

# The Daily Dispatch

March 03, 2017  
TODAY'S TOP NEWS

## Stocks gain on Wall St rally

Share prices rose yesterday, tracking the rally on Wall St following investor optimism after US President Donald Trump's speech in Congress. The benchmark Philippine Stock Exchange index (PSEi) gained 64.24 points, or 0.89 percent, while the broader All Shares gained 31.70 points or 0.72 percent to finish at 4,378.87.

## Budget deficit widens 3-fold on infra spending

The government incurred a budget deficit of P353.4b in 2016, widening by almost three-fold, or 190 percent, from the P121.7b shortfall recorded in 2015 amid the Duterte administrations efforts to ramp up public spending on infrastructure, the Bureau of the Treasury reported yesterday.

## CA affirms halt on probe of telco buyout deal

The Court of Appeals (CA) stood firm on its order stopping the Philippine Competition Commission (PCC) from probing the buyout of telecommunication assets of San Miguel Corp. (SMC) by industry giants PLDT Inc. and Globe Telecom.

## DA wants P200b annual budget

The Department of Agriculture (DA) is seeking a P400b budget in the next two years. Agriculture Secretary Emmanuel Piñol said he would ask for a P200b budget next year or more than four times its current allocation, and another P200b for 2019.

## Holcim profit down to P6.8b in 2016

Holcim Philippines reported a lower net income of P6.8b last year, compared to the P8.1b recorded in 2015. "Without the one-off item in 2015, profits were higher by 24 percent in 2016 on effective management of manufacturing costs even as the company raised its cement production capacity," Holcim said.

## Philippine Stock Market Update



**Previous Close:**

7,234.94

**1 Yr Return:**

5.46%

**Open:**

7,232.47

**YTD Return:**

5.25%

**52-Week Range:**

7,198.74 - 7,232.47

**Source:**

Bloomberg

## Foreign Exchange

As of March 2, 2017

US Dollar	Philippine Peso
1	50.370

## PDST-R2 Rates

As of March 2, 2017

Tenor	Rate
1Y	2.6008
3Y	4.0232
5Y	4.0101
7Y	4.9589
10Y	4.4521
20Y	5.2304

## Daily Quote

"Those who have a 'why' to live, can bear with almost any 'how'."

-Victor Frankl

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## MORE LOCAL NEWS

### Wilcon may list at PSE on March 31, first in 2017

Wilcon Depot Inc., a retail chain selling home items and construction supplies, will become the year's first listing at the Philippine Stock Exchange (PSE) as the company hopes to become public by March 31.

### Rev. collection, spending targets in 2016 missed

The government missed its revenue and spending targets last year, resulting in a full-year budget deficit of P353.4b. Bureau of the Treasury data released showed that the government's deficit was 9 percent lower than the revised program of P388.9b, although almost three times bigger than the deficit of P121.7b in 2015.

### MPIC looking to build 25 to 30 hospitals

Infrastructure holding firm Metro Pacific Investments Corp. (MPIC) plans to scale up its footprint in the healthcare industry by building a network of 25 to 30 hospitals over the next decade, complemented by a new chain of about 30 primary care clinics in the next five years.

### Biz buzz: Lim versus Lim

A business forum on airports Thursday got interesting but not just because of the subject matter itself, which was about the possible location of a new Manila international air gateway. That's because two of the main guest speakers, who have been making contradicting statements for months, had the opportunity to face each other.

### Maynilad shortlisted for project in Jakarta

Maynilad Water Services Inc. and its joint venture partner were shortlisted for a big bulk water and distribution project in Indonesia. Maynilad president Ramoncito Fernandez said in an interview the company was one of the four companies that were pre-qualified to bid for a water concession project in Jakarta.

### Filinvest, JG Summit eye Clark

Conglomerate Filinvest Development Corp. and JG Summit Holdings Inc. jointly submitted an unsolicited proposal to develop Clark International Airport, an official of the Transportation Department said Thursday. "It's a submission by Filinvest and JG Summit," Transportation Undersecretary for aviation Roberto Lim said.

