

# The Daily Dispatch

February 20, 2017  
TODAY'S TOP NEWS

## PH up 12 notches in 2017 Index of Economic Freedom

The Philippines continued its trend of economic gains, moving up 12 notches to 58th in the 2017 Index of Economic Freedom from 70th place last year, announced the BSP. The country got a score of 65.6 in the latest annual global survey conducted by Washington-based think tank Heritage Foundation, which covered 186 countries.

## PHP closes at P50:\$1, stocks dip on uncertainties

Philippine peso and stock prices both ended the week on a losing streak, with the local currency closing weaker at P50 to \$1 due to uncertainties brought about by the normalization of interest rates in the US as well as strong demand from importers.

## Alibaba owner invests in Globe unit

Ant Financial Services Group, the financial technology company controlled by Alibaba's Jack Ma, is making a strategic investment to get a 45% stake in Globe Fintech Innovations Inc. (Mynt), a unit of Globe Telecom Inc., to help accelerate financial inclusion in the Philippines. Mynt operates GCash and Fuse Lending.

## Thunderbird expands casino operation in Poro Point

Thunderbird Resorts Philippines has expanded its casino here, as it hopes to get a huge chunk of the growing number of visiting Chinese players. Thunderbird opened its new and improved casino area, which brings to 28 the total gaming tables or a bigger area of 4,000 square meters from its former size of 1,500 sqm.

## Cirtek bags 3 contracts from global semicon co's

Cirtek Electronics Corp. (CEC), the wholly owned semiconductor assembly and test suppressor subsidiary of CHPC, was chosen by UK firm Bourns to manufacture package power transient voltage suppressor devices or PTVS and transient blocking unit products or TBU.

## Philippine Stock Market Update



### Previous Close:

7,174.30

### Open:

7,176.64

### 52-Week Range:

7,176.64 - 7,291.32

### 1 Yr Return:

10.11%

### YTD Return:

6.59%

### Source:

Bloomberg

## Foreign Exchange

As of February 20, 2017

| US Dollar | Philippine Peso |
|-----------|-----------------|
| 1         | 50.046          |

## PDST-R2 Rates

As of February 20, 2017

| Tenor | Rate   |
|-------|--------|
| 1Y    | 2.6646 |
| 3Y    | 3.5478 |
| 5Y    | 3.9297 |
| 7Y    | 4.7982 |
| 10Y   | 4.3471 |
| 20Y   | 5.2357 |

## Daily Quote

“No one has as much luck around the greens as one who practices a lot.”

- Chi Chi Rodriguez

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## MORE LOCAL NEWS

### JICA study on P375B Metro Manila subway out soon

The Japan International Cooperation Agency (JICA) is expected to present during the next meeting of inter-agency transport planning body under the National Economic and Development Authority (NEDA) the initial results of the feasibility study being conducted for the Metro Manila Subway project.

### ALI on track to hit net income target

Ayala Land Inc., the property and mall developer of the Ayala Group, is on track to hit its net income target of P40B by 2020 as it plans to launch P100B worth of residential projects this year, officials said. In a recent briefing, ALI president Bernard Dy said that from 2017 to 2020, the company would need to grow by 18%.

### PAL sees entry of strategic investor within 2017

PAL Holdings, Inc. intends to take in a strategic investor before selling shares to the public, as tycoon Lucio C. Tan, Sr. expects to seal the consolidation of his airline ventures within the quarter.

### Sun Life still PH's top insurer

Insurance giant Sun Life of Canada (Philippines) Inc. remained the country's top insurance firm for the sixth straight year in 2016 in terms of total premium income.

### TRO on review of P70-B SMC telco sale stays

PCCs appeal to lift a temporary restraining order blocking (TRO) its planned review of PLDT Inc. and Globe Telecom's joint acquisition of San Miguel Corp.'s telco unit – a deal criticized for being anti-competitive – was denied by the 12th Division of the Court of Appeals in a Feb. 17, 2017 resolution.

