

The Daily Dispatch

March 08, 2017
TODAY'S TOP NEWS

Inflation spikes to 3.3% in February

Consumer prices grew at their fastest pace in more than two years in February, but still within the range the Bangko Sentral ng Pilipinas had expected. The Philippine Statistics Agency (PSA) reported yesterday that annual inflation stood at 3.3 percent in February, faster than the 2.7 percent reading in January.

Lopez asks Duterte to halt second MICC mine review

Lopez has asked Duterte to halt a second review of 28 mines that she ordered closed/suspended, challenging its legality despite initially supporting it. The U-turn by the DENR Secretary comes as she faces pressure to defend her decision to shut more than half the country's mines, a move that prompted concerns about lost revenue.

ICTSI launches program to modernize Mla port

International Container Terminal Services Inc. (ICTSI) is set to acquire modern equipment for the Manila International Container Terminal (MICT) to enable the facility to have the largest vessel handling capability in the country and be at par with those in major developed markets around the world.

PLDT sees earnings recovery this year

PLDT Inc. expects 2017 to be a better year as it implements initiatives to increase revenue particularly from the fixed line business. "I don't think we'll be completely out of the woods yet. There is still a lot of things to be done but at least the picture seems to be brighter for 2017," MVP said.

Forex reserves slightly drop to \$81.1B

The country's foreign exchange buffer thinned slightly in February due to outflows arising from the weaker peso as well as the payments made by the government for its maturing obligations. The BSP reported yesterday the country's gross international reserves (GIR) amounted to \$81.13B in February, \$244.2M lower than in January.

Philippine Stock Market Update



Previous Close:

7,294.52

1 Yr Return:

7.93%

Open:

7,314.42

YTD Return:

7.11%

52-Week Range:

7,313.77 - 7,341.58

Source:

Bloomberg

Foreign Exchange

As of March 7, 2017

US Dollar	Philippine Peso
1	50.324

PDST-R2 Rates

As of March 7, 2017

Tenor	Rate
1Y	3.0839
3Y	3.8626
5Y	4.0713
7Y	4.9625
10Y	5.0482
20Y	5.2321

Daily Quote

"Always make a total effort, even when the odds are against you."

--Arnold Palmer

The Daily Dispatch

MORE LOCAL NEWS

Pre-need firms net 26% more to P2.1B in 2016

The pre-need industry posted a net income of P2.1B in 2016, more than 26% higher than the P1.6B in 2015 as pre-need companies sold more plans during the period, the Insurance Commission (IC) reported yesterday. The data also showed a 1% decrease in industry's total premium in 2016, ending at P16.3B from P16.4B in 2015.

PLDT to outsource back-office IT to IBM

Over a thousand employees could be affected by PLDT's move to outsource its back-office IT operations to American multinational firm IBM. "We will be outsourcing our IT operations to IBM. That is under discussions. Hopefully, we will [close the deal] by the 2nd quarter of the year", said PLDT CEO Manuel V. Pangilinan.

Agriculture guide map for farmers up

The government on Tuesday launched the NACCAG Map that will teach farmers what to plant in their farms. Agriculture Secretary Emmanuel Piñol said the NACCAG was completed in the past seven months by the Department of Agriculture under its Adaptation and Mitigation Initiative in Agriculture Program.

Poorest provinces do not host a mine

None of the 10 poorest provinces in the country hosts a mine, according to a study conducted by a government statistics office. The survey result dismissed the claim of Environment Secretary-designate Regina Lopez that "the poorest areas in the Philippines are mining areas."

AG&P teams up with Air Liquide on LNG ventures

AG&P (Atlantic, Gulf and Pacific Co.) announced on Tuesday that it has signed a Memorandum of Understanding (MoU) with Air Liquide Global E&C Solutions to develop small-scale LNG (liquefied natural gas) infrastructure for LNG distribution across Asia.

8990 CEO acquires stake in Italpinas, joins board

ITALPINAS Development Corp. has appointed the president and chief executive officer of fellow property developer 8990 Holdings, Inc. to its board of directors. Mr. Atencio has acquired 10,000 of the 221,618,800 outstanding common shares of Italpinas when he became a regular member of the company's board.

