

# The Daily Dispatch

Jan. 27, 2017  
TODAY'S TOP NEWS

## Economy on target with 6.8% growth in 2016

The Philippines eclipsed China as the fastest-growing economy in Asia with a solid 6.8 percent expansion in 2016, well within the high end of government's six- to seven-percent target for the year, the country's chief economic planner said yesterday.

## Alsons in talks w/ investors: Sarangani coal plant

The Alcantara group is in talks with institutional investors, including both foreign and local multinationals, interested to invest in Sarangani Energy Corp. (SEC), operator of the 210-megawatt (MW) coal plant in Maasim, Sarangani.

## Monde Nissin to do IPO this year

Filipino snack food giant Monde Nissin is considering finally pushing through with its planned initial public offering (IPO) this year after putting this on hold since 2015, industry sources said. The company is already in talks with banks to handle the transaction, which is targeted to happen this year, sources said.

## GDP report props up share prices

Share prices were slightly up yesterday as the country's economic growth for 2016 came out within market expectations. The benchmark Philippine Stock Exchange index (PSEi) gained 9.28 points, or 0.13 percent, to finish at 7,332.64 while the broader All-Shares index gained 4.16 points, or 0.09 percent, to settle at 4,410.89.

## BDO concludes P60B stock rights offer

BDO Unibank Inc. has completed a P60 billion stock rights offer, the largest equity capital transaction so far involving a local company, on the heels of strong participation from domestic and international investors.

## Philippine Stock Market Update



Previous Close:  
7,332.64

1 Yr Return:  
15.07%

Open:  
7,338.22

YTD Return:  
7.51%

52-Week Range:  
6,084.28 - 8,118.44

Source:  
Bloomberg (01/27/17)

## Foreign Exchange

As of Jan. 27, 2017

US Dollar	Philippine Peso
1	49.87

## PDST-R2 Rates

As of Jan. 27, 2017

Tenor	Rate
1Y	2.6482
3Y	3.3810
5Y	3.9729
7Y	4.9321
10Y	4.3502
20Y	5.4107

## Daily Quote

"If opportunity doesn't knock, build a door."

--Milton Berle

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## MORE LOCAL NEWS

### Visa applications of Chinese to PH surge by 250%

With the country's friendlier ties with China, more Chinese tourists are coming to the Philippines. The chief of the National Economic and Development Authority (NEDA) revealed on Thursday, January 26, that the number of Chinese applying for a tourist visa to the Philippines has surged by 250% to 1,400 daily.

### Inflation seen at 2.3%-3.2% in January – BSP

The country's inflation rate will likely be between 2.3% and 3.2% in January, the Bangko Sentral ng Pilipinas (BSP) said, noting that higher oil prices and its spillover effects are seen to offset downward price pressures.

### SMIC to increase local investments

SM Investments Corp., will focus more on local expansion over the next 5 years, instead of bringing its investments abroad, a top executive said. SMIC vice chairperson Tessie Sy-Coson said her company was looking forward to a blissful domestic expansion, in the medium term, with plans to develop another consumer-driven sector.

### Think tank warns vs privatizing Naia

Aviation think tank Centre for Asia Pacific Aviation advised the Philippine government to abandon a plan to privatize NAIA as this may result in higher airport fees. Capa said in a report that while the privatization of the country's main gateway could be considered, the government should be careful...

### SEC prepares rules on PPP bond listing

The Securities and Exchange Commission said it plans to come up with rules that will allow companies with infrastructure contracts under the public-private partnership scheme to issue and list "project bonds" with the Philippine Dealing & Exchange Corp.

### Lepanto gets P502.5M in fresh capital

Felipe U. Yap is infusing P502.5 million in fresh capital into Lepanto Consolidated Mining Corp., part of which will be used to bring forward to development the \$2-billion Far South East (FSE) gold and copper project in Benguet.

### PH to hike infra spending to P1.47T by 2022

THE national infrastructure budget is projected to rise to P1.47 trillion by 2022, with the Duterte administration planning to build 64 major infrastructure and transportation projects to boost and sustain economic growth, the Department of Finance (DOF) said on Thursday.