### 3 Japan firms looking to invest P14.5b in PH

Three Japanese companies are looking to invest some P14.5b worth of projects in the Philippines, Department of Trade and Industry (DTI) Secretary Ramon Lopez said on Thursday. Lopez told reporters that Japanese shipbuilding company Tsuneishi is eyeing a P5b ship recycling facility in the country.

### Is it FLI vs MWIDE again for Clark development?

A consortium led by Gotianun-owned Filinvest group and the group of Megawide Construction Corporation could once again battle to develop and operate the Clark International Airport in Pampanga. This is the 3rd time Filinvest and Megawide could battle for an infrastructure project.

### Senate to Smart: Conduct IPO to extend franchise

Senate wants Smart Communications Incorporated to conduct an initial public offering (IPO) within two years before it grants the telecommunications giant's 25-year franchise extension, which will also give the Manuel V. Pangilinan-led telco some tax breaks.

## TODAY'S TOP ASIAN NEWS

### China's \$8T Bond Spurs Global Funds to Hire

Speculation that China's 56.3 trillion yuan (\$8.2 trillion) bond market is about to go more global is spurring investment funds to hire in the nation. A central bank official said at the end of last year that China will create conditions for the inclusion of yuan debt in global indexes.

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## MORE ASIAN NEWS

### CH provides calm for markets ahead of Fed hike

While the world's attention has been gripped by politics in the U.S. and Europe in recent weeks, China has been quietly cementing its newfound influence on financial markets. In a week when Fed officials surprised investors by putting an interest-rate hike on the table, emerging markets have taken those signals in stride.

### Asia's ugly duckling of the year is the PH peso

While other Asian currencies have strengthened against the dollar this year, the peso has hit a more than 10-year low and remains locked out of the party. That's because investors are spooked by simmering allegations that President Duterte was involved in unlawful killings and corruption in his former post, which he denies.

### SG manufacturing expands again in February

Singapore's manufacturing sector continued expanding in February for the sixth consecutive month, albeit at a marginally slower rate. Economists said the drag in expansion could possibly have come from the seasonality effect and the softening of bullish sentiments.

### Climbing prices put SEA central banks on alert

After more than a year of disinflation, price pressures are quickly mounting across South-east Asia as rising fuel costs put central banks on watch after years of policy easing.

## TODAY'S TOP GLOBAL NEWS

### Goldman irks bankers with new mobile perks rules

Goldman Sachs Group Inc.'s dealmakers endured job cuts and a tough bonus season. Then the penny pinchers turned to their beloved phones. In a push to cut costs and shift employees from BlackBerry devices to personal mobile phones, the firm is imposing a new policy around the world for reimbursing data and calling expenses.

### Snap spectacular in market debut

Snap surged 44 per cent in its stock market debut, valuing the disappearing-photo app maker at more than US\$28b, but some analysts fret the rally from the first day of trading in New York may not last.

### Global banks have paid \$453b in fines

Banks globally have paid US\$321b (\$453b) in fines since 2008 for a range of regulatory failings, from money laundering to market manipulation and terrorist financing, according to Boston Consulting Group (BCG) data. Banks paid US\$42b in fines last year alone, a 68 per cent rise on the previous year, the data showed.

### US\$321b: Fines paid by world's biggest banks

Banks globally have paid US\$321b in fines since 2008 for an abundance of regulatory failings from money laundering to market manipulation and terrorist financing, according to data from Boston Consulting Group.

### Venezuela is down to its last \$10b

Venezuela's central bank is down to its last \$10.5b in foreign reserves. Over the remainder of 2017, Caracas needs to fund \$7.2b in debt payments – an amount that it can only meet if oil prices spike far higher than the ongoing boosts caused by OPEC's output reduction agreement.

## 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