

# The Daily Dispatch

March 14, 2017  
TODAY'S TOP NEWS

## MWIDE consortium alarmed over Clark proposal

The consortium of Megawide Construction Corporation and Bangalore-based airport operator GMR Infrastructure Limited is alarmed over the transportation department's decision to abandon its July 2016 unsolicited proposal to develop, operate, and maintain the Clark International Airport.

## 5 regional airport PPP's attract more honchos

Ayala Corporation's infrastructure group and Lucio Tan-led Asia's Emerging Dragon Corporation could go head-to-head with other top listed conglomerates for the development, operations, and maintenance of 5 unbundled regional airports in Bacolod, Davao, Iloilo, Laguindingan, and Bohol.

## AC nets P26B in 2016, eyes power and digital

Ayala Corporation, the holding firm of the country's oldest conglomerate, is setting its sights on energy and the digital world in 2017, after having closed 2016 with its emerging sectors growing more influential. AC ended 2016 with a net income of P26 billion, up 17% YoY, the firm disclosed on Monday, March 13.

## SMB income up 31% to P17.7 B

San Miguel Brewery Inc. (SMB) posted a net income of P17.7B last year, up 31% year on year on increased revenues. Consolidated revenues rose 18 percent to P97.2B while operating income went up to P27.2B. In terms of domestic operations, SMB reported its highest-ever sales volume of 202.6 million cases, 15% better than in 2015.

## Mine closures seen to trim exports, GDP

Investment banking giant Credit Suisse said the decision of the DENR to close 23 mine sites and suspend five others could reduce the country's export earnings and slow down economic growth. Real GDP growth could decline by around 0.2% points, while employment could decline by around the same magnitude of 0.3% points.

## Philippine Stock Market Update



**Previous Close:**

7,233.09

**1 Yr Return:**

3.80%

**Open:**

7,253.13

**YTD Return:**

6.35%

**52-Week Range:**

6,499.00 - 8,118.44

**Source:**

Bloomberg

## Foreign Exchange

As of March 13, 2017

US Dollar	Philippine Peso
1	50.320

## PDST-R2 Rates

As of March 13, 2017

Tenor	Rate
1Y	3.1696
3Y	3.8992
5Y	4.4633
7Y	5.0129
10Y	5.1000
20Y	5.5161

## Daily Quote

"The difference between ordinary and extraordinary is that little extra."

--Jimmy Johnson

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## MORE LOCAL NEWS

### SMIC recovery pulls index higher

The stock market climbed yesterday, buoyed by SM Investment's recovery from Friday's selloff, analysts said. The benchmark Philippine Stock Exchange index (PSEi) gained 86.82 points, or 1.21 percent, to finish at 7,233.09 while the broader All Shares gauge gained 35.62 points, or 0.82 percent, to finish at 4,379.01.

### Philippines , China to finalize \$1.5B agri exports

The PH and China are set to sign tomorrow an agreement for the purchase of local agricultural products now worth \$500M more than the earlier estimated value. The International Chamber of Commerce Philippines chairman said the local agriculture products China intends to buy from the country are now valued at "more or less" \$1.5B.

### 15 big-ticket infra projects lined up for loan financing

The NEDA has lined up 15 big-ticket infrastructure projects for loan financing.. To be prioritized in securing loans are the \$53.6M Irrigation Project in Cagayan and Kalinga provinces the \$374M New Centennial Water Source-Kaliwa Dam Project in Quezon province and the South Line of the North-South Railway Project.

### MPIC to revive P50-B bid for C-5 overhead expressway

Metro Pacific Investments Corp. is planning to resubmit an unsolicited proposal worth P50B for an overhead expressway around C-5 in the second quarter. Rodrigo Franco, president and CEO of MPIC tollway arm Metro Pacific Tollways Corp., said the group is looking to resubmit the proposal next quarter to the DPWH.

### Basel 3 implementation on track

THE Bangko Sentral ng Pilipinas (BSP) is broadly on track with adopting banking reforms under the Basel 3 framework, a senior central bank official said, but noted that the full implementation could be pushed back beyond 2019 as market players prepare for such major changes.

