

# The Daily Dispatch

Feb. 1, 2017  
TODAY'S TOP NEWS

## Alsons still keen on bidding for Mindanao hydros

THE Alsons Power Group is still very much interested to bid for the hydroelectric power plants along the Agus and Pulangi Rivers in Mindanao. "We are waiting for the TOR [terms of reference]. I would say we are interested in such a big project," said Tomas Alcantara, chairman of Alsons Consolidated Resources Inc. (ACR).

## AP abandons Indonesia geothermal project

"AboitizPower has decided to exit from the greenfield geothermal exploration and development project of its wholly owned Singapore-based subsidiary, AboitizPower International Pte. Ltd. [AP Intl] in Ijen, East Java Province, Indonesia," the power firm said on Tuesday.

## PLDT sees flat gains in 2016

Telco and digital services provider PLDT expects flat growth in revenue for 2016, its chief revenue officer Eric Alberto told reporters yesterday. "The gains from home and enterprise are offset by the pressures and declines in both wireless consumer and international business," Alberto said.

## Tax reform to boost growth – BSP

BSP Deputy Governor Diwa Guinigundo expressed support for the DOF's proposed Comprehensive Tax Reform Program. Guinigundo said the implementation of the first package of the CTRP would contribute an additional 0.6 percentage point to the country's GDP growth in 2017, and 0.2 percentage point in 2018.

## MPIC takes control of Delgado hospital

Metro Pacific Investments Corp. has acquired the Dr. Jesus C. Delgado Memorial Hospital (JDMH) in Quezon City for P133.5 million. "The cash infusion will enable the 68-year-old JDMH to upgrade its equipment and facilities, and expand its capacity to serve the community," MPIC said.

## Philippine Stock Market Update



Previous Close:

7,229.66

1 Yr Return:

9.73%

Open:

7,297.72

YTD Return:

5.63%

52-Week Range:

6,084.28 - 8,118.44

Source:

Bloomberg (02/01/17)

## Foreign Exchange

As of Feb. 1, 2017

US Dollar	Philippine Peso
1	49.76

## PDST-R2 Rates

As of Feb. 1, 2017

Tenor	Rate
1Y	2.6866
3Y	3.4100
5Y	3.9531
7Y	4.6875
10Y	4.2997
20Y	5.2232

## Daily Quote

"I urge you to please notice when you are happy, and exclaim or murmur or think at some point, If this isn't nice, I don't know what is."

--Kurt Vonnegut

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## MORE LOCAL NEWS

### Investors swarm BDO's largest stock rights offering

Local and foreign investors swarmed BDO Unibank Incorporated's largest stock rights offering, an indication of business "optimism" in the Philippine economy, the chief of the country's largest lender said.

### Loans, liquidity increase strongly

Money supply and bank loans posted double-digit growth in December 2016, reflecting the robust domestic demand, Bangko Sentral ng Pilipinas said Tuesday. Data showed domestic liquidity or the money supply increased 12.4 percent in December to hit P9.5 trillion, driven by the sustained demand for credit from the domestic economy.

### BIR also starts probing Philip Morris, other firms

Mighty Corp., the oldest and Filipino-owned cigarette manufacturer, described as fair and laudable the new Bureau of Internal Revenue order to include market leader Philip Morris Fortune Tobacco Corp. and other players in its fake stamps investigation.

### Del Monte resets launch of dollar securities

FRUIT canner Del Monte pushed back the issue date of its planned \$360-m dollar denominated securities (DDS) to sometime in March from the previously announced schedule of January as its issue manager and the stock exchange are still firming up their systems and training to accommodate the first-ever DDS issuance in the Philippines.

### Roberto Tan to head PDIC from Feb 3

National Treasurer Roberto Tan is set to assume the leadership of state-run PDIC as president on February 3, Friday. "I have an oath-taking schedule on Friday at the DoF," Tan told reporters on Tuesday. Tan, who will be the 12th president of PDIC, is replacing Cristina Orbeta, who has been running the PDIC since 2014.

