

The Daily Dispatch

February 23, 2017
TODAY'S TOP NEWS

Unused spectrum enough for 4th telecom player

THE GOVERNMENT warned it could take back the rights to unused frequencies after publishing a list of all assigned spectrum assets and their utilization, saying that the potential haul could accommodate a third or even a fourth telecommunications player.

SSS to implement P1,000 pension hike by next month

MALACAÑANG has given the go signal for the release of additional P1,000 monthly pension for retired Social Security System (SSS) members, with payouts to start by next month.

Puregold replaces Emperor in PSEi

Retailer Puregold Price Club Inc. will replace liquor producer Emperor Inc. in the composition of the 30-company Philippine Stock Exchange index next month. PSE said the change was a part of a biannual recomposition of the benchmark index being conducted by the local bourse.

S&P sees central bank raising rates this year

The Philippine central bank may begin raising its key interest rates this year, Standard & Poor's (S&P) Global Ratings said, seeing pressure for such move coming mainly from the country's robust gross domestic product (GDP) growth and rising commodity prices.

First Philec opens new plant in Batangas

First Philec Inc., Southeast Asia's largest manufacturer of high-efficiency transformers, opened Wednesday a new facility in Batangas. The new plant manufactures transformers using mainly a high-efficiency material for its core, called amorphous metal. This is an alloy that performs better than the commonly used silicon cores.

Philippine Stock Market Update



Previous Close:

7,304.45
JU

Open:

7,312.42

52-Week Range:

7,290.21 - 7,319.20

1 Yr Return:

8.80%

YTD Return:

6.71%

Source:

Bloomberg

Foreign Exchange

As of February 22, 2017

US Dollar	Philippine Peso
1	50.254

PDST-R2 Rates

As of February 22, 2017

Tenor	Rate
1Y	2.5981
3Y	3.6652
5Y	4.0038
7Y	4.8661
10Y	4.9607
20Y	5.3250

Daily Quote

"A mind is like a parachute. It doesn't work if it isn't open."

-Frank Zappa

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MORE LOCAL NEWS

EU companies put PH investment plans on hold

EUROPEAN companies are re-diverting and holding off plans to expand investments in the Philippines, an official said on Wednesday, citing political concerns, but did not name the companies. One of the two companies received a directive from its headquarters in Europe to shelve the plan to double its investments in the Philippines, Florian Gottein,

NSCR Project set to begin early 2019

THE North-South Commuter Railway (NSCR) Project will begin construction by the first or second quarter of 2019, the Department of Transportation (DoTr) said on Wednesday. The Malolos to Tutuban railway project, costing about \$2.88 billion, will be funded by the JICA through ODA loans.

ADB upbeat on PH

The Asian Development Bank (ADB) expects the Philippines to sustain robust economic growth in the near term as it reaps the benefits of a demographic sweet spot and gains from a manufacturing resurgence.

NGCP seeks support on ROW clearances

The National Grid Corp. of the Philippines has reiterated its call to respect right-of-way clearance of transmission lines after violations caused power interruptions in Samar and Leyte last month. In a statement yesterday, NGCP made an appeal for the support of the public to keep ROW clearances free of any and all obstructions.

Security Bank open to mergers, acquisitions

Security Bank Corp. is open to possible mergers and acquisitions after successfully taking in the Bank of Tokyo – Mitsubishi as foreign strategic partner. Security Bank president and chief executive officer Alfonso Salcedo Jr. said the bank is always on the lookout for opportunities in the country's competitive banking industry.

PSE agrees information sharing with PPP

THE PSE has signed a MoA with the PPP Center that will enable information sharing by both entities to facilitate the processing of listing applications from firms handling PPP projects. The exchange said a PPP listing forum was also conducted to further explain the rules to stakeholders interested in the listing of PPP securities.

TODAY'S TOP ASIAN NEWS

CH investors' offshore appetite still 'huge'

The appetite of mainland investors for US dollar-denominated assets is "huge" and offshore funds available for investment are growing despite curbs by Chinese authorities to stem capital outflows, Yim Fung, chairman of Guotai Junan International Holdings, told the South China Morning Post in an interview on Wednesday.

Chinese Bank Cleanup Plan Could Leave a Mess

China's battle with risky credit products endures with no victory in sight. In its quarterly report published over the weekend, the China said wealth-management products—a form of shadow financing, mostly stashed away off banks' balance sheets—continued to surge, rising 30% on the year to over 26 trillion yuan at the end of 2016.

Aramco Picks Lead IPO Underwriters

Saudi Arabia's state-owned energy company has told J.P. Morgan, HSBC and Morgan Stanley they will be the lead underwriters for its planned initial public offering, set to be the largest ever, according to people familiar with the matter.

How India could Trump CH as US policy shifts

For the past three decades, China has become much more prosperous than India, with an economy five times larger. While India's 4-8 per cent growth rate has been quite solid, it lags China's red-hot pace, which topped 10 per cent for much of the past few decades. However, this dynamic has begun to change.

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MORE ASIAN NEWS

SG readies new leveraged and inverse ETFs

To catch up with rivals, Singapore Exchange (SGX) last week published a new web page about the products, described as "a form of passive collective investment schemes (like ETFs) and structured as open-end funds," following revised guidelines from the Monetary Authority of Singapore in August.

Singapore a 'great location' for LNG trading

Mr Steve Hill, the executive vice-president for gas and energy marketing and trading, told an LNG outlook briefing yesterday: "I think it's a great location both in terms of the trading community that's here, the regulatory environment that's here and all the support infrastructure."

TODAY'S TOP GLOBAL NEWS

Britain's Brexit pain is just beginning

For the first time since the Brexit referendum, consumer spending - the mainstay of the UK economy - is slowing sharply because of the 15.5 per cent plunge in the value of the pound against the dollar which has pushed up prices in the retail sector amid weak growth in wages, thereby squeezing British households' purchasing power.

OPEC searching for proof oil output cuts working

OPEC officials this week hailed the "excellent" and "unprecedented" implementation of their agreement to cut oil production, but were still waiting for solid evidence that the deal was fulfilling their key measure of success and shrinking the global glut.

Existing US home sales soar to 10-year peak

The National Association of Realtors said on Wednesday existing home sales jumped 3.3 per cent to a seasonally adjusted annual rate of 5.69 million units last month. That was the highest level since February 2007.

Exxon Cuts Reserves By A Record 3.3 Billion Barrels

After years of denials, and claims that "we don't do write-down", Exxon just concluded the biggest reserve cut on record, as 3.3 billion barrels of crude was removed from the company's "proved reserves" category.

The Latest On Obamacare

During his campaign, Trump vowed to America's middle class that he would get rid of Obamacare as soon as he got into office. Well, Trump is out of his 30 day honeymoon, and the confusion and chaos over the future of Obamacare has never been greater, to a large extent due to growing pushback he has been getting in Congress.

Schott woos China's smartphone makers

Schott on Wednesday unveiled its latest ultra-thin glass offering AS 87 Eco, claiming that it is the first ultra-thin glass product produced without the use of harmful acids such as hydrofluoric acid during its manufacturing process.

Tesla Burns \$1-b In Cash Flow

as usual, Elon Musk managed to fool all those who were only focusing on the headline numbers, which were surprisingly good. However, much of this "beat" was thanks to "energy generation and storage" revenues. Pure automotive revenue was down 7% QoQ from \$2.15BN to \$2.0BN.

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