

The Daily Dispatch

March 07, 2017
TODAY'S TOP NEWS

No need to adjust BSP policy stance – Tetangco

BSP Governor Amando M. Tetangco Jr. yesterday said they may not need to tweak interest rates since the market has already factored in a hike in US rates this month. The US Federal Reserve has announced its intention to adjust its monetary policy stance soon, very possibly when they meet on March 15/16.

Lopez confirmation hearing moved to May

Confirmation hearings for Environment Secretary Gina Lopez have been postponed anew and pushed back two months. Lopez said the hearing slated on March 8 will be rescheduled to May 3 as she will be out of the country next week for a retreat.

ERC okays leaner Meralco rate hikes

The Energy Regulatory Commission (ERC) has decided favorably on the application of Manila Electric Company (Meralco) to stagger its increased generation charges for March to May, but it had just been set at a leaner P0.2211 per kilowatt hour (kwh) instead of P0.30 per kwh as petitioned for.

BoI sets guidelines for Duterte-approved IPP

The Board of Investments (BoI) is now finalizing the general policies and specific guidelines for implementation of the 2017 Investments Priorities Plan (IPP) just approved by President Rodrigo Duterte. The IPP as proposed by the BoI was approved February 28 through Memorandum Order 12, and is due to take effect March 18.

Harbor Star slates P1B expansion

Harbor Star Shipping Services is planning to spend as much as P1B this year to expand its tugboat operations while diversifying into renewable energy and the chassis roll-on-roll-off business. They are eyeing the acquisition of 6 more tugboats to support the company's effort to expand within and outside the country.

Philippine Stock Market Update



Previous Close:

7,313.87

1 Yr Return:

8.11%

Open:

7,310.65

YTD Return:

6.89%

52-Week Range:

7,303.43 - 7,326.07

Source:

Bloomberg

Foreign Exchange

As of March 6, 2017

US Dollar	Philippine Peso
1	50.309

PDST-R2 Rates

As of March 6, 2017

Tenor	Rate
1Y	3.0679
3Y	3.7521
5Y	4.3607
7Y	4.8725
10Y	4.9589
20Y	4.8750

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

The Daily Dispatch

MORE LOCAL NEWS

PLDT: Smart compliant with listing obligations

PLDT: "Our position regarding this listing obligation contained in the original Smart franchise has been consistent, i.e. that the listing obligation has been complied with when PLDT Inc., a listed company with a public float of over 50%, acquired 100% of Smart in 2000. As such, Smart is effectively owned by PLDT shareholders."

US labels PH as major money laundering site again

The Philippines was once again tagged as a major money laundering site by the US State Department, which cited the \$81-million cyber bank heist that was coursed through the local banking system as well as the country's "international drug trade" as reasons.

Palace approves broadband network plan

PRESIDENT Rodrigo R. Duterte on Monday approved the establishment of a national broadband system that would provide connectivity to areas not served by commercial telco players, according to a Cabinet Secretary who was present at the meeting.

SM Prime to launch P20-billion bond issue in April

SM PRIME Holdings, Inc. is raising P20 billion next month to cover its capital spending that may amount to P55 billion by issuing the second tranche of its shelf offering.

ICTSI set to acquire 5 modern quay cranes

International Container Terminal Services Inc. said Monday it will acquire the most modern equipment for its Manila port as a part of a massive capacity building program. The order for the Manila International Container Terminal includes five post-Panamax quay cranes capable of servicing up to 13,000-TEU boxships.

PEMC studies electricity derivatives market

The operator of the country's WESM has started a feasibility study on the electricity derivatives market which will allow industry participants to manage price movements in the WESM. The study aims to assess the legal and technical aspects of implementing a derivatives market and strategize the phased-in market development.

PCC deepens probe on cement industry

The Philippine Competition Commission is set to go full blast on its investigation of alleged violations of competitive practices in the local cement industry. PCC said it found reasonable grounds to proceed to an investigation on the cement industry for possible violations of Sections 14-15 of the Philippine Competition Act.

TODAY'S TOP ASIAN NEWS

China's Banking System Hits \$33T

Something historic, if largely unnoticed, took place at the end of 2016: China's banking system surpassed that of the eurozone, becoming the world's largest by assets, which according to the FT is a sign of both of the country's increased influence in world finance and its reliance on debt to drive growth since the global financial crisis.

Success of CH's supply-side reforms may not last

Beijing's supply-side reforms, introduced a little over a year ago with the aim of eradicating idle capacity in heavy industry, were broadly welcomed as essential to securing China's long-term growth.

TODAY'S TOP GLOBAL NEWS

Oil glut could turn into a supply crunch

Global oil supply may struggle to match demand after 2020, when the pinch of a two-year decline in investment in new production could leave spare capacity at a 14-year low and send prices sharply higher, the International Energy Agency (IEA) said on Monday.

The Daily Dispatch

MORE GLOBAL NEWS

CH currency manipulation could be what US needs

Top US economic officials, set to meet their CH counterparts next week at a Group of 20 gathering, may find one of their toughest challenges yet to hash out agreed language on FOREX policy. Both nations have repeatedly endorsed moves toward a market-set CH currency, with Premier Li Keqiang saying it will be "further liberalized."

MS is begging the Fed to let go of market's hand

The Federal Reserve has been holding the hand of the world's biggest debt market far too tightly. So laments Morgan Stanley head of global interest-rate strategy Matthew Hornbach after a week in which a bevy of Fed officials telegraphed a March interest-rate hike, with the exclamation mark coming Friday from Chair Janet Yellen.

Australian gas firms locked in legal battles

After splurging \$200 billion building the world's biggest gas export plants, producers in Australia are now locked in legal battles with contractors over who should shoulder billions of dollars in liabilities sparked by delays and cost blow-outs.

Exxon to invest \$20B on Gulf Coast refining projects

Exxon Mobil Corp, the world's largest publicly traded oil producer, said on Monday it would invest \$20 billion through 2022 to expand its chemical and oil refining plants on the U.S. Gulf Coast. The investments at 11 sites should create 35,000 temporary construction jobs and 12,000 permanent jobs, CEO Darren Woods said.

Snap slumps 12%, closes at lowest level since IPO

Shares of Snap Inc slumped 12 percent on Monday and closed at their lowest level of the three sessions since the Snapchat owner's soaring market debut last week. The listing was the hottest technology offering in 3 years, but the loss-making company's lofty valuation and slowing user growth have raised eyebrows on Wall Street.

Standard Life, Aberdeen agree on \$19b merger

Investment managers Standard Life and Aberdeen agreed an £11 billion (\$\$19 billion) merger that should save £200 million a year in costs. The deal comes as asset managers, which charge higher fees to make active investment decisions, face growing competition from low-cost index-tracking rivals and rising regulatory costs.

DB tests investor patience with \$8.5 bn cash call

Deutsche Bank's chief executive pledged on Monday to see through a strategic turnaround as he sought to persuade weary shareholders to sign an 8 billion euro (\$8.5 billion) cheque to back his plans.

KKR Gets Record \$13.9B for N. American Fund

KKR & Co. amassed \$13.9b for its latest private equity fund, the most ever raised for a buyout pool focused on North America. The firm gathered the maximum \$12.5b agreed to with investors and added \$1.4b from its balance sheet and employees, according to a statement Monday from New York-based KKR.

Eurozone Capital Flight Intensifies

German target2 imbalances exceed levels hit in the Eurozone crises in 2012. Things improved considerably after ECB president Mario Draghi made his famous statement "Within our mandate, the ECB is ready to do whatever it takes to preserve the euro. And believe me, it will be enough".

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