

# The Daily Dispatch

March 31, 2017  
TODAY'S TOP NEWS

## Phl lists 14 projects for Japan funding

14 infrastructure projects have been lined up for possible Japanese financing, three of which – collectively valued at \$8.82B – will be prioritized for funding and implementation in the near term, Socioeconomic Planning Secretary Ernesto Pernia said yesterday.

## EastWest Bank names Reyes new president

Listed East West Banking Corp. has appointed seasoned banker Jesus Roberto Reyes as its new president replacing Antonio Moncupa Jr. who is a frontrunner in the race for the new BSP governor. Reyes was named president and deputy CEO of the bank while Moncupa who remains as CEO was promoted as vice chairman starting May 1.

## PLDT targets P69B revenue from homes, enterprises

PLDT Inc. is targeting to generate P69B in revenue from the home and enterprise segments this year. PLDT chief revenue officer Eric Alberto said on the sidelines of a press conference yesterday the telco has set a target of P68-P69B in revenue from the home and enterprise business segments for this year.

## Alsons profit surges 69% in 2016

Alsons Consolidated Resources (ACR) reported a 69% surge in net income last year to P317M on the back of higher revenues. Consolidated revenues jumped 42% to P7.07B. In its disclosure to the local bourse, ACR said the drop in earnings was largely due to financing charges incurred to fund the construction of a power plant.

## Congress franchise eyed for PPP, BOT proponents

A bill filed by Speaker Alvarez requires proponents of projects under the BOT law and the PPP program to seek franchises from Congress. Under House Bill 5270, operators of toll roads, water distribution concessions, airports, among other infrastructure projects, would need to apply for franchises from the legislature.

## Philippine Stock Market Update



**Previous Close:**

7,332.59

**1 Yr Return:**

2.44%

**Open:**

7,336.61

**YTD Return:**

6.92%

**52-Week Range:**

6,499.00 - 8,118.44

**Source:**

Bloomberg

## Foreign Exchange

As of March 30, 2017

US Dollar	Philippine Peso
1	50.163

## PDST-R2 Rates

As of March 30, 2017

Tenor	Rate
1Y	2.6924
3Y	4.1031
5Y	4.2806
7Y	5.2107
10Y	5.4436
20Y	5.7214

## Daily Quote

"There is no substitute for hard work, 23 or 24 hours a day. And there is no substitute for patience and acceptance."

-Cesar Chavez

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## MORE LOCAL NEWS

### ABS-CBN sets aside P8B for capex

Media and entertainment firm ABS-CBN Corp. has set its capital expenditures at P8B this year. "We're still looking at that vicinity of about P8B in terms of capex," ABS-CBN chief financial officer Aldrin Cerrado said. Last year, ABS-CBN spent P7.7B of the P8.8B capex budget.

### PH millers dumping excess sugar

Coca Cola Femsa Philippines Inc. and Pepsi-Cola Products Philippines Inc. agreed to buy in advance their sugar requirements for 2018 to lessen the pressure on prices of sugar as some millers resorted to dumping the commodity outside their warehouses because of the glut amid the entry of imported sweeteners.

### PCC backs proposed national broadband

The PCC is recommending measures to make the proposed National Broadband Plan more beneficial to consumers. The DICT is spearheading the formulation and implementation of NBP to upgrade the quality of broadband services in the country and link all government agencies and public institutions through the internet.

### Fitch affirms PH investment grade rating at BBB-

Fitch Ratings kept the country's investment credit rating with a positive outlook, amid indications of continued economic growth and manageable debt levels. In its report, Fitch Ratings affirmed the Philippines' Long -Term Foreign- and Local -Currency Issuer Default Ratings at "BBB-" with a positive outlook.

### Smart required to conduct IPO under new franchise

SMART Communications, Inc. will be required to conduct an initial public offering (IPO) in the next two years, once the extension of its legislative franchise is signed into law by President Rodrigo R. Duterte.

### Biz Buzz: 'Succession planning'

Three to four weeks. That's when the country will get a clearer picture of its economic and financial future after Finance Secretary Carlos Dominguez indicated that the identity of the new Bangko Sentral ng Pilipinas governor would be known by then.

