

# The Daily Dispatch

March 23, 2017  
TODAY'S TOP NEWS

## NEDA lines up P1.2-T 'game-changing' projects

The Investment Coordination Committee (ICC) of the National Economic and Development Authority (NEDA) has lined up for approval 55 flagship projects worth more than P1.2T for implementation and completion within President Duterte's term.

## DOE, China state firm enter collaboration on power

The Department of Energy (DOE) is signing a deal with China's National Energy Administration (NEA) this week to firm up collaboration in strengthening the Philippine power industry, Energy Secretary Alfonso Cusi said. The energy chief will meet with NEA's deputy minister and the minister of trade from China this week.

## ADB invests in microfinance firm for Asian women

Manila-based Asian Development Bank (ADB) signed yesterday a \$32M equity investment agreement with CreditAccess Asia (CAA), an Amsterdam-based microfinance holding company which has operations all over Asia. CAA has 1.8 million customers across Asia, 99.8 percent of whom are women.

## Co-working spaces supply to grow in next 3 yrs

Metro Manila's co-working spaces supply is seen to grow by 30% in the next three years, driven by the strong millennial workforce. Colliers expects supply of these co-working spaces to grow by 10% annually in the next three years, spurred by a millennial-dominated labor force and a growing community of startups.

## Cebu Landmasters mulls May IPO

Cebu Landmasters Inc. has tentatively set its initial public offering on May 19, with the offer period slated from May 8 to 12, according to the latest timetable given by the company. CLI is offering up to 580 million shares at P6.56 per share to raise up to P3.8B.

## Philippine Stock Market Update



**Previous Close:**

7,254.93

**1 Yr Return:**

0.66%

**Open:**

7,299.89

**YTD Return:**

6.48%

**52-Week Range:**

6,499.00 - 8,118.44

**Source:**

Bloomberg

## Foreign Exchange

As of March 22, 2017

US Dollar	Philippine Peso
1	50.333

## PDST-R2 Rates

As of March 22, 2017

Tenor	Rate
1Y	2.6611
3Y	3.9250
5Y	4.1783
7Y	4.9143
10Y	4.6764
20Y	5.3500

## Daily Quote

"Don't let winning make you soft. Don't let losing make you quite. Don't let your teammates down in any situation."

--Larry Bird

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## MORE LOCAL NEWS

### Atlas Mining losses rise to P879M

Atlas Consolidated Mining and Development Corp. has incurred a net loss of P879M in 2016, up eight percent from the previous year despite higher revenues. Revenues rose seven percent to P12.1B, mainly driven by an increase in shipment volumes and higher gold revenues that offset the lower copper prices.

### BIR files P9.56-B tax evasion case vs Mighty Corp

The Bureau of Internal Revenue (BIR) filed a P9.564-billion tax evasion complaint against cigarette firm Mighty Corporation and its executives for allegedly using fake stamps on their products to dodge excise tax payment.

### D.M. Wenceslao rules out IPO this year

INTEGRATED property and construction firm D.M. Wenceslao & Associates, Inc. has ruled out an initial public offering (IPO) this year after tapping bank financing to bankroll the development of an emerging central business district in Metro Manila.

### Villars venturing into telecom business

The Villar family wants to provide fixed-line broadband across the country, which would mark its entry into the telecommunications sector now controlled by industry giants PLDT Inc. and Globe Telecom.

### 26 companies eyeing Batangas LNG plant

Spanish company Gas Natural Fenosa has joined the list of foreign and local companies that are interested in teaming up with state-owned Philippine National Oil Co. for the liquefied natural gas integrated facility in Batangas. Executives of Gas Natural Fenosa visited PNOC president Reuben Lista recently.

### Six groups interested in Sucat thermal plant

The privatization of the decommissioned 850-megawatt Sucat Thermal Power Plant in Muntinlupa City drew the interest of six bidders, Power Sector Assets and Liabilities Management Corp. said Wednesday.