### Plant capacity rises 13% to over 21,000 MW

Philippine power plants ended 2016 with a total installed capacity of 21,423 megawatts (MW), up 13%, though dependability statistics showed only slight improvement.

### PH 2016 oil import bill down 13.5%

A decline in import costs of crude and petroleum products allowed the country to have a lower oil import bill in 2016, the Department of Energy (DoE) said in a report on Monday. DoE data showed the country's import bill was down 13.5 percent at \$7.451.9 billion last year from \$8.612.0 billion in 2015.

### Govt launches Foodlane Project

The government on Monday launched the Foodlane Project to ensure an efficient distribution system of agricultural commodities from farms to markets. The government will designate food lanes for the vehicles exempted from the MMDA ban on trucks and large vehicles along major thoroughfares in Metro Manila.

## TODAY'S TOP ASIAN NEWS

### Realtors investigated in HK for overseas sales

Hong Kong's securities regulator is investigating whether realtors selling overseas properties are illegally marketing investment plans, according to a lawmaker helping investors who lost money on such deals.

### Jailed Samsung chief could still play a corp. role

The head of South Korea's Samsung Group [SAGR.UL], Jay Y. Lee, may be languishing in a jail cell but he is allowed plenty of visitors, which may allow him to play a key role in corporate decisions even if he isn't running the conglomerate like he did before.

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## MORE ASIAN NEWS

### R&F's Angola mine snared by CH's capital controls

Property developer R&F Properties is calling on the authorities in China to make a special case for its investment in Africa and Southeast Asia, as the lengthy and unpredictable approval process for moving money overseas may be jeopardising their international projects.

### PAG Asia Capital buys Yingde

Yingde Gases Group's shareholders voted on Wednesday to end a four-month long boardroom tussle at China's third-largest industrial gases supplier, ejecting their chairman and retaining two co-founders to the company to pave the way for a sale to a Hong Kong buyout fund.

### APAC M&A activity to see 6% increase in H12017

Secure collaboration provider Intralinks has forecast a 6% increase, with a range between 3% and 10%, in the total announced M&A deals to be announced in H12017 compared to the same period last year, according to its Deal Flow Predictor.

### CH fines offender \$170M for stock manipulation

Chinese regulators seem to have run out of patience with Tang Hanbo. The China Securities Regulatory Commission on Friday ordered Tang to pay a total of 1.17 billion yuan (\$170 million) in two cases of stock market manipulation, one of which was the first to involve trading through the stock connect between the mainland and HK.

## TODAY'S TOP GLOBAL NEWS

### Theresa May gets permission to start Brexit

U.K. Prime Minister Theresa May is preparing to trigger Brexit in the last week of March after securing the permission of lawmakers to begin two years of talks with the European Union. She now faces the simultaneous challenge of pulling Britain out of the EU on good terms while navigating Scotland's renewed bid for independence.

### ECB faces a daunting uphill battle

You really wouldn't want to be in the European Central Bank's shoes right now. It is stepping through a minefield, tiptoeing between perilous politics, conflicting economic signals and deep divisions about where euro zone monetary policy should be heading.

### An ex-Tesla exec's \$4.2B battery battle with Musk

NorthVolt AB, the Swedish company founded by a former Tesla Inc. executive, wants to cut the cost of storing power in half with a 4b euro (\$4.2b) lithium-ion battery factory. The Stockholm-based company wants to raise 1b euros by 2018, when it plans to break ground on a factory during the second half of the year.

### Engie eyes bid for \$19.8B utility firm Innogy

Engie SA is weighing an offer for RWE AG's German renewable-energy utility Innogy SE, which has a market value of about 18.6 billion euros (\$19.8 billion), people familiar with the matter said. The former French natural gas monopoly is speaking to advisers and hasn't made a final decision about whether to proceed.

### Kushners set to get \$400 mn from Anbang

A company owned by the family of Jared Kushner, U.S. President Donald Trump's son-in-law, stands to receive over \$400 million from China's Anbang Insurance Group, that is investing in a Manhattan building owned by the Kushners

## 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