

The Daily Dispatch

April 07, 2017
TODAY'S TOP NEWS

Cebgo seen accelerating fleet expansion

Cebu Pacific subsidiary Cebgo is expected to speed up its fleet expansion this year to be able to launch new routes amid expected growth in the domestic market, according to the Centre for Aviation (CAPA). CAPA said the carrier is planning to expand its ATR 72 fleet with the addition of six aircraft.

Philippines names new chief energy regulator

The Energy Regulatory Commission (ERC) announced Thursday the appointment of Ronaldo G. Gomez as OIC-Executive Director of the regulatory body. The new ERC chief had led the agency's Mindanao Field Office for five years, strengthening its presence in the South.

Philippines growth easing to 6.4% this year – ADB

The ADB expects economic growth in the Phil. to moderate to 6.4% in 2017 as the rise in commodity prices tempers consumer spending. In a report, it said it's retaining its domestic growth expectation for 2017 but foresees domestic economic output to recover to 6.6% growth in 2018 as the government ramps up infra. spending.

EDC borrows P3.5B for debt refinancing

Lopez-led Energy Development Corp. is borrowing P3.5B from Union Bank of the Philippines to refinance its existing debt. EDC disclosed yesterday it executed a 15-year amortizing loan with UnionBank for a total amount of up to P3.5B.

ASEAN will be strong driver of global growth

The ASEAN will become the strong driver of global growth in the next decade that also requires massive investments in infrastructure. At the ASEAN Finance Ministers Investors' Seminar (AFMIS), Finance Sec. Dominguez said the planned single market for ASEAN presents investors' "various" benefits and advantages.

Philippine Stock Market Update



Previous Close:

7,565.32

1 Yr Return:

6.97%

Open:

7,559.65

YTD Return:

11.17%

52-Week Range:

6,499.00 - 8,118.44

Source:

Bloomberg

Foreign Exchange

As of April 6, 2017

US Dollar	Philippine Peso
1	50.160

PDST-R2 Rates

As of April 6, 2017

Tenor	Rate
1Y	2.7947
3Y	4.0111
5Y	4.2237
7Y	4.9964
10Y	5.1589
20Y	5.0227

Daily Quote

"Numbing the pain for a while will only make it worse when you finally feel it."

-Albus Dumbledore

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MORE LOCAL NEWS

PH bankers cautious about expanding in Asean

While banking players in the Philippines have long considered investing or expanding in the Asean market, many, if not all, do not see significantly going in that direction yet. This was in spite of the existing Asean Banking Integration Framework (ABIF) endorsed by Asean central bank governors in 2014

PH opens up banking to Malaysia, Thailand

The Philippines firmed up yesterday agreements with Malaysia and Thailand to open up the banking industry, aimed at greater financial integration and economic development among members of the Association of Southeast Asian Nations (ASEAN).

Megawide posts 30% hike in net profit

Construction and engineering firm Megawide Construction Corp. boosted net profit last year by 30 percent to P1.92B as a double-digit rise in earnings from its construction and airport businesses sent revenues to a record high.

Eagle expanding via acquisition, diversification

Eagle Cement Corp., one of the country's leading cement-makers, is preparing for potential opportunities to grow through acquisitions and diversification to new business lines involving other building materials.

Sierra Madre hits first close of maiden fund

Sierra Madre Philippines, a new private equity group, has completed the initial closing of its SME-focused Sierra Madre Philippines I LP fund at USD 50M. Sierra Madre is investing over USD 19mn of its initial close commitments.

TODAY'S TOP ASIAN NEWS

India tightens policy to quell rising inflation

India unexpectedly raised the reverse repo rate while keeping the benchmark unchanged, effectively tightening policy to step up the fight against accelerating inflation. Bonds fell. The reverse repo rate was raised to 6% from 5.75% while the benchmark repurchase rate was kept steady at 6.25%.

OPEC's No.2 Goes Rogue: Plans 600k Bpd Increase

Iraq has plans to boost its crude oil production by 600,000 bpd to 5 million bpd by the end of this year, regardless of its participation in OPEC's production cut deal. Iraq is the cartel's second-biggest exporter of crude and has been the most disinclined of all parties to the agreement since its inception.

