

The Daily Dispatch

March 02, 2017
TODAY'S TOP NEWS

Eagle Cement eyes IPO

Eagle Cement Corp. of tycoon Ramon Ang is embarking on an IPO to raise at least P9B, industry sources told The STAR. The company filed its IPO application with the SEC yesterday. It tapped three joint lead underwriters namely SB Capital, China Bank Capital and PNB Capital to handle the transaction.

MPIC partner backs out from regional airports PPP

The French partner of Metro Pacific Investments Corporation (MPIC), Aeroports de Paris, will no longer join the auction for the operations, maintenance, and upgrade of 5 unbundled regional airports, citing the weaker economic viability of smaller gateways.

SMC seeks MRT-7 funding

San Miguel Corp. is in talks with local and foreign banks to raise the debt portion of the \$1.6B needed for MRT-7. SMC chief financial officer and treasurer Ferdinand Constantino said the company has already received financing proposals from local and foreign banks to raise 70% of the project cost. The 30% will come from equity.

China Railway keen on Phl

Duterte has met with officials of the China Railway Group Limited and other Chinese business groups in Malacañang on Monday following the misunderstanding caused by the statements of Foreign Affairs Perfecto Yasay on the Philippine claim over South China Sea that caused the cancellation of a high-delegation visit last week.

British firms eye Mindanao projects

British companies are considering Mindanao as a new investment destination given the island's huge growth potential. A private sector delegation composed of exporters and investors will be heading to Davao City by the end of the month to explore business prospects and opportunities in Mindanao.

Philippine Stock Market Update



Previous Close:

7,212.09

1 Yr Return:

8.63%

Open:

7,167.89

YTD Return:

4.91%

52-Week Range:

7,150.61 - 7,180.54

Source:

Bloomberg

Foreign Exchange

As of March 1, 2017

US Dollar	Philippine Peso
1	50.269

PDST-R2 Rates

As of March 1, 2017

Tenor	Rate
1Y	2.7542
3Y	3.6643
5Y	3.9670
7Y	4.9089
10Y	4.3679
20Y	5.2786

Daily Quote

"We can easily forgive a child who is afraid of the dark; the real tragedy of life is when men are afraid of the light."

-Plato

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MORE LOCAL NEWS

South Korea boosting Phl banana purchases

The Department of Agriculture (DA) expects P14B worth of investments for the country's farm industry as the South Korean government plans to import more Cavendish bananas. Agriculture Secretary Emmanuel Piñol said South Korea plans to import 35 million boxes of Cavendish bananas worth around \$280M.

More Japanese investors drawn to PH – Lopez

Trade Secretary Ramon Lopez on Wednesday said an investment forum organized for Japanese investors and business executives in Tokyo on Tuesday drew more than 800 Japanese investors into diverse fields such as infrastructure, manufacturing, renewable energy, urban planning, tourism and agribusiness.

Money supply slows, bank lending up in Jan

Domestic liquidity or M3 expanded at a slower pace of 12.4 percent to P9.374 trillion in January, from a revised estimate of 12.7 percent in December. Seasonally adjusted month-on-month, M3 grew by 1.6 percent.

SMIC post 8% hike in 2016 income

SM Investments Corp. reported an eight percent growth in net income to P31.2B in 2016. Property accounted for 39% of total earnings, with banks comprising 37% and retail 24%. SM recorded a 9% rise in revenues to P362.8B, driven by an 8% increase in retail revenues and a 12% growth in property revenues.

Razon-led ICTSI ends contract with Port of Portland

After 5 years of labor strife, Philippine-listed International Container Terminal Services Incorporated (ICTSI) and the Port of Portland agreed to terminate the 25-year lease agreement to operate Oregon's only container terminal.

DoF rejects VAT exemption on socialized-housing

THE Department of Finance (DoF) wants a direct subsidy instead of tax exemptions for building materials used in socialized housing projects, citing the potential for massive leakages from the current "imperfect" tax system.

