

# The Daily Dispatch

February 28, 2017  
TODAY'S TOP NEWS

## Peso weakens further, hits fresh 10-year low

The peso shed 5.5 centavos to hit a fresh 10-year low at 50.27 to a dollar from Friday's 50.215 level amid the expected rate hike by the US Federal Reserve next month and ahead of the speech of US President Donald Trump in Congress.

## New timeline for reg'l airports PPP released

The Department of Transportation has released the indicative timeline for the development, operations and maintenance of the P108B regional airports project under the public-private partnership (PPP) program, with the submission of qualification documents scheduled in April, and the deadline for bids set in November this year.

## CPG enters low-cost first-home market

Century Properties Group Inc. is introducing lower priced housing units outside Metro Manila, marking its entry into the first-home market category. The company would unveil the brand name and product offerings in the 2nd quarter of the year, said Marco Antonio, COO and managing director of the company's first-home segment.

## Feb inflation at 2-year high - BSP

The Bangko Sentral ng Pilipinas (BSP) expects inflation to exceed three % this month – the highest level in more than two years – due to rising pump prices of petroleum products, fare hikes, and more expensive electricity rates. BSP Governor Amando Tetangco said inflation would likely range between 3.1 and 3.9% for February.

## ArthaLand taps foreign partners for Cebu building

ArthaLand Corp. has signed agreement with China Railway Dongfang Group and Knusford Berhard of Malaysia for a \$166M engineering, procurement and construction contract for its 38-story Cebu Exchange Project. China Railway and Knusford will form a joint venture company in the Philippines to execute the EPC contract.

## Philippine Stock Market Update



**Previous Close:**

7,232.47  
SUU

**Open:**

7,239.64

**52-Week Range:**

7,152.45 - 7,245.60

**1 Yr Return:**

9.16%

**YTD Return:**

4.66%

**Source:**

Bloomberg

## Foreign Exchange

As of February 27, 2017

US Dollar	Philippine Peso
1	50.265

## PDST-R2 Rates

As of February 27, 2017

Tenor	Rate
1Y	2.5544
3Y	3.6546
5Y	3.9266
7Y	4.7536
10Y	4.3218
20Y	5.2357

## Daily Quote

"Today a reader, tomorrow a leader."

--Margaret Fuller

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## MORE LOCAL NEWS

### Index mirrors Asia downtrend

By the end of the session, the Philippine Stock Exchange index (PSEi), closed lower by 0.36 percent, or 26.52 points, to finish at 7,232.47. For the second straight day, Asian stock markets closed lower on Monday as investors continue to keep a close watch on Trump's speech to Congress this week on his spending plans.

### P321-M coconut processing plant to rise in Palawan

Lionheart GPPAC Farmers Corp. will soon build a P321-million coconut processing plant integrated with a hybrid coconut plantation in Palawan, the Board of Investments (BOI) said on Monday. In its first year, BOI said the company would develop 2,400 hectares of hybrid coconut plantation, eventually expanding it to 4,600 hectares.

### China keen on putting up industrial park in PH

China is considering building an industrial park in the Philippines, promising to boost the local manufacturing sector and create more jobs as bilateral ties improve, according to Chinese Ambassador to the Philippines Zhao Jianhua.

### Phoenix sells 2 subsidiaries to settle debt

Phoenix Petroleum Philippines Inc. said it had sold two subsidiaries to separate affiliates for a total of P3 billion, which would be used for debt servicing. Phoenix added that proceeds from the sale would be used to pay existing debts, which would save the company up to P160 million yearly in interest expense starting 2017.

### Biz Buzz: Bloody Friday at TV5

Third-ranked broadcast network TV5 of the PLDT group continues to struggle financially despite the best efforts of its new management team, due in part to the cutthroat competition in an industry dominated by giants ABS-CBN Corp. and GMA Network Inc.

### Group warns vs delays in RCOA

The Philippine Independent Power Producers Association warned that delays in the implementation of the retail competition and open access, or RCOA, will affect the timeline of lowering the thresholds to other customers.

