

# The Daily Dispatch

March 06, 2017  
TODAY'S TOP NEWS

## MVP group plans to build children's hospital

The listed infrastructure conglomerate led by Manuel V. Pangilinan is planning to pour "billions of pesos" into building a hospital in Metro Manila that will specialize in childcare, as the group seeks to expand its footprint as the largest hospital operator in the country.

## MWIDE consortium to propose cable cars in Cebu

The consortium of listed builder Megawide Construction Corporation and Bangalore-based airport operator GMR Infrastructure Limited plans to propose a cable car system project to the government of Cebu to ease traffic woes in the city tagged as the worst metro area to drive in last year by Waze.

## Banks prepare for higher interest rates

Investment banks are anticipating a shift in monetary policy by the Bangko Sentral ng Pilipinas (BSP) with the impending rate hike in the US this month. DBS Bank Ltd economist Gundy Cahyadi said a rate hike by the US Federal Reserve this month would embolden the BSP to change its monetary policy stance.

## Phl factory revival on its way, says BOI

The Philippines' manufacturing revival will be in full swing this year as the BOI expects the share of manufacturing projects in the agency's total approved investments to double. The BOI is projecting the share of registered manufacturing projects to jump to at least 22% this year from last year's 11%.

## More airlines use Clark for strategic expansion

Local and foreign airline companies have started to use Clark International Airport to boost their strategic expansion, a top Clark investor noted. Mark Williams, CEO of GGDC, said the simultaneous expansion of airline companies at Clark is a clear indication of robust growth and strong demand in Central and Northern Luzon.

## Philippine Stock Market Update



Previous Close:

7,247.12

1 Yr Return:

6.71%

Open:

7,228.92

YTD Return:

5.57%

52-Week Range:

7,216.37 - 7,238.15

Source:

Bloomberg

## Foreign Exchange

As of March 3, 2017

US Dollar	Philippine Peso
1	50.380

## PDST-R2 Rates

As of March 3, 2017

Tenor	Rate
1Y	2.6287
3Y	3.7414
5Y	4.0333
7Y	4.8971
10Y	4.9786
20Y	5.2571

## Daily Quote

"The last 10 percent it takes to launch something takes as much energy as the first 90 percent."

--Rob Kalin, founder of Etsy

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## MORE LOCAL NEWS

### Moody's unit sees slower growth in mfg output

A unit of Moody's Corp. said the growth in the country's factory output slowed down but remained at double-digit levels in January amid stronger global demand. Moody's Analytics said Philippine industrial production growth likely eased to 15 percent in January from 23 percent in December.

### Philab names new chief

Philab Holdings Corp., a local health sciences enabling company, recently announced the appointment of Atty. Berberabe as its new president and CEO. Before joining Philab, Berberabe has been CEO of Pag-IBIG since 2010 and was recognized as the 'Asia CEO of the Year Award for Public Sector Leadership' in 2013.

### SMC not keen on Thermal to LNG conversion

SAN MIGUEL Corp. (SMC) is not keen on bidding for the 650-megawatt (MW) Malaya thermal power plant if the condition is for its conversion into a liquefied natural gas (LNG) facility, the top official of the conglomerate's power unit said.

### Landbank set to issue special bonds

The state-owned Land Bank of the Philippines plans to issue special bonds to unlock part of an estimated P325 billion that banks have failed to lend out to the agriculture and fisheries sector as mandated under the "agri-agra" law and channel funds to farmers' cooperatives.

### Real estate trends, outlook for 2017

Robust growth will be largely driven by the country's sound macroeconomic fundamentals, the growing knowledge process outsourcing industry, aggressive infrastructure spending by the incumbent Duterte administration, and the sustained private sector confidence.

### Biz Buzz: New blood, new life for PCCI

What should three businessmen do for an encore after building, from the ground up, one of the most successful mass housing firms in the Philippines in recent years? Well, going into financial services might be a good idea.

