

The Daily Dispatch

March 17, 2017
TODAY'S TOP NEWS

Labor dep't spells out contracting curbs

The Department of Labor and Employment (DoLE) yesterday issued an order that spelled out the rights of both employers and workers in a contractual hiring arrangement, ending nearly a year of speculation over the Duterte government's labor policy.

Ayala buys 2 renewable energy firms

Conglomerate Ayala Corp. has scaled up its renewable energy portfolio with the acquisition of 100 percent of solar energy firm Bronzoak Clean Energy and San Carlos Clean Energy. With the acquisition, San Carlos Clean Energy and Bronzoak have been renamed as AC Energy DevCo Inc. and Visayas Renewables Corp., respectively.

China Bank completes ATC Securities buyout

In a statement to the local bourse on Thursday, the Sy-led bank said it concluded last March 6 its acquisition of 100% outstanding shares of ATC Securities after the purchase agreement was approved by the Securities and Exchange Commission and the Philippine Stock Exchange, "subject to post-closing requirements."

Biz Buzz: Mining firm fight

Intracorporate disputes are fairly common in the local setting, but it is uncommon for disputes to reach the point where arrest warrants are issued against one of the parties involved. It is even more uncommon given the identity of the aggrieved party: businessman Eric Gutierrez and his firm Galeo Equipment and Mining Co.

DOF identifies P326B projects for implementation

DOF: The Duterte administration has identified P326B worth of projects for implementation this year aiming to transform the country's source of growth from consumption to investments. Businesses will be "busy" starting this year, as the government's big-ticket infrastructure projects are rolled out.

Philippine Stock Market Update



Previous Close:

7,278.60

1 Yr Return:

2.83%

Open:

7,307.01

YTD Return:

6.38%

52-Week Range:

6,499.00 - 8,118.44

Source:

Bloomberg

Foreign Exchange

As of March 16, 2017

US Dollar	Philippine Peso
1	50.184

PDST-R2 Rates

As of March 16, 2017

Tenor	Rate
1Y	2.6451
3Y	3.8599
5Y	4.0517
7Y	4.9500
10Y	4.7287
20Y	5.4339

Daily Quote

"Creativity is intelligence having fun."

-Albert Einstein

The Daily Dispatch

MORE LOCAL NEWS

BSP sees no need to increase rates

The Bangko Sentral ng Pilipinas sees no need to tweak the country's policy settings despite the decision of the US Federal Reserve to raise interest rates for the second time in three months. BSP Governor Amando Tetangco Jr. said the announcement of the rate hike in the US was in line with market expectations.

Global Power to build 670MW coal plant in Luzon

Global Business Power (GBP) Corp. is eyeing to expand its energy portfolio with a plan to put up a 670MW coal plant in Luzon. "Now that we have secured the base-load requirement of the Visayas with our facilities in Cebu and Panay, we are now looking into expanding in Luzon," GBP EVP Jaime Azurin said.

Over \$400M foreign funds net outflow in February

Foreign portfolio investments or hot money flew out of the Philippines in February as investors took profits due to concerns about the interest rate hike in the US, the policies of the Trump administration as well as the closure of several mining companies.

BSP income at all-time high P17B

Earnings of the BSP hit an all-time high of P17.02B last year on the back of higher revenues, lower expenses as well as higher gains on its foreign exchange operations. The net income of the central bank last year, the first after six years of net losses, was a complete reversal of the P4.45B net loss incurred in 2015.

Phoenix Petroleum earmarks P10B to fuel expansion

Phoenix Petroleum is earmarking up to P10B to ramp up its aggressive growth plan through the expansion of its retail network as well as acquisitions over the next three years. The amount is on top of the company's P2B budget for capex in 2017 as it continues to increase its retail network, storage and logistic capacities.

Royal Caribbean eyes homeport in Boracay

Royal Caribbean Cruise Ltd., the world's second-largest cruise line operator, plans to build a homeport in the Philippines through a purpose-built terminal either in Caticlan or Boracay, the Tourism Department said Thursday.

