

# The Daily Dispatch

February 24, 2017  
TODAY'S TOP NEWS

## BSP stance different from US Fed – Tetangco

The BSP reiterated yesterday the country's monetary policy stance would not move in synch with the US after the Fed hinted they could raise interest rates again "fairly soon." BSP Governor Tetangco said authorities also take into consideration the actions taken by the Fed in deciding on the country's monetary policy stance.

## ADB commits \$100M loan to Phl

The Asian Development Bank has committed to extend to the government this year a soft loan of around \$100M to finance feasibility studies on infrastructure projects, in the Philippines, economic managers said yesterday.

## Power regulators draft unified policy on RCOA

The Department of Energy said yesterday regulators would come up with a unified policy to guide power players on the way forward following a Feb. 21 temporary restraining order (TRO) issued by the Supreme Court against the implementation of the Retail Competition and Open Access (RCOA) regime.

## Higher billings pump up Mla Water's 2016 earnings

East Zone water concessionaire Manila Water Co. Inc. registered a 2% increase in net income in 2016 as most of its concession areas registered growth in billing volume. Based on financial results submitted to the local bourse yesterday, the company said it raked in a net income of P6.07B last year, up from P5.97B in 2015.

## Manufacturers set to enjoy lower tariffs

Manufacturers in the electronics, agriculture, meat processing and steel industries importing their key raw materials are set to enjoy lower tariffs, Trade Secretary Ramon Lopez said. "Thanks to the President and Cabinet Secretaries in NEDA Board for supporting our recommendation to enhance the tariff reform program"

## Philippine Stock Market Update



**Previous Close:**

7,335.56  
JU

**Open:**

7,328.95

**52-Week Range:**

7,303.79 - 7,331.72

**1 Yr Return:**

9.97%

**YTD Return:**

6.85%

**Source:**

Bloomberg

## Foreign Exchange

As of February 23, 2017

US Dollar	Philippine Peso
1	50.209

## PDST-R2 Rates

As of February 23, 2017

Tenor	Rate
1Y	2.5594
3Y	3.6824
5Y	3.9795
7Y	4.8268
10Y	4.9107
20Y	5.3339

## Daily Quote

"Good is the enemy of great."

-Jim Collins

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## MORE LOCAL NEWS

### Israel explores Phl prospects

Israel is currently exploring possible investment opportunities in the Philippine information technology sector, as well as ways to expand its support to the country's agriculture sector, the Department of Finance (DOF) said yesterday. He also proposed to expand Israel's exchange program for Filipino agricultural students..

### PCC: Open construction business to foreigners

The competition watchdog said P210 billion more would be invested in the private sector if the government changed the licensing rules being followed in the construction industry. Opening the market to new players would also boost the public sector through knowledge transfer and the use of new technologies.

### Ayala takes stake in Zalora Philippines

In a statement on Thursday, Ayala said it recently inked an investment agreement to acquire a 43.3% ownership stake in BF Jade E-Service Philippines, which operates Zalora Philippines. Separately, Ayala Land, Inc. said it is acquiring a 1.91% stake in the online retailer.

### BIR misses 2016 revenue target

The Bureau of Internal Revenue failed to meet its P1.62-trillion target for 2016, collecting only P1.57 trillion in taxes last year, BIR Commissioner Caesar Dulay said on Thursday, February 23. Dulay said at a Palace news briefing that the collected amount is 97% of the target in 2016, an election year.

### Political noise' not causing weaker peso – expert

The country's balance of trade, and not high-profile political developments, is behind the peso's dramatic slide in recent weeks, according to a risk consultant. On Tuesday, February 21, the Philippine peso depreciated to P50.25 against the US dollar – its weakest performance in a decade.

### US business pushes for trade pact with Manila

The American Chamber of Commerce of the Philippines (ACCP) seemed to have taken the cudgels for the Philippine government by pushing for a bilateral free trade agreement (FTA) with the United States.