### BIR gives 2% tax rate to microfinance NGOs

A microfinance nongovernment organization (NGO) should only pay a 2 percent tax on gross receipts from operations related to servicing the poor and low-income individuals, according to the Bureau of Internal Revenue (BIR).

### Broadband plan could move forward by June

The Department of Information and Communications Technology (DICT) could start putting in place its planned national broadband project within the first half of the year, pending the go signal from President Rodrigo R. Duterte.

## TODAY'S TOP ASIAN NEWS

### SG SWF invests in co-working space start-up 5Lmeet

Singapore's sovereign wealth fund (SWF) GIC has shown an interest in China's burgeoning co-working space sector by joining a 100 million yuan (US\$14.55 million) fundraising for 5Lmeet, a start-up co-founded by former China Vanke executive Mao Daqing.

### HK Mortgage Corp. to offer annuity for retirees

The government-owned Hong Kong Mortgage Corporation will offer a public annuity scheme as early as next year to allow retirees to invest a minimum lump sum of below HK\$300,000 in exchange for a stable monthly income until their death.

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## MORE ASIAN NEWS

### Asia trade talks resume after US TPP exit

Negotiators from 16 Asia-Pacific countries held their first round of free-trade talks since hopes faded of reaching a separate regional deal after the US pulled out. The 5-day Regional Comprehensive Economic Partnership (RCEP) talks in Japan are being attended by senior officials from the 16 countries involved.

### Asia: Markets starts week with fresh losses

Asian markets kicked the week off with broad losses Monday, with Tokyo hit by a stronger yen, as the global Trump rally shows signs of fragility ahead of a key speech by the new president to Congress.

## TODAY'S TOP GLOBAL NEWS

### Tesla tanks after Goldman downgrades to sell

Tesla Inc. fell 5 percent after Goldman Sachs Group Inc. turned negative on the stock and cast doubt on Chairman Elon Musk's ability to deliver the company's new vehicle on time. Analyst David Tamberrino downgraded the shares to sell from neutral and trimmed his six-month price target to \$185 from \$190.

### Buffet says Apple stake boosted to more than \$18bn

Berkshire Hathaway Inc. increased its stake in iPhone maker Apple Inc. to about 133 million shares, Chairman Warren Buffett told CNBC. That's more than twice as much as Berkshire held as of Dec. 31. The stake is valued at more than \$18 billion, based on Friday's closing price of \$136.66.

### US appeals court won't put Trump ban case on hold

A federal appeals court on Monday rejected a U.S. Department of Justice request to place on hold an appeal over President Donald Trump's travel ban on people from seven majority-Muslim countries. The order could increase pressure on the Trump administration to clarify its intentions regarding the controversial executive order.

### SoftBank in talks to merge OneWeb with Intelsat

SoftBank Group Corp, the technology giant controlled by billionaire Masayoshi Son, is in talks to merge the satellite startup it's backing, OneWeb Ltd, with satellite provider Intelsat SA, according to people familiar with the matter.

### SpaceX Plans to send 2 tourists around moon

SpaceX, the ambitious rocket company headed by Elon Musk, wants to send a couple of tourists around the moon and back before the end of next year. If they manage that feat, they would be the first humans to venture that far into space in more than 40 years.

### Min wage massacre: Wendy's unleashes 1,000 robots

In yet another awkwardly rational response to government intervention in deciding what's "fair", the blowback from minimum wage demanding fast food workers has struck again. Wendy's plans to install self-ordering kiosks in 1,000 of its stores - 16% of its locations nationwide.

### Trump to seek \$54-B increase in military spending

President Trump put both political parties on notice Monday that he intends to slash spending on many of the federal government's most politically sensitive programs — relating to education, the environment, science and poverty — to protect the economic security of retirees and to shift billions more to the armed forces.

## Economic Calendar

Date	Release
03.06.2017	PH: CPI Core YoY
03.09.2017	PH: Ex-Im Trade Balance
03.13.2017	PH: Unemployment Rate
03.14.2017	PH: Overseas Remittance YoY
03.15.2017	US: FOMC Rate Decision

Source: Bloomberg Economic Calendar