

The Daily Dispatch

May 16, 2017
TODAY'S TOP NEWS

EU now top destination for Philippine exports

Despite Duterte's series of expletives against the regional grouping, the European Union was the largest destination of exports from the Philippines with \$901M in March this year. The EU overtook the United States and Japan in March, making the EU largest exporting partner of the Philippines that month.

First Gen eyes sale of 200 MW in retail market

Lopez-led First Gen Corp. is eyeing to market 200MW of clean energy from its 414-MW San Gabriel power plant in Batangas to utilities and industrial customers under the RCOA regime. First Gen is working on closing contracts with utilities and industrial users this year to give the company predictability in terms of revenues.

BSP seen to hike rates in August

The Philippine is ripe for an interest rate hike on the first rate-setting meeting to be presided over by incoming BSP governor Nestor Espenilla Jr. in August. Diana del Rosario, economist at Deutsche Bank, said the Philippines is likely to raise policy rates by a cumulative 50 basis points in the second half.

VLL profit rises to P2.3B on stronger leasing

Vista Land & Lifescapes, Inc., one of the country's leading integrated property developers, posted an 11% growth in net income to P2.3B for the first quarter of 2017 from P2.1B in the same period last year. The firm said consolidated revenues for the quarter ended at P9.0B, 14% higher than in the comparable period a year ago.

Emperador launches P5B share buyback

Emperador, Inc., the world's largest brandy, is embarking on a two-year share repurchase program of up to P5 billion even as it reported a 6 percent improvement in profits to P1.5 billion in the first quarter of the year from P1.4 billion in the same period of 2016.

Philippine Stock Market Update



Previous Close:

7,772.93

1 Yr Return:

5.89%

Open:

7,805.53

YTD Return:

14.22%

52-Week Range:

6,499.00 - 8,118.44

Source:

Bloomberg

Foreign Exchange

As of May 15, 2017

US Dollar	Philippine Peso
1	49.679

PDST-R2 Rates

As of May 15, 2017

Tenor	Rate
1Y	2.8716
3Y	3.9434
5Y	4.2431
7Y	4.9250
10Y	5.0607
20Y	5.3799

Daily Quote

"Little minds are tamed and subdued by misfortune; but great minds rise above them."

-Washington Irving

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MORE LOCAL NEWS

AboitizPower to expand retail electricity supply

Aboitiz Power Corp. is expanding the reach of its retail electricity supply business as it expects to forge contracts for around 800 megawatts (MW) by 2020 or a fifth of its target net sellable capacity of 4,000 MW by that year, company officials said.

8990 Holdings bets on Metro Manila for growth

Mass housing developer 8990 Holdings, Inc. is counting on expansion in Metro Manila to fast track its growth, as the company is on track to complete its two developments within the year. 8990 Holdings has initially expanded in the National Capital Region with a residential development in Tondo.

OFW cash remittances up 10.7% in March

Cash remittances, or those coursed through banks, by overseas Filipino workers (OFWs) rose after a steady couple of months to hit \$2.615 billion in March 2017, based on preliminary data released by the Bangko Sentral ng Pilipinas (BSP) on Monday, May 15.

Aboitiz group to pour \$300M into cement business

The Aboitiz group is pouring \$250 million to \$300 million into its cement business over the next 5 years, as it rides on the national government's aggressive infrastructure spending of about P8 trillion until 2022. It is undertaking various debottlenecking projects across its plants and construction of a new terminal.

Bank risks easing in PH

Banks operating in the Philippines will see improving chances of credit performance in the next 12 to 18 months as the economy sustains its robust growth and the government's creation of a consumer credit bureau enhances lending efficiency in the country, Standard and Poor's Global Ratings said in its latest report.

Dominguez urges banks to invest in hybrid PPPs

Investment banks could help the Philippines achieve an P8.4 trillion infrastructure buildup in the next six years by exploring opportunities in the new "hybrid" public-private partnership (PPP) program, the Department of Finance (DoF) said in a statement on Monday.

