

# The Daily Dispatch

Feb. 6, 2017  
TODAY'S TOP NEWS

## Pure Energy eyes 500 MW in 5 years

Pure Energy is eyeing more investments in the RE sector – apart from hydropower ventures – as it looks to have a 500MW of total capacity in 5 years, company officials said. They are looking at forming a basket of renewable energy projects such as wind, solar and biomass to expand its portfolio after it lists in the local bourse.

## Mining clampdown to lead to joblessness

About 1.2 million people's livelihoods will be affected by the closure of half of the country's mines, said Finance Secretary Carlos Dominguez III and the Chamber of Mines of the Philippines (COMP) – an organization of local miners – with the latter arguing that the regulator's audit was "one-sided" and "compromised."

## PHL hosts Asean Summit this year

The Philippines holds the chairmanship for 2017. Former Ambassador and Foreign Affairs Undersecretary Lauro Baja Jr. said the chairmanship is an opportunity for the Philippines to highlight its own issues, including the war on drugs, terrorism and the South China Sea dispute.

## MPIC eyeing investment in logistics firms

Metro Pacific Investments Corp. is putting in more money in its local logistics firms as it seeks to make logistics a major pillar of the infra. conglomerate. The group may make further investments in local logistics companies as it sees opportunities in helping address the need for more efficient movement of goods in the country.

## Sustained growth seen in Phl factory output

Moody's - PH industrial production growth eased slightly to 12% in Dec. from 14.6% in Nov. "The main drag will come from food manufacturing, reflecting the negative effects that Typhoon Lawin had on crop output," it said. It also said electronics manufacturing would accelerate in the coming months amid stronger global demand.

## Philippine Stock Market Update



**Previous Close:**

7,226.70

**1 Yr Return:**

9.48%

**Open:**

7,244.31

**YTD Return:**

6.37%

**52-Week Range:**

6,084.28 - 8,118.44

**Source:**

Bloomberg (02/06/17)

## Foreign Exchange

US Dollar	Philippine Peso
1	49.77

## PDST-R2 Rates

As of Feb. 6, 2017

Tenor	Rate
1Y	2.6343
3Y	3.4215
5Y	3.8664
7Y	4.1205
10Y	4.7714
20Y	5.4214

## Daily Quote

"Tough times never last, but tough people do."

--Dr. Robert Schuller

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## MORE LOCAL NEWS

### UnionBank triples capex to P3 B in 2017

Union Bank of the Philippines is spending P3B for its capital expenditure this year amid the implementation of its transformation strategy. The amount is triple the average annual amount of P1 billion spent over the past few years. Bulk of the total amount would be used for information technology.

### PPP program could see declining investor interest

A lack of policy continuity and a "subpar" business environment for infrastructure could dissuade investors from participating in the country's public-private partnership (PPP) projects, even with a robust framework, said the research unit of Fitch Ratings.

### Fitch: gaming industry showing signs of maturation

The PH gaming industry is showing signs of maturation on the back of growing supply and heightened competition, Fitch said in a report. But PAGCOR said the market continues to improve, translating to an 18.1% increase in Pagcor's net income last year to P4.46B as revenue from gaming operations increased 22.9% to P53.31B in 2016.

### Napocor awards transmission projects for Mindoro

STATE-RUN National Power Corporation (Napocor) said it has awarded three transmission line projects in the Mindoro grid to improve power reliability and reduce systems loss. Napocor said on Friday that its board of directors chaired by the DOF recently gave it the green light to award the projects to the winning bidders.

### Epira amendments readied

Sen. Sherwin Gatchalian is proposing amendments to the Electric Power Industry Reform Act to further promote transparency and governance at the Energy Regulatory Commission. "We want to improve transparency and governance standards. Reform is a much more appropriate process, not abolition," Gatchalian said.

### SMC completes purchase of Australian packaging co

SMC said its unit has completed its acquisition of an Australian packaging firm to grow its international packaging business and increase its leverage in the Australian and NZ markets. The conglomerate said over the weekend San Miguel Yamamura, SMC's international packaging arm, has acquired 100% of Portavin Holdings Pty. Ltd.

### Phinma defers 900-MW plant

Phinma Energy Corp. decided to defer a planned 900-megawatt coal-fired power plant in Pangasinan amid concerns over an oversupply of coal projects, a top executive said. Phinma Energy president Francisco Viray told reporters the company was now looking at 2023 to 2025 as the construction window of the major coal plant.

### Govt starts reviewing SMC airport in Bulacan

The Duterte administration is now reviewing the unsolicited proposals by San Miguel Corp. to build a new international airport in Bulacan and an expressway along Pasig River using the new guidelines of the Public-Private Partnership Center.

## TODAY'S TOP ASIAN NEWS

### US' Asia allies face biggest currency reversal

Asia's top two performing currencies so far this year are unlikely to enjoy prolonged gains, with the new U.S. administration's increasing turn toward protectionism set to hit the economies of South Korea and Taiwan, analysts warn.

### Asia shares track Wall Street higher, dollar still

Asian shares edged ahead on Monday as Wall Street gathered momentum into a busy week of earnings with more than 100 major companies due to report, while the dollar was again hobbled by a lack of progress on U.S. fiscal stimulus.

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## MORE ASIAN NEWS

### Asian banks unwilling to give up London

Banks from Asia will be among those most affected following Brexit, but analysts expect that they will not move large numbers of staff away from London, at least not in the short to medium term.

### Why SG's economic slowdown is coming to an end

Growth has slowed and macroeconomic risks loom, but experts hope bright spots in health care, IT and manufacturing – and a key government report – are signs the cycle is finally turning

### Hershey results disappoint as demand hurt by China

The Pennsylvania-based company's shares fell as much as 3.8 per cent to US\$101.61 in morning trading on Friday, but pared some losses to trade marginally up later in the session. China sales fell 16.6 per cent, in the fourth quarter ended December 31, hurt by macroeconomic conditions in the country, Hershey said.

### Geely reportedly to buy Malaysian car assembly

Shares of Geely Automobile Holdings, the Chinese owner of the Volvo brand of passenger vehicles, surged to a record, as mainland Chinese traders returning from a weeklong holiday piled into the stock on report it's buying control of a factory in Malaysia.

### SEA's attractiveness for PE is on the rise

Global Private Equity firm Warburg Pincus has been in the news off late in this region, the latest being a potential bid, as part of a consortium, to take over Global Logistics Properties (GLP), even as the pan-Asian logistics real estate developer recently acquired 80% in Cambridge Industrial Trust.

## TODAY'S TOP GLOBAL NEWS

### Greece hopes migrant burden will turn into boon

Two decades ago, an influx of half a million migrants boosted Greece's economy. Today, the government and some experts hope a new wave of migrants will do the same. Some 60,000 refugees have been stuck in Greece for the past year, languishing in camps after the doors to Europe were shut.

### AUS stock market is decoupling from the world

It all started so well for Australian stocks this year, as they rallied to touch the highest since May 2015. That euphoria has ended abruptly as banks dragged down the country's main index, making it the worst-performing major Asian stock gauge.

### Dubai Will Get a \$3-B Loan to Fund Airport Exp.

Dubai agreed a \$3 billion loan with banks to fund the expansion of Dubai World Central airport and logistics hub as it prepares to host the World Expo in 2020, people familiar with the matter said.

### Oil prices edge up on Iran tensions

Oil prices edged up on Monday on fears that new U.S. sanctions against Iran could be extended to start affecting crude supplies, but markets were capped by further signs of growing U.S. production.

## 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