity funds in the world, is also briskly exiting its investments while stock prices remain high.

### AMC pays US\$930 million for Nordic Cinema

AMC Entertainment Holdings, the US theatre chain under Wang's Dalian Wanda Group, has announced a US\$930 million purchase of Stockholm-based Nordic Cinema Group, according to a statement. The purchase gives AMC control of 664 screens in 118 cinemas in Sweden, Finland, Norway, Estonia, Latvia and Lithuania

### Blackstone readies new Asia real estate fund

Blackstone Group LP (BX.N) is readying a new Asia-focused real estate fund that aims to raise a record \$5 billion or more, betting on strong returns from property investments in the region, people familiar with the plans told Reuters.

### U.S. blocks Aetna's \$34 billion Humana acquisition

A U.S. judge blocked on Monday health insurer Aetna Inc's proposed \$34 billion acquisition of smaller peer Humana Inc, raising the stakes for rival Anthem Inc as it battles to close a \$54 billion deal to buy Cigna Corp.

### JP Morgan sees U.S. telecom sector consolidation

U.S. telecom sector could be on the brink of a major consolidation under President Donald Trump's likely more merger-friendly administration, said JP Morgan Securities, which now sees a 90 percent chance of T-Mobile US being involved in a strategic transaction in the next five years.

## 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