PLDT looks to sell Beacon assets by 1st half

PLDT, Inc. Chairman, President and CEO Manuel V. Pangilinan said the company is already in "serious" talks with a potential buyer, adding there is a good chance to close the deal for the sale of its remaining 8.74% stake in Manila Electric Co. (Meralco).

Biz Buzz: Solar vs Piracy

The chief prosecutor of Quezon City recently issued a resolution indicting Philip Chien and other officers and directors of First United Broadcasting Corp. (FUBC) with this—253 counts of copyright infringement in a case watched for its implications for technology innovation and intellectual property protection in the Philippines.

TODAY'S TOP ASIAN NEWS

Booming Myanmar gets a crash course in capitalism

Myanmar's economy is among the global pacesetters in terms of growth. By most other measures, it's one of the laggards, a legacy of five decades of isolationist military rule. The optimism that greeted the country's opening up to the world has been tempered by economic realities.

CH is running out of time to cut excess capacity

The tailwind from surging factory prices is strengthening corporate profits and supporting growth, opening a window for China to deepen cuts in excess industrial capacity without inflicting too much damage on the broader economy. The catch: that window may not stay open for long.

The Daily Dispatch

MORE ASIAN NEWS

Most valuable CH drugmaker sees sales surge

China's largest drugmaker by market value forecast a revenue surge as more of its drugs get approved overseas and said it plans to bolster its international presence over time through deals of up to \$2 billion. Jiangsu Hengrui Medicine Co. is looking to buy companies making both generic and innovative pharmaceuticals.

ZTE to pay record US\$1.2 billion in penalties

ZTE Corp, China's largest listed telecommunications equipment supplier, has agreed to record-high penalties totaling about US\$1.2 billion imposed by the United States government to settle its violation of long-standing trade sanctions on Iran and North Korea.

US\$435m to nurture CH's internet giants

Hong Kong-listed Oriental Patron Financial Group has teamed up with mainland China's private equity group Magsun Capital to launch a 3 billion yuan (US\$435 million) fund with ambitions to create internet-based corporate behemoths in the Chinese market.

JP's lack of hotel rooms offers opportunity

Hong Kong-based Look's Asset Management has spotted that gap in the investment market and plans to buy up dozens of Japanese residential buildings in core areas and refurbish them into short-stay apartments, similar to what Airbnb does to boost returns for its investors.

TODAY'S TOP GLOBAL NEWS

UK's May fights back after another Brexit loss

U.K. Prime Minister Theresa May is fighting back against Brexit rebels in her ruling Conservative Party as she steps up her battle to start the formal process of pulling Britain out of the European Union. The premier fired government adviser Michael Heseltine after he led a 13-strong revolt in the House of Lords.

How the Fed shifted market rate hike expectations

Early last week, financial markets saw just a 30 percent chance of the Federal Reserve raising interest rates in March; but by Friday after a striking series of comments from Fed officials, including Chair Janet Yellen, traders saw an 80 percent chance.

Ukraine has lost billions on the trade agreement

The Deep and Comprehensive Free Trade Agreement (DCFTA) between Ukraine and the European Union, which came into force on 1 January 2016, was aimed at helping the East European economy to recover; however, the results after the first year fell far short of Ukraine's expectations.

EDF begins \$4.2B share sale to bolster balance sheet

Electricite de France SA, Europe's biggest power producer, began a sale of 4 billion euros (\$4.2 billion) of shares to bolster its balance sheet and help fund a planned nuclear plant in southwest England. Existing investors can buy three new shares for every 10 they own at 6.35 euros apiece, a third lower than Monday's price.

Hewlett Packard Enterprise to buy Nimble for \$1B

Hewlett Packard Enterprise Co. agreed to buy Nimble Storage in a deal valued at about \$1b, bolstering a higher-growth segment of the market for data storage. The \$12.50-a-share offer for Nimble was 45% more than Monday's closing price.

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