### Sia bullish as CityMalls continues provincial push

LISTED DoubleDragon Properties Corp. is aiming to have at least 30 operational CityMalls by the end of 2017, putting it on track to reaching its goal of 100 community malls around the country by 2020.

## TODAY'S TOP ASIAN NEWS

### Incoming CH envoy: Yuan's gain has surprised Trump

Donald Trump probably hasn't followed through on campaign pledges to label China a currency manipulator because the yuan's been stronger than he anticipated, the U.S. President's pick as ambassador to China said Tuesday.

### STI one of Asia's top performers so far this year

Singapore stocks chalked up handsome gains through January, but pulled back on the last day of the month as the Trump trade turned into a Trump rout. But still, the total value of the market managed to gain about 4 per cent month on month to S\$915 billion.

### OPEC impact: Asia flooded with West African oil

West African oil producers this month will send the most crude to Asia in at least five years, the latest sign of how refineries in the world's biggest demand region are scouring the world to replace supplies cut by OPEC's Middle East producers.

### Cathay readies switch to biofuels

Hong Kong flag carrier Cathay Pacific will switch to biofuels made from landfill rubbish on select long haul flights, reports said Tuesday, in an effort to cut harmful emissions. Cathay flights to Hong Kong from the US, where the new fuel is produced, will use a combination of conventional jet fuel and biofuels starting in 2019.

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## MORE ASIAN NEWS

### Belt & Road projects offer opportunities and risks

China's flagship "One Belt, One Road" initiative could be creating new asset quality dangers for the country's financial system, Fitch Ratings has warned in a new study, adding there were also risks for the countries along the planned routes involved in the economic development project.

### CH to overtake US in nuclear capacity by 2026

China's rapid nuclear expansion will result in it overtaking the United States as the nation with the largest atomic power capacity by 2026, according to BMI Research. The world's second biggest economy would almost triple its nuclear capacity to nearly 100 gigawatts by 2026.

### HK's office rents drive more firms out of Central

More European and US companies operating in Hong Kong are moving out of the city's Central district, relocating their offices to outer suburbs to save on rent in the world's costliest major urban centre.

## TODAY'S TOP GLOBAL NEWS

### Trump puts U.S. food, farm companies on edge

U.S. food producers and shippers are trying to speed up exports to Mexico and line up alternative markets as concerns rise that this lucrative business could be at risk if clashes over trade and immigration between the Trump administration and Mexico City escalate.

### UBS's rich clients warm to emerging markets

UBS Wealth Management says its clients, worth \$2.1 trillion, are ready to increase their emerging-market holdings after last year's rally. Michael Bolliger, the Zurich-based head of emerging-market asset allocation, predicts returns in the mid-to high single-digits for the asset class this year.

### US Fed begins 2 day meeting but no action expected

The US Federal Reserve began its two-day monetary policy meeting on Tuesday but observers expect there will be no change in interest rates amid the current economic and political uncertainty.

### UniCredit Sees \$13-B Full-Year Loss on Writedowns

UniCredit SpA, Italy's biggest bank, expects an 11.8 billion-euro (\$12.6 billion) net loss for 2016 after setting aside more money for bad loans and booking one-time charges related to its turnaround plan.

### America's corporate titans oppose Trump travel ban

The heads of Apple, Ford and Goldman Sachs said that they don't support the executive order the president signed last week. Google said it is donating cash to organisations that support immigrants. Other companies said they will help employees affected by the ban or, in the case of Starbucks, hire refugees.

### Buffett bought \$12 B of stock after Trump won

The failure of Warren Buffett's favored candidate to capture the White House has not dimmed the billionaire's appetite for stocks. Buffett revealed that he has bought \$12 billion of stock for his company Berkshire Hathaway Inc (BRKa.N) since the Republican Donald Trump beat Democrat Hillary Clinton in the Nov. 8 U.S. presidential election.

## 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