

The Daily Dispatch

March 01, 2017
TODAY'S TOP NEWS

BoI approves P1.2-b biomass power plant

The Board of Investments approved the request of Satrap Power Corp. for fiscal incentives as a RE developer for its P1.16-b biomass energy project under the current IPP. The power project involves the development, construction and operation of a combined 10 MW power facility in Barangay Nagpanaoan, Santa, Ilocos Sur.

PH, China reviving oil exploration talks

A Philippine company revived talks with China National Offshore Oil Co. Ltd., an upstream oil and gas company owned by the Chinese government, over an exploration project in South China Sea after President Rodrigo Duterte pursued more amicable relations with China.

Funding for 3 infra projects seen OKd soon

Despite the postponement of a high-level trade and investment mission from China last week, the Chinese government is expected to firm up financing for three big-ticket Philippine infrastructure projects for rollout this year, the country's chief economist said.

ICTSI terminates deal to operate port in Portland

Filipino billionaire Enrique Razon Jr. is exiting the ports business in the United States as his flagship International Container Terminal Services Inc. (ICTSI) announced that it had mutually preterminated a 25-year lease deal with the Port of Portland.

Globe secures P7-B loan for expansion program

Globe Telecom sealed a P7-billion loan from a local bank to partly finance the expansion of its fixed-line and mobile networks to meet growing demand. Globe said in a stock exchange filing Tuesday that it had signed a six-year term loan facility with Development Bank of the Philippines.

Philippine Stock Market Update



Previous Close:

7,212.09

1 Yr Return:

8.63%

Open:

7,167.89

YTD Return:

4.91%

52-Week Range:

7,150.61 - 7,180.54

Source:

Bloomberg

Foreign Exchange

As of February 28, 2017

US Dollar	Philippine Peso
1	50.269

PDST-R2 Rates

As of February 28, 2017

Tenor	Rate
1Y	2.7542
3Y	3.6643
5Y	3.9670
7Y	4.9089
10Y	4.3679
20Y	5.2786

Daily Quote

"If you have knowledge, let others light their candles in it."

-Margaret Fuller

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MORE LOCAL NEWS

PSPC seals deals for Clark plant expansion

Korean-owned semiconductor company Phoenix Semiconductor Philippines Corporation (PSPC) signed contracts for the expansion of its manufacturing plant in Clark Freeport Zone, Pampanga, to cash in on the global semiconductor industry and continue on its recovery path in 2017.

PAL secures PCC approval for Zuma share-swap deal

"...PCC will not take any further action with regard to the transaction," it told the stock exchange on Tuesday. PAL cleared on Nov. 28, 2016 the acquisition of Zuma, through a \$166m share-swap transaction, a move that will consolidate the airline business of taipan Lucio C. Tan. Zuma owns 99.97% of Airphil Express.

Banks sound but risk overheating

Philippine banks have shown considerable improvement in asset quality over recent years, but while Fitch Ratings acknowledged the industry's sound balance sheet, it also warned of risks the banks faced amid brisk economic activity and high loan growth.

LRMC loan for LRT-1 extension: 'Best Finance Deal'

THE Light Rail Manila Corporation (LRMC) received the Best Finance Deal award in the 2016 Alpha Southeast Asia Best Deal and Solution Awards in ceremonies held in Malaysia recently for its P24-b loan facility to finance the Light Rail Transit Line 1 (LRT1) extension project.

Wilcon considers retail acquisitions

Wilcon Depot Inc., a leading home improvement and construction supplies retailer, is considering acquisitions in the retail sector to accelerate expansion. Wilcon chairman and founder William Belo said in an interview the company was studying acquiring companies engaged in retail with strategic fit with Wilcon's operations.

