

# The Daily Dispatch

February 17, 2017  
TODAY'S TOP NEWS

## URC enters soy milk mkt with Vitasoy partnership

Universal Robina Corporation (URC) has entered into a joint venture with the Vitasoy Group of Hong Kong to unlock the market potential of plant-based beverages in the Philippines.

## Insurance post flat total premium income in 2016

The insurance industry's total premium income was flat in 2016, amid the continued decline in sales of life insurers and the poor performance of local equities in the latter half of the year, the head of the Insurance Commission (IC) said.

## Lopez-led FPH takes control of Asian Eye

First Philippine Holdings Corp. (FPH) has taken control of the Asian Eye Institute, following its acquisition of an additional stake in the medical facility for P19.5M. The acquisition brings the stake of FPH in Asian Eye Institute to 50.57%, and makes the hospital its subsidiary, according to the disclosure.

## BPI earnings grow 21% in 2016

Earnings of Ayala-led Bank of the Philippine Islands grew 20.9% last year on the back of the robust performance of its core businesses amid volatile market conditions. BPI president and CEO Cezar Consing said the bank took advantage of market opportunities to grow its net income to P22.05B last year from P18.23B in 2015.

## DOE wants to take role on ECC issuance - energy

To prevent delay in projects, the Department of Energy (DOE) is intending to take on the role of issuing environmental compliance certificate (ECC) for such facility developments and set it as a key provision in an Executive Order (EO) declaring energy projects of national significance.

## Philippine Stock Market Update



**Previous Close:**

7,283.25

**1 Yr Return:**

9.66%

**Open:**

7,289.63

**YTD Return:**

6.34%

**52-Week Range:**

7,274.58 - 7,292.62

**Source:**

Bloomberg

## Foreign Exchange

As of February 16, 2017

US Dollar	Philippine Peso
1	49.955

## PDST-R2 Rates

As of February 16, 2017

Tenor	Rate
1Y	3.0982
3Y	3.5541
5Y	4.2625
7Y	4.9054
10Y	4.9636
20Y	5.3893

## Daily Quote

“We are what we repeatedly do. Excellence is not an act, it is a habit.”

-Aristotle

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## MORE LOCAL NEWS

### PEMC partners with NGCP in WESM-Min launch

Following the lead of the Department of Energy (DOE) in the establishment of a WESM in Mindanao, the Philippine Electricity Market Corporation (PEMC), in partnership with the NGCP, supports the conduct of public consultations in key cities in Mindanao.

### Ayala revives bid to enter car mfg

Conglomerate Ayala Corp. sees its long-delayed venture into car manufacturing finally pushing through as the group aims to make its planned production facility in the Philippines a manufacturing hub for the region.

### New Maynilad reservoirs completed soon

West Zone concessionaire Maynilad Water Services Inc. is set to complete by April five new reservoirs worth P2B as part of efforts to improve water supply and pressure in elevated portions of its service areas. The new reservoirs are located in Magdiwang and Aguinaldo, Cavite, Tocleng, Quezon City, and Muntinlupa City.

### Malampaya completes maintenance shutdown

Natural gas plants have now shifted to cheaper fuel after the consortium operating the Malampaya gas project completed its 20-day maintenance shutdown yesterday. "We have been informed by Shell Philippines Exploration Corp. (SPEX) consortium that as of 7 am [Thursday], they can deliver natural gas.

### PH starts year with hot money net inflows of \$301M

Foreign portfolio investments, often called hot money, were off to a positive start in 2017 following a dismal end last year, according to the BSP. Preliminary data released showed that overall foreign portfolio investment transactions for January 2017 hit overall net inflows of \$301M.

### Grab PH wants to bring GrabCar to more cities

Grab Philippines wants to bring its private car service GrabCar to 4 other cities where it has already established its presence. But to do this, the Land Transportation Franchising and Regulatory Board (LTFRB) will have to lift its moratorium on applications for transportation network vehicle services (TNVS).