### Romulo takes oath as chairman of DBP

Finance Secretary Carlos Dominguez III swore into office last week former senator Alberto Romulo as the new chairman of the board of the state-run Development Bank of the Philippines. Rogelio Garcia also took his oath of office before Dominguez as a director of the DBP board.

### San Miguel revives Laiban Dam project

SMC remains keen on the Laiban Dam project in Tanay, Rizal and is waiting for the new administration to act on an unsolicited proposal. "We haven't heard (from the gov't)... We have an unsolicited bid on the table that can always be updated," said SMC Power president Alan Ortiz.

### MPIC plans to cut Maynilad stake

Infrastructure conglomerate Metro Pacific Investments Corp. plans to reduce its stake in water unit Maynilad Water Services Inc. to raise funds for toll road projects, an executive said over the weekend. Maynilad president Ramoncito Fernandez said MPIC was in talks with potential investors for a possible sell-down on Maynilad.

### Govt allots P50M budget to mining review teams

DBM is allocating P50m to fund the teams that will review the closure and suspended orders issued by the DENR. The MICC has created a technical working group to supervise the work of five teams after the DENR ordered 23 mining operations closed and five others suspended.

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## TODAY'S TOP ASIAN NEWS

### China trims GDP target, siting severe challenges

Chinese Premier Li Keqiang warned Sunday, March 5, the world's second-largest economy faces severe challenges, signaling a further deceleration as he announced a trimmed 2017 GDP growth target of "around 6.5%." Full-year growth in 2016 came in at 6.7%, the weakest since 1990.

### CH property investors could exit US for Asia

Chinese real-estate investors are losing interest in the U.S. as their concern over yuan depreciation eases and questions swirl around President Donald Trump's stance on protectionism. That's the view of Andrew Haskins of Colliers International, who expects Chinese capital to return to Asia as investors pull out of America.

### Asia is globalisation's new powerhouse

Anti-globalisation sentiments are spreading in America and Europe, but definitely not in Asia, the continent that is leading global economic growth. Surprisingly, this crucially important point is usually overlooked.

### CH to simplify tax rules to shore up the economy

Premier Li Keqiang said on Sunday the government will trim the four-tier VAT regime to three levels, part of the fiscal and tax reform plan which led to a tax cut of 570 billion yuan in 2016. Li was speaking as he delivered the annual government work report at the opening session of the National People's Congress in Beijing.

## TODAY'S TOP GLOBAL NEWS

### Deutsche CEO has new strategy: reverse his old one

Deutsche Bank AG Chief Executive Officer John Cryan tore up his own turnaround plan in an admission that the 17-month-old effort flopped. Directors at Germany's largest bank late Sunday approved measures - most crucially, plans to raise about US\$8.5 billion in a share sale - that effectively restart the turnaround plan.

### US energy stocks, 2016 darlings, stumble in 2017

The energy sector is the stock market's dud so far in 2017 after a banner performance in 2016, and the rest of the year may also be rocky for investors due to the unclear path for crude oil prices. Energy shares have been weak after peaking in mid-December, and are the worst-performing of the S&P's 11 stock sectors in 2017.

### Trudeau heightens global energy talks

With Canada's critical role in ensuring North American energy security and also in shoring up the world's gas supply, Trudeau is expected to stir up global energy discussions on this year's CERA Week here. Trudeau will also be the recipient of Global Energy and Environment Leadership Award during the week-long energy conference.

### Vitol to Offer 4 Million Barrels of Stored Oil

Vitol Group BV is offering to sell Nigerian crude oil from a storage terminal in South Africa, five traders familiar with the matter said, in what may be a signal that the global supply glut is beginning to ease.

### Euro-Area Economy Expands Most Since 2011

Euro-area output rose to the highest level in almost six years in February as growth in the region's top four economies accelerated. A composite Purchasing Managers' Index climbed to 56.0 from 54.4 in January, putting the currency bloc on track for quarterly growth of 0.6 percent, IHS Markit said on Friday.

## 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