TODAY'S TOP ASIAN NEWS

Takata pleads guilty to faulty airbag cover-up

Japan's Takata formally pleaded guilty to fraud and will pay a billion-dollar fine to settle suits over its defective airbags, the Justice Department said on Monday (Feb 27). A Michigan court gave the green light to the agreement reached last month on the scandal at the heart of the biggest car recall in history - about 100m vehicles worldwide.

India Said to Consider Selling 51% in Air India

India is considering selling a majority stake in Air India to a strategic partner after a \$3.6 billion bailout failed to turn around the loss making national carrier, people with knowledge of the matter said.

Saudi Aramco to buy \$7b stake in Petronas' refinery

Saudi oil giant Aramco will buy an equity stake in Malaysian firm Petronas' major refining and petrochemical project, the companies said on Tuesday, pumping in \$7 billion in its biggest downstream investment outside the kingdom.

Ezra's joint venture files for bankruptcy

Ezra Holdings' debt-laden joint venture with its Japanese partners, Emas Chiyoda Subsea, has filed for bankruptcy protection in the United States. Emas Chiyoda said in a press release on Tuesday that it has filed a voluntary petition for reorganisation under Chapter 11 of the US Bankruptcy Code in the Southern District of Texas Bankruptcy Court.

CLSA pulls out equity research in the US

CLSA, the Hong Kong-headquartered brokerage, is cutting 90 US jobs and closing its equity research unit in the country, as the industry grapples with how best to charge for research. Positions in US domestic research, sales, trading, corporate access and associated support functions will all be affected by the losses.

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MORE ASIAN NEWS

Asia must spend \$26-T on infra by 2030 – ADB

Asian nations must spend \$26 trillion by 2030 on infrastructure to battle poverty, boost economic growth and fight climate change, the Asian Development Bank warned on Tuesday, February 28.

Embattled millionaire plans to sell football teams

Embattled soccer owner Vincent Tan is throwing in the towel. The Malaysian businessman is selling the one-time Premier League team Cardiff City and his stake in Major League Soccer's Los Angeles FC, as well as professional teams in Bosnia and Belgium, according to people familiar with the offerings.

TODAY'S TOP GLOBAL NEWS

Two Fed officials hint March US rate increase

New York Fed President William Dudley said the case for tightening had risen in recent months. San Francisco Fed chief John Williams said he expects an interest-rate increase will receive "serious consideration" at the March 14-15 meeting of the policy-making Federal Open Market Committee.

AUS economy extends to 25-year recession-free run

Australia's economy rebounded sharply last quarter as commodity exports boomed while consumers and the government lifted spending, extending the resource rich nation's 25-year streak of uninterrupted expansion.

Fed officials signal willingness for March hike

Two influential Federal Reserve officials signaled a greater willingness to tighten monetary policy, perhaps as soon as next month. New York Fed President William Dudley, in an interview on Tuesday on CNN International, said the case for tightening had become "a lot more compelling" in recent months.

Sydney home prices surge at fastest pace since 2002

Dwelling values in Australia's largest city rose at the fastest annual pace in 14-years in February as record-low interest rates outweighed regulatory efforts to avert a housing bubble. Average values in Sydney surged by 18.4 percent, the biggest jump since December 2002.

Top hedge funds for 2016 share their best bets

To find out what hedge fund managers are looking out for in 2017, we asked several who topped Bloomberg's 2016 global ranking of the 50 best-performing hedge funds. After riding a jump in equities, oil and high-yield debt in the past year, some of the managers see more opportunity in commodities, energy and corporate debt.

Sasol Says \$11B Project on Track for 2018 Start

Sasol Ltd., the world's biggest producer of liquid fuels from coal, said the first units at its Lake Charles chemical project will start operating in 2018, as the company reported lower first-half profit because of currency losses and a strike.

IRS Has Received 13% Fewer Returns This Year

No one likes paying taxes, but this year Americans are taking things to extremes. Through last Friday, the IRS had received 13.3% fewer returns than the same period last year. And it seems like we're not even really interested in starting the process: visits to IRS.gov are down 16.2%.

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