### Phoenix invests \$170M in Clark

South Korean manufacturer Phoenix Semiconductor Philippines Corp. invested another \$170M to expand its manufacturing operation in Clark Freeport Zone. Clark Development Corp. president and CEO Noel Manankil said the second phase of the expansion brought Phoenix' total investments to \$7.7B since operations started in 2010.

## TODAY'S TOP ASIAN NEWS

### Samsung heir to be arrested in SK bribery scandal

A South Korean court approved a special prosecutor's second request to arrest Samsung Group's Jay Y. Lee on allegations of bribery, perjury and embezzlement, an extraordinary step that risks disrupting decision-making at the country's most powerful company.

### CH's lead in fintech investment an opportunity

China leads the world in capital being poured into the financial technology sector, with investment estimated to top 56B yuan in 2016 on strength in payments and alternative finance, according to a UK-government sponsored report released on Tuesday.

### Lenovo blames supply constraints for lower profit

Lenovo Group, the world's largest supplier of personal computers, warned on Thursday that its industry's component supply constraints would remain challenging for the near term, after reporting weaker-than-expected earnings for the quarter ended December 31 as its three main business lines recorded slow to no growth at all.

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## MORE ASIAN NEWS

### SG economy expands at fastest pace in 5 years

Singapore's economy grew at its fastest pace in more than five years in the fourth quarter, driven by a surge in manufacturing as export demand recovered. Singapore, one of Asia's most trade-dependent nations, is benefiting from a recovery in Chinese demand, with exports and industrial output climbing in the fourth quarter.

### Rivals SG and HK fight to snag the hottest IPOs

Hong Kong and Singapore are at it again. The Asian financial hub rivals are reviving a debate on dual-class shares as global competition for the hottest initial public offerings intensifies.

### Lack of sleep costs Japan's economy bns every year

Sleep deprivation is doing more harm in Japan than just making people grumpy and unhealthy. It is also holding back the world's 3rd largest economy. Nearly half of all full-time workers say they do not get enough sleep according to a government White Paper on "karoshi"- death from overwork.

### Asean task force discusses priorities: AEC 2025

The 31st Meeting of the High-Level Task Force on Asean Economic Integration (HLTF-EI) convened on Thursday to discuss and recommend mechanisms that will support and strengthen the implementation of the Asean Economic Community (AEC) Blueprint 2025 toward greater regional cohesion and integration.

### US mulls new tactic to prod China on yuan

United States President Donald Trump's administration is considering a new tactic to discourage China from undervaluing its currency that falls short of a direct confrontation, The Wall Street Journal reported, citing people with knowledge of the policy.

## TODAY'S TOP GLOBAL NEWS

### Global Economic Growth Is All About China

Since 2000, China has been the nearly singular force for growth in global energy consumption and economic activity. This article will make it plain and simple why China is exiting the spotlight and unfortunately, for global economic growth, there is no one else to take center stage.

### Snap lowers valuation expectations in awaited IPO

Snap Inc (SNAP.N), owner of the popular messaging app Snapchat, set a lower-than-expected valuation range on Thursday, amid mounting investor concern over its unproven business model, slowing growth and tight founder control.

### USD droops after strong data fail to lift yields

The dollar was stuck near a one-week low against a basket of currencies early on Friday, after upbeat U.S. economic data failed to lift Treasury yields. The dollar index against a group of major currencies stood at 100.570 after hitting 100.410 .DXY, its lowest since Feb. 9 plumed overnight when it slid 0.7 percent.

### US Household Debt Rose To \$12.6T In 2016

Total US household debt jumped in Q4 driven by increases in credit card debt, auto and student loans, and a Q4 surge in mortgage originations, and as of YE2016, stood at \$12.58T, a \$226B increase from the third quarter of 2016. For the full year 2016, total household debt rose by \$460B, the biggest annual increase in a decade.

### Economic Calendar

Date	Release
02.07.2017	PH: Foreign Reserves
02.09.2017	PH: Ex-Im Trade Balance
02.15.2017	PH: Overseas Remittance
02.27.2017	PH: Bank Lending YoY
02.28.2017	PH: Nikkei Philippines PMI Mfg

Source: Bloomberg Economic Calendar