TODAY'S TOP ASIAN NEWS

SG's property comeback fueled by land demand

Developers' hunger for Singapore land is adding to signs that the city's housing market is making a comeback after three years of price declines. As new home sales surge after an easing of property restrictions in mid-March, developers are becoming more aggressive in bidding at land auctions.

SG consortium named master developer for India city

A Singapore consortium was given the master development rights to build the new capital city of Amaravati for the southern Indian state of Andhra Pradesh. The group, comprising Ascendas-Singbridge and Sembcorp Development, received the letter of award on Monday to develop the commercial core of Amaravati.

CH boom to churn out Pakistan's largest steel IPO

Agha Steel Industries Ltd. is planning Pakistan's biggest-ever private sector initial share sale this year to help boost output as China funds more than \$55 billion in infrastructure projects across the nation and a buoyant stock market spurs investor demand.

Toshiba set to strike back

Toshiba Corp. is moving to block Western Digital Corp. employees from the flash-memory venture they share, after a threat of legal action loomed over the increasingly bitter dispute over who gets to buy the Japanese company's chip unit.

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MORE ASIAN NEWS

Global stocks hit records as oil prices rally

Equity markets in Frankfurt, London and New York ended at fresh records Monday, lifted by a rally in oil prices that boosted energy shares and by upbeat German election news. World oil prices leapt after oil ministers from Saudi Arabia and Russia declared Sunday that they would consider extending an output cut into 2018.

The Australian Dollar's outlook darkens

Hedge funds are giving up on the Australian dollar. Leveraged funds cut net long positions to 12,879 contracts in the week through May 9, the sixth straight reduction and down from as high as 53,601 at the start of March, according to data from the Commodity Futures Trading Commission.

TODAY'S TOP GLOBAL NEWS

Emerging market stocks may be overheating

The scorching gains that have put emerging-market equities on track for their best year since 2009 are showing signs of flagging. After the MSCI Emerging Market Index's surge of about 17 percent this year, momentum indicators suggest the rally is losing steam.

One of Tesla's biggest bulls downgrades stock

Tesla Inc. lost a buy rating from one of its longtime bulls, with a Morgan Stanley analyst boosting his projection for how much cash the carmaker will burn through as more prosperous rivals encroach on its business. Tesla dropped as much as 3.8 percent after jumping 52 percent this year through Friday.

GIC sells 2.4% UBS stake for a loss

GIC has sold just under half of its stake in Swiss bank UBS Group for a loss, the Singapore sovereign wealth fund announced on Tuesday. GIC has reduced its stake to 2.7 percent from 5.1 percent, selling about 93 million shares of UBS worth about US\$1.6 billion as at Monday's close.

China decries protectionism

Chinese President Xi Jinping criticised protectionism on Monday at a summit positioning Beijing as a champion of globalisation, but several European nations spoiled attempts to win full backing for his trade agenda.

China-led AIIB takes in 7 new members

China-backed Asian Infrastructure Investment Bank (AIIB) has approved seven new prospective members, bringing the total approved membership to 77. In a statement over the weekend, the Beijing-based multilateral lender announced the seven new members as Bahrain, Cyprus, Samoa, Bolivia, Chile, Greece and Romania.

Thermo Fisher extends binge with \$5B Patheon deal

Thermo Fisher Scientific Inc. agreed to buy Dutch drug-ingredients maker Patheon NV for \$5.2 billion, extending the acquisition binge that helped turn it into one of the world's biggest manufacturers of diagnostic and testing equipment.

Funds losing billions in Puerto Rico's Bankruptcy

In the aftermath of Puerto Rico's historic bankruptcy, a clearer picture of losses accrued by U.S. mutual funds on their holdings of Puerto Rican debt is beginning to emerge: the WSJ has calculated the red ink at as much as \$5.4 billion over the last five years on total holdings of \$14.6 billion.

Economic Calendar

Date	Release
05.17.2017	PH: GDP YoY
05.18.2017	PH: BoP Overall
05.18.2017	PH: Budget Balance PHP
05.30.2017	PH: Bank Lending YoY
05.31.2017	PH: Nikkei Philippines PMI Manufacturing

Source: Bloomberg Economic Calendar