### Clark 2016 investment pledges triple 2015 level

LOCATORS at the Clark Freeport Zone signed 71 lease agreements with Clark Development Corporation (CDC) in 2016, committing to invest about \$1.02b in the next 10 years, or nearly triple the amount recorded in 2015. In its annual report released on Thursday, CDC said that the number of locators as of end-2016 stands at 895, up by 6% from the

### Business optimism for Q2 grows from weak Q1

Business firms showed less confidence in the Philippine economy for the first quarter of 2017, the least positive they have been in 11 quarters, but the outlook turned more upbeat for the second quarter of the year, the latest Business Expectations Survey (BES) by the central bank said.

## TODAY'S TOP ASIAN NEWS

### Top CH equity fund: HK best place to make money

Zhang Jintao is sticking with the bet that's made his stock fund China's top performer: Hong Kong equities. Harvest Fund Management Co.'s fund has returned 13.7 percent this year after putting 70 percent of its stock holdings in the former British colony, where the local benchmark has jumped 9.6 percent.

### CH lenders ignoring central bank on debt

Whatever China is doing to deleverage, it isn't enough. Beijing's "cautious tightening signals" are largely being ignored by banks and at the local level, where attention is focused on maintaining steady economic growth, especially with key Communist Party meetings looming this year.

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## MORE ASIAN NEWS

### China is developing its own digital currency

China's central bank is going digital. After assembling a research team in 2014, the People's Bank of China has done trial runs of its prototype cryptocurrency. That's taking it a step closer to becoming one of the first major central banks to issue digital money that can be used for anything from buying noodles to buying a car.

### Immigrant-shy Japan is luring foreign workers

Japan's aging population is leading to projections of a dire shortage of labor in the world's 3rd largest economy. PM Abe has made it clear that opening the country to permanent immigration by unskilled labor isn't an option, but opportunities are growing for overseas workers because more than 1/4 of the population is 65 or older.

### India Poised to Unlock \$9B for Roads, Power

A decade-long wait by India's cash-hungry real estate and infrastructure developers may finally be nearing an end. Birla Sun Life Asset Management Co. estimates that real estate and infrastructure trusts will raise as much as 600b rupees (\$9b) this year as India rolls out the much-anticipated investment products mooted in 2007.

### Singtel associate to buy Telenor's India unit

Singtel associate Bharti Airtel, India's largest telecoms network operator, is buying Norwegian Telenor's India unit as the ultra-competitive mobile market is shaken up by the country's richest man. Tycoon Mukesh Ambani launched Reliance Jio's 4G network in September with an audacious free service for the rest of 2016, followed by vastly cheaper

## TODAY'S TOP GLOBAL NEWS

### Investors flock to supercharged gold bet

Gold doesn't offer yield. Junior miners may, and a leveraged exchange-traded fund tracking them has investors flocking to it. As the Direxion Daily Junior Gold Miners Index Bull 3x Shares almost tripled in the past two months, the number of shares changing hands has surged nearly fourfold this year.

### SAU's oil wealth is about to get a reality check

Saudi Arabia has said oil giant Saudi Aramco is worth more than \$2 trillion. However, industry executives, analysts and investors told Bloomberg their analysis, based on oil reserves and cash flow projections under different tax scenarios, suggests Aramco is worth no more than half, and maybe as little as a fifth, of that amount.

### Leviathan Partners Ratify \$3.75B Gas-Dev Plan

The companies that own the rights to Leviathan, Israel's largest natural gas reservoir, approved a plan to allocate \$3.75 billion to develop the offshore site. Israel's main gas equity index rose the most in almost five months.

### Infrastructure Stocks Slump as Stimulus Not Seen

Investors who bet Donald Trump would quickly make good on his pledge to fix the nation's highways and bridges are being taken for a road-trip in financial markets. A basket of infrastructure-linked stocks is having its worst day since the end of June amid speculation a jam-packed political calendar will delay any stimulus program until 2018.

### Google Sues Uber For Stealing Secret Recipe

After the #DeleteUber liberal backlash, and having caved to leftists by quitting Trump's advisory council, his company faces investigation and has seen dozens quit this week after sexual harassment allegations. However, things just got turned up to '11' as Alphabet's self-driving car business, Waymo, has sued Uber for stealing trade secrets.

## 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