HNA may make bid of \$2.30 apiece for CWT shares

HNA Group is in advanced talks about making a formal takeover offer for logistics provider CWT after almost a year of exclusive talks, in a deal valuing the Singapore-listed firm at about \$1.4 billion, people with knowledge of the matter said.

Chinese airlines face new storm clouds

An expected improvement in profits this year among China's major airlines is looking a lot less certain in recent times thanks to falling ticket prices brought about by fierce competition.

SET aims to double market cap by 2020

The Stock Exchange of Thailand (SET) has set the ambitious goal of doubling market capitalisation to 30 trillion baht in 2020, says president Kesara Manchusree.

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MORE ASIAN NEWS

Samsung withstands scandals: reports higher profit

Samsung Electronics Co. posted its best operating profit in almost four years on robust sales of memory chips and displays, showing that the core businesses remain stable even as its mobile unit recovers from a costly recall and the trial of the group's de facto chief.

Traders are worried about CH gov't debt again

The scent of doom is returning to China's local government bond market. S&P Global Ratings pulled the trigger on the first ever downgrade of a Chinese local-government financing vehicle Thursday, citing the city in eastern Jiangsu province's high debt burden.

Investors bet on cruises, cosmetics in aging Asia

China may be at risk of getting old before it gets rich, but investors can still get rich from China getting old. Cruise operators, convenience stores and cosmetics makers are emerging as sectors that stand to benefit from the demographic consequences of the now-abandoned one-child policy.

After SGX exit, OSIM heads for HK listing

Less than eight months after OSIM International officially delisted from Singapore Exchange (SGX), founder Ron Sim is relisting it in Hong Kong under the name of V3 Group. Proceeds will go towards acquiring homegrown store fixtures maker Futuristic, and to repay a S\$321.9M loan used to finance last year's privatisation.

TODAY'S TOP GLOBAL NEWS

7-Eleven to buy Sunoco shops

Seven & i Holdings Co. agreed to pay \$3.3B for some Sunoco shops and gasoline retailers in an ambitious push by the 7-Eleven convenience chain owner to expand its U.S. footprint. The purchase by the Japanese retailer's 7-Eleven Inc. unit will add 1,108 gas stations and convenience stores in the U.S.

Venezuela's PDVSA says it will make bond payment

Venezuela's state oil producer PDVSA said it will pay \$2.1B in bonds after a plunge in crude production and dwindling cash flow spurred bets on a default. PDVSA told investors that principal and interest payments related to its bond that matures this month will be available in investor accounts on April 12.

Krispy Kreme owner JAB to buy Panera Bread chain

JAB Holdings, the owner of Caribou Coffee and Krispy Kreme Doughnuts, said it would buy bakery chain Panera Bread Co. for \$7.2B, as it expands its coffee and breakfast empire through the biggest-ever US restaurant deal. JAB has built up an empire of coffee and food chains through a series of acquisitions in recent years.

Trump, Xi at Mar-a-Lago for high-stakes summit

US President Donald Trump greeted Xi Jinping to his Florida resort of Mar-a-Lago with a smile and a handshake on Thursday, as cordiality replaced tough anti-China rhetoric during a first face-to-face encounter. This is the first time they meet, after a US election that featured frequent barbs at China's "rape" of the US economy.

Lyft valued at \$7.5bn in new funding round

Ride services company Lyft Inc has nearly completed a funding round of at least \$500M, valuing the company at \$7.5B, according to a source close to the company. San Francisco-based Lyft has been in fundraising mode for some time as it spends heavily to compete with its much bigger rival Uber Technologies Inc.

Economic Calendar

Date	Release
04.04.2017	PH: CPI YoY
04.05.2017	US: FOMC Meeting Minutes
04.06.2017	PH: Foreign Reserves
04.10.2017	PH: Ex-Im Trade Balance
04.16.2017	PH: Overseas Remittances YoY

Source: Bloomberg Economic Calendar