### Hedcor hydro project gets La Trinidad group's nod

THE Indigenous People of La Trinidad Organization (LTIPO) has signed a partnership with Hedcor Inc., the renewable energy subsidiary of Aboitiz Power Corp. (AboitizPower), for the development of the 19-megawatt (MW) Bineng combined hydropower project, Hedcor said on Wednesday.

### BSP seen slashing reserve requirement on banks

British banking giant Standard Chartered (Stanchart) Bank expects the Bangko Sentral ng Pilipinas (BSP) to keep key policy interest rates unchanged this year but slash the reserve requirement on banks by 5 percentage points to ensure enough liquidity in the financial system.

### Biz Buzz: Bangko Sentral frontrunner

There's now a lot of buzz that the new frontrunner is former banker and Monetary Board member Peter Favila, widely believed to enjoy the backing of Mr. Duterte's political ally, former President and now Deputy House Speaker Gloria Macapagal-Arroyo.

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## TODAY'S TOP ASIAN NEWS

### China's IPO frenzy is back

China's investment frenzy in initial public offerings (IPOs) is back, as a dearth of investable options in the country's capital markets and excessive cheap money chase after the returns from first-day stocks trading.

### Asia shares steady, dollar and oil hold onto gains

Asian shares were steady on Friday and were on track for a solid advance this week, while oil and the dollar held onto gains in the wake of strong U.S. corporate earnings.

### Japan's Consumer Price Declines Ease

Consumer prices in Japan dropped for a 10th straight month, though the pace of decline eased as oil costs rose, supporting expectations for a return to inflation later this year.

### Wecash enters Indonesia through JV with Kresna

China's Wecash Group has entered the Indonesian market by way of a joint venture with Indonesian firms PT JAS Kapital and PT Kresna Usaha Kreatif, a subsidiary of PT Kresna Graha Investama Tbk. The JV was launched by Wecash (Southeast Asia) Pte.LTd., which uses big data and machine learning to evaluate consumer credit, detect fraud

## TODAY'S TOP GLOBAL NEWS

### MS profit up as demand for cloud service soars

Microsoft Corp reported a 3.6 percent rise in fiscal second-quarter profit on Thursday, helped by growth in its fast-growing cloud computing business, but it saw a slight decline in margins in the unit that includes its flagship cloud platform Azure.

### 2017 is shaping up as a volatile year for markets

The world's most famous measure of volatility in financial markets is flashing a sign akin to boredom — languishing around levels that prevailed before the global crisis. However, if you take a step back to look at the global picture, and early days of 2017 are showing elevated jumpiness similar to that seen in the past 2 years.

### Alibaba aff. Ant Financial to acquire MoneyGram

Ant Financial Services Group, an affiliate of e-commerce giant Alibaba Group Holding, has agreed to buy US-based money-transfer provider MoneyGram International in a deal valued at US\$880 million. Under their agreement, stockholders of Nasdaq-listed MoneyGram will be offered US\$13.25 per share in cash by Ant Financial.

### Americans Are Flipping Houses Like It's 2006

Roughly 10 years ago, a Mexican immigrant working as a strawberry picker in Bakersfield, California, making \$14,000 per year, was lent every single penny he needed to purchase a \$720,000 home. And, as crazy as that sounds to most of us, stories such as that were all too common leading up to the 2008 housing crash.

### Shipping sector set for choppy waters ahead-UBS

Donald Trump's anti-trade stand poses biggest risk for struggling industry, analyst says. Cosco Shipping, China's largest shipping firm has warned that it expects to post a nearly 10 billion yuan net loss for 2016, only a week after announcing plans to buy a substantial stake in Qingdao Port for 5.8 billion yuan.

### Economic Calendar

Date	Release
01.30.2017	PH: Bank Lending YoY
01.31.2017	Nikkei Philippines PMI Mfg
02.01.2017	US: FOMC Rate Decision
02.06.2017	PH: CPI Core YoY
02.07.2017	PH: Foreign Reserves

Source: Bloomberg Economic Calendar