

# The Daily Dispatch

Jan. 30, 2017  
TODAY'S TOP NEWS

## Govt eyes P800B from fuel tax hikes

The DOF said on Friday the proposed adjustments in oil excise tax rates would raise P807.4 billion in revenues for the government by the end of the Duterte administration. In a statement, the DOF said adjusting fuel excise taxes and indexing these to inflation would raise P36.1 billion in the second half of 2017...

## Palawan oil field holds more reserves

A consortium led by Australian company Nido Petroleum Ltd. hopes to extract more oil from the Galoc oil field located 60 km northwest off Palawan. Nido Petroleum's subsidiary Galoc Production Co. WLL signed a binding rig contract with Golden Close Maritime Corp. Ltd. for the drillship "Deepsea Metro I" to drill an appraisal well.

## Auto makers assess impact of higher tax

The automotive industry tapped a third party to conduct an independent study on the impact of the proposed excise tax hike on automotive vehicles. Toyota Manufacturing Philippines Corp. vice chairman Alfred Ty said while the industry understood the revenue generating measures the government was trying to implement, "taxes should be

## Govt told not to rely on BPO for growth

The Philippine economy will remain resilient in the next couple of years but the country should not rely too much on the business process outsourcing industry to sustain growth, Hongkong and Shanghai Banking Corp. said over the weekend.

## Ayala prices P10-b bond offering higher at 4.82%

Ayala Corp. set the interest rate for the planned P10-b eight-year bond offering at 4.82% per annum, one of the underwriters handling the transaction said. BPI Capital Corp. managing director Eric Luchangco said the 4.82% interest rate was higher than the P10-b 7-year bonds issued by the conglomerate in July last year which was priced at

## Philippine Stock Market Update



Previous Close:  
7,333.67

1 Yr Return:  
12.07%

Open:  
7,350.89

YTD Return:  
7.74%

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

Source:  
Bloomberg (01/30/17)

## Foreign Exchange

As of Jan. 30, 2017

US Dollar	Philippine Peso
1	49.80

## PDST-R2 Rates

As of Jan. 30, 2017

Tenor	Rate
1Y	2.4400
3Y	3.4318
5Y	3.9656
7Y	4.6364
10Y	4.3323
20Y	5.2725

## Daily Quote

"I attribute my success to this: I never gave or took any excuse."

--Florence Nightingale

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## MORE LOCAL NEWS

### Insurance sector to sustain growth

THE INSURANCE INDUSTRY is expected continue growing in the near term on the back of sustained economic expansion, with the sector's regulator looking to push for greater microinsurance coverage in undeserved areas.

### Torre Lorenzo aims to grow into P20B by 2020

TORRE LORENZO Development Corp. (TLDC) is considering joining the Philippine Stock Exchange upon growing its business into a P20-billion enterprise and achieving other milestones under its 2020 vision.

### Biz buzz: Cigarette crackdown

Taipan Lucio Tan-led conglomerate LTG Inc. saw its shares rise by 9.4 percent last week to close on Friday at P13.26 each on indication that the Duterte administration was more hell-bent on eradicating illicit trading of cigarettes, which has for years gnawed on the business of Philip Morris Fortune Tobacco Corp.

### CDC Hldg. in talks with Ascott for new partnership

CDC HOLDINGS, Inc. will invest P1.7 billion to develop a property in Mandaluyong City into a four-tower residential complex starting this semester, while it negotiates another partnership with international serviced residences operator The Ascott Limited.

### PPA promoting new Phl- Indonesia route

The Philippine Ports Authority (PPA) will promote the new shipping route being developed between the Philippines and Indonesia to encourage the establishment of shipping links among ASEAN countries.

### Gov't keen on hybrid financing

DOF - they will look into such arrangements to finance the administration's big-ticket infrastructure programs, most notably the EDSA Bus Rapid Transit project and the Metro Manila flood control project. The proposed hybrid financing arrangements will combine development aid and loans to raise more funds for future projects.

### Basic Energy extends P55M line with Chinabank

In a disclosure to the Philippine Stock Exchange, Basic Energy said its board approved the renewal of a P50-million clean loan line and a P5-million bills purchase line with Chinabank.

### Lepanto raises P502 M thru private placement

Lepanto Consolidated Mining Co. plans to raise P502.5 million through a private placement to fund its projects and to pay down debt. "The amount raised will be used towards further exploration and initial development of the copper and gold project and settlement of outstanding debt," Lepanto said.

### Biliran Geo sets construction of Leyte plant

Biliran Geothermal Inc. (BGI) has moved closer to starting construction of a 49-megawatt (MW) power plant in its geothermal field in Leyte, which would initially provide the province and Region 8 with five MW in capacity, after resolving acidity issues with the project.

## TODAY'S TOP ASIAN NEWS

### Mainland firms expand property footprint in HK

Mainland Chinese companies have piled into Hong Kong property in 2015-2016, outbidding some of the territory's most powerful developers to buy 29 per cent of land sold for development in one of the world's most expensive real estate markets, according to new industry figures.

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## MORE ASIAN NEWS

### Sing sees higher M&A volume driven by tech sector

If 2015 was the year for M&As in Singapore, the momentum continued over last year, where the country witnessed a 16% increase in deal volumes, but smaller ticket sizes meant that transaction values in total fell by about 18% in 2016, to a little over \$88 billion across 800 deals.

### Keppel sells stake in GE Keppel Energy for s\$24.6m

Keppel Corp's wholly-owned subsidiary, Keppel Infrastructure Holdings, is divesting its entire 49.99% stake in GE Keppel Energy Services for a consideration of S\$24.6m to General Electric Singapore. Keppel Infrastructure Services, is host to the technical support and O&M capabilities within the Keppel Infrastructure group.

### SG businesses eye growth in China despite slowdown

Singapore brands continue to eye growth in China despite increased domestic competition, higher costs and a slowdown in the world's second-largest economy

### Mitsubishi UFJ Trust sues Toshiba over 2015 scandal

Mitsubishi UFJ Trust and Banking Corp [MTFGTB.UL] is preparing to sue Toshiba Corp for 1 billion yen (\$8.7 million) in damages after its share price tanked due to a \$1.3 billion accounting scandal two years ago.

## TODAY'S TOP GLOBAL NEWS

### Italy's \$21-B Bank Rescue Fund Is Sufficient

Italy's 20 billion-euro (\$21.4 billion) government rescue fund is sufficient to recapitalize the country's troubled banks, and about a third of money will be used for Banca Monte dei Paschi di Siena SpA, Bank of Italy Governor Ignazio Visco said.

### Buyout Firm Abraaj Said to Seek Up to \$8-B

Buyout firm Abraaj Group is planning to raise about \$5 billion to \$8 billion from investors this year, people familiar with the matter said, in what would be the emerging-market-focused investor's largest fund.

### For the US Fed, 'Trump-onomics' not yet in effect

President Donald Trump's plans to upend US trade policy makes the Federal Reserve's work more challenging this week. Trump's pronouncements have left US central bankers guessing and citing the "considerable uncertainty" for monetary policy until they turn into specific policies.

### IMF says Greece debt 'explosive' in long term

Greece's government debt remains "highly unsustainable," and will be "explosive" in the longer run, requiring a more credible debt relief plan from Europe, the International Monetary Fund said in a report obtained by Agence France-Presse.

### Oil extends decline as rising US output weighs

Oil prices extended declines on Monday, dragged down by signs of growing output in the United States that would partly offset production cuts by Opec and other producers.

## 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