Megawide contests JG's bid for Clark

Megawide Construction Corp. and partner GMR Infrastructure Ltd. of India said Thursday they are awaiting the government's decision on the group's unsolicited proposal to develop the Clark International Airport. GMR Megawide earlier expressed concern over the DOTr's plan to endorse a different proposal for Clark.

TODAY'S TOP ASIAN NEWS

Asia's private equity funds lose steam

The days of "buy low, sell high" have ended for private equity funds in Asia-Pacific as funds are pushed to identify new sources of value amid inflated valuations, slower economic growth and rising interest rates, an industry report said yesterday.

China's capital curbs may be paying off

China's capital controls are biting, but that doesn't mean policy makers can relax. The curbs -- under fire from company chiefs to offshore investors -- are keeping order in Chinese markets, which risk descending into volatility should authorities loosen their grip on money flows and the yuan.

MMR is struggling to keep foreign investors happy

A pariah state for decades, Myanmar's recent emergence from economic isolation has attracted foreign companies and investors intrigued by its untapped potential, abundant natural resources and low wage workforce. Yet some of the initial euphoria over the long-term outlook for one of the world's last frontier markets is waning.

The Daily Dispatch

MORE ASIAN NEWS

Saudis study \$65B in Chinese investments

Saudi Arabian Oil Co. may deepen investment in China's oil industry as part of \$65B worth of potential deals signed between the two countries in everything from energy to manufacturing and a theme park. Companies from both countries signed 22 agreements to study joint investment opportunities at a ceremony in Beijing.

HNA buys fourth site near old HK airport

HNA-controlled Hong Kong International Construction Investment Management Group unit Milway bid HK\$7.44B (\$1.35B) for the 9,482 sq m (102,000 sq ft) plot, the company said in a stock exchange filing late Wednesday (March 15). The four sites will be combined into a single residential project totaling almost 400,000 sq ft.

Cathay seeks to cut staff costs

Cathay Pacific Airways Ltd., which reported its first annual loss since 2008 this week, has set a target of 30 percent savings in staff costs at its Hong Kong head office as part of the biggest revamp in two decades.

Why CH unexpectedly hiked rates 10 hrs after Fed

In a case of eerie coordination, China tightened monetary conditions across many of the PBOC's liquidity-providing conduits just 10 hours after the Fed raised its own interest rate by 0.25% for only the third time in a decade.

TODAY'S TOP GLOBAL NEWS

VNZ's cash-strapped PDVSA offers Rosneft oil stake

Venezuelan state oil company PDVSA has offered Russian counterpart Rosneft a stake in a joint venture in the country's Orinoco Belt extra-heavy crude area, five industry sources said, in a sign of the Latin American nation's dire economic situation and Moscow's growing muscle there.

The market is acting like the Fed cut rates

Financial markets are telling Janet Yellen there's more work to be done -- or else. While the Federal Reserve chair raised interest rates by 25 basis points as expected Wednesday, the outlook was less hawkish than market participants foresaw, with projections for the medium-term tightening cycle largely unchanged.

Too many people are going to New Zealand

New Zealand's tourism boom is stretching its infrastructure to a breaking point. With 3.5 million short-term arrivals last year -- 480,000 more than had been projected only two years earlier -- a lack of capacity may end up harming the nation's biggest foreign exchange earner.

HSBC CEO faces tax probe after losing court ruling

HSBC Holdings Plc Chief Executive Officer Stuart Gulliver, who has previously faced questions from British lawmakers over his personal taxes and offshore bank accounts, is being probed by U.K. revenue officials over his residency status.

Virtu offers \$1.3B for KCG

Virtu Financial Inc. offered to buy KCG Holdings Inc. for as much as \$1.3B, amid signs the high-speed trading industry is finding it harder to make money. Virtu's board is working with advisers to review the \$18.50 to \$20 a share cash proposal, KCG said Wednesday.

Economic Calendar

Date	Release
03.20.2017	PH: BoP Overall
03.23.2017	PH: BSP Overnight Borrowing Rate
03.30.2017	US: GDP Annualized QoQ
03.31.2017	PH: Money Supply M3 SRF YoY
03.31.2017	PH: Bank Lending YoY

Source: Bloomberg Economic Calendar