Biz Buzz: Wanted ASAP: New airport

PAL president Jaime Bautista said that both private sector proposals, each massive airports either in Bulacan or a reclaimed land in Sangley Point, Cavite, were suitable for PAL. The completion of a new airport is in step with preparations for the eventual closure of NAIA, which cannot be expanded significantly.

Cebu developer sets P12-B investment plan

Cebu-based property developer Cebu Landmasters Inc. (CLI) has unveiled a P12-billion investment program for the next two years as it pitches to the stock market a new property play anchored on strong growth prospects in the Visayas and Mindanao (Vismin) region.

Philex doubled profit in 2016

Philex Mining Corp. doubled its net income to P1.6 billion in 2016 when the Department of Environment and Natural Resources' said its Padcal project passed a mine audit, and before its subsidiaries faced cancellation of their contracts.

TODAY'S TOP ASIAN NEWS

Asia's growing economies also have growing slums

Fast-growing emerging economies in Asia are grappling with the conundrum that a boom brings: hordes of villagers flocking to cities only for many of them to end up living in slums. About 55 percent of the urban population live in shantytowns in Cambodia, 41 percent in Myanmar, and 38 percent in the Philippines.

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MORE ASIAN NEWS

Pimco, Blackrock, and Mobius' 2017 CH predictions

Global investors may have to start paying attention to Chinese politics again. The stakes are high for investors. Gene Frieda, a strategist at Pimco, says this year's leadership shake-up could determine whether China becomes a market-friendly nation dedicated to reform, or one where government meddling stifles economic growth.

Curbing property bubbles top agenda for NPC

Containing financial leverage and avoiding a property bubble will be the major focuses of the upcoming National People's Congress (NPC) meeting due to start in Beijing on Sunday. This includes curbing risks fueled by easy credit in recent years and taming a capital market increasingly manipulated by capital tycoons.

Skilled asset mgrs. in demand to oversee CH REITs

Andrew Kam, a valuation director with Savills, said that the mainland, despite making preparations for nearly a decade, could be ready for embracing an active Reits market only after it has a group of professional asset managers.

Foxconn confident of buying into Toshiba chip unit

Taiwan's Foxconn, the world's largest contract electronics maker, is "very confident" it can buy into the chip business of Japan's Toshiba, company founder Terry Gou said yesterday. He was speaking as Foxconn broke ground for a 61 billion yuan (\$12.5 billion) flat-screen display factory in China's Guangzhou province.

Asian factories rev up despite uncertain outlook

Asian factories extended a global manufacturing revival as activity picked up steam last month, though the outlook for many of the region's export-reliant economies remained uncertain in the wake of United States President Donald Trump's protectionist stance.

TODAY'S TOP GLOBAL NEWS

What's driving Australia's property boom?

House prices in Australia's biggest cities are on a tear. In the financial capital, Sydney, they've risen 73 percent over five years, ranking it second only to Hong Kong as the world's least affordable housing market. Melbourne prices are up 52 percent. Here are factors driving the boom.

Snap tops expectations in pricing of awaited IPO

Snap Inc priced its initial public offering above its target range on Wednesday, raising \$3.4 billion as investors set aside concerns about its lack of profits and voting rights for a piece of the hottest tech IPO in years.

Asian shares rise, USD supported by rate hike bets

Asian shares rose on Thursday as investors were encouraged by President Donald Trump's measured tone in his first speech to Congress, which sent Wall Street stocks sharply higher, while growing bets on a U.S. rate hike this month buoyed the dollar.

Tesla CH sales triple to more than \$1 bn

Tesla Inc.'s revenue from China last year tripled to more than \$1 billion, indicating better traction in the market Chief Executive Officer Elon Musk has predicted could eventually become the company's biggest. China accounted for more than 15 percent of Tesla's more than \$7 billion of total revenue last year.

Economic Calendar

Date	Release
03.06.2017	PH: CPI Core YoY
03.09.2017	PH: Ex-Im Trade Balance
03.13.2017	PH: Unemployment Rate
03.14.2017	PH: Overseas Remittance YoY
03.15.2017	US: FOMC Rate Decision

Source: Bloomberg Economic Calendar