

The Daily Dispatch

May 25, 2017
TODAY'S TOP NEWS

BDO ties up with Japan's Seven Bank

Sy-led BDO Unibank Inc. has partnered with another Japanese bank to further cement its dominance in the international money transfer business. The listed bank owned by retail and banking magnate Henry Sy has partnered with Seven Bank Ltd. of Japan for the launch of an international money transfer service to the Philippines.

Henry Sy firm among top shareholders of RCBC

A firm led by the Sy family is among the top shareholders of Yuchengco-led Rizal Commercial Banking Corporation (RCBC), although it has denied reports that it is contemplating a merger with one of its banks, China Banking Corporation (China Bank).

Singapore state fund takes direct stake in BPI

GIC Private Ltd. of Singapore now has a direct stake in BPI more than three years after it acquired a stake in the country's third largest lender. Liontide Holdings Inc., formerly Ayala DBS Holdings Inc., transferred 46.63 million shares worth P4.56 billion last May 11 through a block sale transaction at the PSE.

Tax on sugar-sweetened drinks to hike prices up

Carbonated drinks, energy drinks, sweetened tea and coffee, fruit drinks and other similar products are expected to see minimal to substantial price increases should the proposed excise tax adjustments on sugar-sweetened beverages be pushed by the Congress, data from the Department of Finance (DOF) showed.

NREB board to tackle proposed FiT extension

The National Renewable Energy Board (NREB) will tackle the proposed extension of feed-in-tariff (FiT) rates for hydro and biomass, an NREB official said Wednesday. "We will definitely discuss with the board on May 29-30, and endorse our resolution to the Department of Energy (DoE)," NREB chair Jose M. Layug Jr. told reporters

Philippine Stock Market Update



Previous Close:

7,837.82

1 Yr Return:

6.95%

Open:

7,845.81

YTD Return:

14.64%

52-Week Range:

6,499.00 - 8,118.44

Source:

Bloomberg

Foreign Exchange

As of May 24, 2017

US Dollar	Philippine Peso
1	49.947

PDST-R2 Rates

As of May 24, 2017

Tenor	Rate
1Y	2.8520
3Y	3.8444
5Y	4.1623
7Y	4.8679
10Y	4.9861
20Y	5.1200

Daily Quote

"I can't change the direction of the wind, but I can adjust my sails to always reach my destination."

-Jimmy Dean

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MORE LOCAL NEWS

Adequate liquidity in the system – Tetangco

Tetangco yesterday said despite continued mixed results in the weekly term deposit auction, there is sufficient liquidity to keep markets satisfied. Tetangco: “We judge that there’s adequate liquidity in the system” but that they will “continue to monitor these (situations) and see if there’s a need to adjust at some point.”

PH key fiscal indicators improve in 1st quarter

The country’s key fiscal indicators improved in the first three months of the year as the rise in state tax collections continued to outpace growth, while the national government’s budget gap and outstanding debt remained very well managed.

More joint venture deals with China are finalized

Francis Chua, chairman emeritus of the Philippines Chamber of Commerce and Industry, said six agreements were signed at the China (Guangxi) – the Philippines Business Matching Seminar for Entrepreneurs in Makati could be worth billions of dollars.

Peso, stock market stable despite martial law

Despite some dips, the peso and stock market remained broadly stable on the first day of trading after President Rodrigo Duterte declared martial law in Mindanao. The Philippine Stock Exchange index (PSEi) in fact ended Wednesday, May 24, by hitting a slight gain of 25.68 basis points, up 0.33% at 7,837.82.

Duterte mulls putting entire PH under military rule

Philippine President Rodrigo Duterte said he might expand martial law nationwide if violence currently confined to the south spreads to the main island of Luzon. Duterte has frequently raised the prospect of martial law amid outbursts of violence in Mindanao.

Ang’s Eagle Cement IPO oversubscribed

Investors snapped up shares of Eagle Cement Corp. (ECC), with its initial public offering (IPO) oversubscribed by more than three times the allotment, according to an underwriter. China Bank Capital is one of the joint lead underwriters of the offer, alongside PNB Capital and Investment Corp. and SB Capital Investment Corp.

Eight Asian banks eyeing PHL presence

Eight more Asian banks are looking to enter the PH, signalling growing interest and confidence towards the local banking system. Nine offshore lenders have secured the BSP’s approval to set up branches in the PH over the last two years, following the passage of RA 10641 that lifted the limit on the number of foreign players that can operate.

Uy’s Phoenix Petroleum to buy LPG seller

In a disclosure to the stock exchange after trading hours, Phoenix Petroleum said its board approved the execution of a memorandum of understanding (MoU) with investment holding firm PDB (Netherlands) B.V. for the planned 100% share acquisition of PEPI.

TODAY’S TOP ASIAN NEWS

Gashub Group to list on ASX

Singapore-based GasHub Group, among the larger gas pipeline and energy services specialists in the city-state of Singapore, plans to list on the Australian Securities Exchange (ASX) via a reverse takeover of Australia-listed Raffles Capital Ltd.

Fidelity bought for US\$1.84 billion

CF Corp, a blank check company founded by veteran dealmaker Chinh Chu, said it would buy US annuities and life insurer Fidelity & Guaranty Life in an all-cash deal valued at about US\$1.84 billion.

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MORE ASIAN NEWS

S&P affirms 'AA-' credit ratings for 3 SG banks

S&P Global Ratings has affirmed the coveted "AA-" credit rating of the three Singapore banks on the basis of their sound fundamentals. S&P said that it expects DBS Bank, OCBC and United Overseas Bank to maintain adequate capitalisation, sound liquidity profiles and provisioning buffers, which have been built up over many years.

Hong Kong becomes China collateral damage

Hong Kong saw its debt rating cut by Moody's Investors Service hours after China's downgrade, highlighting potential risks from a tightening economic integration. The former British colony has seen not only its property and stock markets increasingly entwined with the world's second-largest economy

Japan emerges as a surprise growth market

Japan has begun to become a growth market once again. The country's nominal gross domestic product, the calculation that reflects actual yen generated at today's prices, last year saw its first record high since the 1990s. And corporate profits have hit an all-time high.

Vietnamese students are pouring into Japan

In a battle with China for influence and opportunity in Southeast Asia, Japan is making inroads on a new front: education. Japan is aggressively recruiting students from the region in hopes they will help enhance economic ties with their home countries in the future.

SoftBank takes \$4B stake in Nvidia

SoftBank Group Corp. has quietly amassed a \$4 billion stake in Nvidia Corp. making it the fourth-largest shareholder in the graphics chipmaker, according to people familiar with the situation.

TODAY'S TOP GLOBAL NEWS

US existing home sales fall

US home resales fell more than expected in April, weighed down by a chronic shortage of houses on the market that is keeping prices elevated and sidelining prospective buyers. The National Association of Realtors said on Wednesday existing home sales declined 2.3 per cent to a seasonally adjusted annual rate of 5.57 million units last month.

Ghana to seek improved terms for IMF bailout

Ghana is seeking better terms for its debt-support program with the International Monetary Fund as the parties discuss an extension of the agreement beyond an April 2018 deadline, according to a person familiar with the matter.

Oil prices rise in anticipation of extended cut

Oil prices rose ahead of an OPEC meeting on Thursday that is expected to extend a production cut aimed at tightening the market well into 2018, adding at least nine months to an initial six-month cut in the first half of this year.

Fed officials see more tightening, shrinking debt

Most Federal Reserve officials judged "it would soon be appropriate" to tighten monetary policy again and backed a plan that would gradually shrink their US\$4.5 trillion balance sheet.

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