### TDF undersubscription shows short-term bias

The weekly auction of P180-term deposit facility (TDF) failed to draw enough bids for the longer tenor, but with the 7-day tenor attracting more than the P30-billion offer, the central bank said. Overall, the BSP awarded just more than P179 billion at the Wednesday auction, short of the total P180-billion offer.

## TODAY'S TOP ASIAN NEWS

### Everyone's a net seller of Japanese stocks this yr

Don't believe Bank of America Merrill Lynch's global fund manager survey, which shows that Japan is the second-most popular equity market, says Jonathan Allum, a strategist at SMBC Nikko Capital Markets Ltd. A look under the hood shows a different story.

### Vietnam is among the leaders in Asia's infra race

It may be one of the smallest economies in Asia, but Vietnam is among those leading the infrastructure race. Vietnam's public and private sector infrastructure investment averaged 5.7 percent of gross domestic product in recent years, the highest in Southeast Asia and compares with 6.8 percent in China, according to ADB.

### Li Ka-Shing: HK property rebound could last years

Hong Kong's richest man signaled that the property rebound that's been pushing up prices in the world's most expensive housing market could persist for as long as two years as growing demand outweighs government curbs.

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## MORE ASIAN NEWS

### CH biggest oil & gas co. ready for \$85B spinoff

As China's biggest oil and gas producer prepares to report what may be its worst-ever earnings, investors are focused on billions of dollars that could be unlocked by a spinoff of its massive pipeline network. PetroChina Co.'s natural gas and crude oil transportation system, worth at least \$85B, may spin off this year.

### Confusion clouds Myanmar's luxury property

Confusion over a law allowing foreigners to buy condominiums in Myanmar is prolonging a slowdown in its residential property sector, highlighting the challenges of regulatory flux in the frontier market. The legislation leaves unanswered questions such as whether it applies to existing apartments, hurting efforts to woo investors.

### QR code scams rise in China

It may look harmless enough, with its random pattern of tiny black squares on a white grid, but the next time you scan one of China's ubiquitous QR codes, you could end up seriously out of pocket.

### Good times ahead for China's banks

With an industrial sector in rapid recovery, a rise in interest rates that promises better profitability, and a disposal of non-performing assets that has outpaced expectations, there may be light at the end of the tunnel for the country's beleaguered lenders, according to Morgan Stanley.

### Top explorer bets \$10B on India's deep sea

India's Oil & Natural Gas Corp. is wading into deep waters where energy giants BP Plc and Reliance Industries Ltd. found a sea of trouble. State-run ONGC plans to invest in a region off India's east coast to help boost natural gas output and raise crude flows, said Tapas Kumar Sengupta, its director for offshore operations.

## TODAY'S TOP GLOBAL NEWS

### Saudi loses Fitch rating over budget concerns

Saudi lost its high-quality credit rating from the Fitch agency, which lowered the kingdom a notch because of worsening public finances as the oil price wobbles. Dropping its notation from AA- to A+, Fitch was doubtful whether Saudi Arabia could implement its reform program after a "significantly wider fiscal deficit in 2016"

### AA 'may' buy stake in China Southern Airlines

Negotiations focus on an investment of about US\$200 million by Fort Worth, Texas-based American in China Southern's Hong Kong-listed shares. The sale likely would take place through a private placement, one of the people said. China Southern has a market value of about US\$10 billion.

### Brookfield, ATC vie for \$1.5B India tower assets

Canadian alternative asset manager Brookfield Asset Management Inc. is vying with American Tower Corp. for the wireless towers of two operators in India, which could fetch a combined 100 billion rupees (\$1.5 billion), people with knowledge of the matter said.

### Algeria's Sonatrach to invest \$50B

Algeria's state-run energy producer plans to boost crude oil output by 14% in the four years to 2019 and invest billions of dollars in exploration projects. Sonatrach Group expects to invest \$9b from 2017 to 2021 in its search for new deposits of oil and natural gas, said Farid Djettou, head of the company's associations division.

## 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