### Globe expands 700 MHz coverage

Globe Telecom Inc. said Friday it is accelerating the deployment of the 700 mhz band to increase utilization of the spectrum by over 300% in a bid to improve the internet experience of customers. Globe president and CEO Ernest Cu said the company planned to roll out within the year the LTE 700 in close to 1,800 sites.

### Roxas delays biomass project

Roxas Holdings Inc. and Global Business Power Corp. have temporarily shelved their planned 40-megawatt, co-generation power plant in Negros Occidental province due to the proliferation of solar projects in the province.

### \$1-b coal plant set to open in November

Pagbilao Energy Corp. is set to start the commercial operations of the \$1b 420 MW Pagbilao 3 coal-fired power project in Quezon province by November this year. DOE records showed the new power plant would begin testing and commissioning in May, and would help secure the country's power generation requirements this year.

### BSP liberalizes liquidity regulations for big banks

The Monetary Board further liberalized the liquidity rules for universal and commercial banks in line with the adoption of the liquidity coverage ratio starting Jan. 2018. The performance of big banks has been under a monitoring period since the Monetary Board approved the introduction of liquidity coverage ratio in Mar. 2016.

### MICC unit to review operations of closed mines

A technical working group created under the Mining Industry Coordinating Council (MICC) is set to meet today, Monday, to fulfill its mandate to review the operations of 28 mining sites closed or suspended by the Department of Environment and Natural Resources (DENR).

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## TODAY'S TOP ASIAN NEWS

### Hungry Singaporeans are boosting restaurant stocks

As Singapore's stock market continues to rally, an often overlooked sector is getting a boost. The city-state's listed restaurants have outperformed regional and global peers as dining out drives shares higher.

### Won reigns supreme in Asian emerging market plays

As the most sensitive emerging Asian currency, South Korea's won provides the best proxy for investors looking to bet on how the region reacts to U.S. President Donald Trump. The currency's volatility is 11 percent for the past year, more than all of its peers in the region, according to Bloomberg data.

### MPF's top funds pivot to Asian equities

Asian stocks' fantastic run has drawn the best-performing funds on Hong Kong's Mandatory Provident Fund to shift from US equities into Asian stocks, especially technology companies and undervalued consumer-product companies, fund managers said.

### CH lifts Asian VC fintech funding to record \$5.4b

Mega deals in CH drove the total amount of funding raised by VC-backed financial technology start-ups in Asia to a record US\$5.4 billion across 165 transactions last year. That was up from US\$4.8 billion across 162 transactions in the region in 2015

### China suspends coal imports from N. Korea

China will suspend all imports of coal from North Korea for the rest of the year, Beijing said Saturday (Feb 18), depriving Pyongyang of a crucial source of foreign exchange following its latest missile test.

## TODAY'S TOP GLOBAL NEWS

### IMF to loan Mongolia \$440 mn as part of bailout

Mongolia reached an initial agreement with the International Monetary Fund for a three-year programme that includes a US\$440 million loan package as part of a US\$5.5 billion bailout to help the north Asian country with looming debt repayments.

### HSBC poised for more buybacks after stock rallies

HSBC Holdings Plc investors will be looking for indications that the bank will follow through on its plan to return more capital when it announces fourth-quarter results this week, after a \$2.5 billion stock buyback and a slumping pound lifted shares in 2016.

### Kraft Heinz withdraws \$143B Unilever takeover bid

The US food giant Kraft Heinz has dropped its bid to buy Unilever days after it rejected a \$143 billion buyout offer, the companies said on Feb. 19. Kraft Heinz had signaled on Feb. 17 that it would press ahead with its campaign after Unilever said the initial proposal "fundamentally undervalues" its worth.

### Dealmakers battle to run world's biggest chem co.

It's a battle of two great deal makers and the prize is the chance to run the world's largest chemical co. On one side is Sinochem Group boss "Frank" Ning Gaoning, who's in talks for commodities trader Noble Group Ltd. On the other is Ren Jianxin, chairman of ChemChina whose offer to buy Syngenta AG is going through reviews.

## 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