### UnionBank to launch foreign currency fund

Aboitiz-led Union Bank of the Philippines (UnionBank) will soon launch a foreign currency-denominated investment products focused on family wealth management solutions after the lender inked a collaboration with global wealth and asset manager Lombard Odier.

## TODAY'S TOP ASIAN NEWS

### Biggest CH banks' bad-loan challenge may be easing

The bad-loan challenge for China's biggest banks may finally be easing. Earnings reports this week from Industrial & Commercial Bank of China Ltd., China Construction Bank Corp. and Agricultural Bank of China Ltd. showed that their provisions for losses on bad loans stabilized last year.

### Xiaomi CEO Is doubling smartphone bet on India

The worst may be over for Xiaomi Corp. The Chinese smartphone maker once compared with Apple Inc. has resumed growth and global revenue should surpass \$15B this year as an expensive gamble on India pays off, billionaire co-founder Lei Jun said.

### SGX tie-ups, investments more likely than merger

Market observers played down speculation on Thursday about the Singapore Exchange (SGX) exploring strategic deals, saying that commercial tie-ups or narrowly targeted acquisitions are much more likely than a merger of market operators. Bloomberg said that it was unclear if any of the talks are currently active.

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## MORE ASIAN NEWS

### JPN inflation registers 1st b2b rise since 2015

Japan's core consumer prices rose slightly for a second month in February, while the jobless rate dropped to the lowest level since 1994. "Japan will continue to recover only gradually," Koya Miyamae, a senior economist at SMBC Nikko Securities Inc, said before the release.

### Rates will do nothing to burst HK property bubble

Like a perilous high wire act, the HK property market defies expectations as prices keep rising. But, instead of a rational or irrational correction, this cycle may be the one where the property market spins out of control like a tumbling top and ruins the entire economy.

### Hirata targets Thai joint venture

Hirata Corporation, one of Japan's top five automation mechanism manufacturers, is working on a joint venture with a Thai company to invest in a factory in Thailand. The company, which has annual sales of ¥100B plans to have a production base in Chon Buri to supply products for automation assembly production worldwide.

## TODAY'S TOP GLOBAL NEWS

### CIBC sweetens PrivateBancorp bid by 20% to \$4.9B

Canadian Imperial Bank of Commerce increased its offer for PrivateBancorp Inc. by 20% to about \$4.9B as it seeks to expand operations in the US. CIBC had offered to buy Chicago-based PrivateBancorp in June, but the US firm delayed a Dec. 8 shareholder vote after its share price climbed along with other US financial companies.

### Ford hires 400 BlackBerry employees

Ford Motor Co. agreed to hire 400 employees from BlackBerry Ltd. to help develop wireless technology at the automaker, deepening an ongoing partnership between the two companies involving in-car connectivity. BlackBerry and Ford announced a formal partnership in October to work together on car-related technologies.

## MORE GLOBAL NEWS

### The cost of a Tesla is about to rocket in HK

A tax exemption on electric vehicles encourages wealthy drivers to make Hong Kong one of Tesla's top markets. The city accounted for about 6% of global sales of Model S sedans, according to Bloomberg Intelligence. Tesla Chairman and Chief Executive Officer Elon Musk last year called Hong Kong a beacon for electric vehicles.

### Why AU hasn't had a recession in over 25 yrs

Australia is close to seizing the global crown for the longest streak of economic growth thanks to a mixture of policy guile and outrageous fortune. But the nation is creaking under the weight of its own success.

### GOP disarray deepens: Trump attacks conservatives

U.S. President Donald Trump lashed out on Thursday at Republican conservatives who helped torpedo healthcare legislation he backed, escalating a feud within his party that jeopardizes the new administration's legislative agenda.

### Why the ETF industry is a ticking time bomb

History tells us that the kind of market dominance ETFs are enjoying never comes without a fall. By the end of last year these funds collectively had a staggering US\$3.55T of assets under management compared with around US\$3T in hedge funds, which were long believed to have been the be all and end all in fund management.

## 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