

The Daily Dispatch

May 26, 2017
TODAY'S TOP NEWS

Administration proposes P3.84T budget for 2018

The Duterte administration will propose a P3.84T national budget for next year, the Department of Budget and Management (DBM) announced yesterday. In a statement, the DBM said that inter-agency Development Budget Coordination Committee (DBCC) approved a 14.6% increase in next year's national budget from P3.35T for this

FDI seen to reach record \$11 B

"We are foreseeing that for this year we can even hit between \$10-\$11B, thanks also to the very strong interest of Chinese companies in the Phil. and the new foreign policy of the government—a foreign policy of being closer to our neighbors here in this region," Trade Undersecretary and BOI managing head Ceferino Rodolfo said.

8 Phil. companies in Forbes Global 2000 top firms

Eight companies from the Philippines are among the world's best and largest public companies according to this year's Forbes Global 2000 list, a yearly ranking of companies around the world. The Sy family's SM Investments Corp. tops the list of Philippine companies, ranked at 823 with sales of \$7.3 billion.

PSE agrees to sell back Tektite office to PhilRealty

The Philippine Stock Exchange agreed to sell back its Tektite office in Ortigas to developer Philippine Realty and Holdings Corp. for P257.2 million. PSE said in a disclosure to the stock exchange it executed an agreement with PhilRealty for the sale of the latter's 4,754-square-meter office space at the PSE Exchange Center.

SMC putting up packaging plant in Davao for \$700M

San Miguel Corp. (SMC) is bulking up its packaging business with an initial investment of \$700M for a new integrated plant in Davao. SMC president and chief operating officer Ramon Ang said the company would start building in the next two months a new packaging plant in its 2,000-hectare industrial estate in Davao.

Philippine Stock Market Update



Previous Close:

7,871.65

1 Yr Return:

8.56%

Open:

7,870.03

YTD Return:

15.07%

52-Week Range:

6,499.00 - 8,118.44

Source:

Bloomberg

Foreign Exchange

As of May 25, 2017

US Dollar	Philippine Peso
1	49.849

PDST-R2 Rates

As of May 25, 2017

Tenor	Rate
1Y	2.8577
3Y	3.8364
5Y	4.1479
7Y	4.9589
10Y	4.7289
20Y	5.4714

Daily Quote

"What we hope to do with ease, we must first learn to do with diligence."

-Samuel Johnson

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MORE LOCAL NEWS

NGOs urge Congress to pass tax reform bill

Over 200 representatives of nongovernment organizations and other civil society groups have called on Congress to swiftly pass the Duterte administration's comprehensive tax reform program (CTRP). According to the groups, the CTRP would spell the long-overdue correction of the country's tax system

Dealmaker who bet big on Duterte is building empire

Rodrigo Duterte's ascent to power in the Philippines has motivated a little-known businessman from the president's province to become one of the country's most energetic dealmakers. Dennis Uy, an oil trader from Davao City who counts Duterte as a family friend, has rapidly expanded into industries from shipping to casinos since last year's election.

PH market and entire Asian pack charge ahead

Philippine stocks were up on Thursday, moving in lockstep with the rest of the region, which was buoyed by gains in Wall Street overnight. The benchmark Philippine Stock Exchange Index (PSEi) was up 0.43 percent, or 33.83 points, to 7,871.65 by the end of the session. The broader All Shares index was also up 0.47 percent to 4,693.39.

PAL feels pinch of Mindanao issues

Flag carrier Philippine Airlines is bracing for fresh challenges in 2017, as it deals with potential lower traffic following the declaration of martial law in Mindanao apart from fierce competition and the higher cost of fuel, for which cost-savings measures are already being implemented.

DoubleDragon set to sell P9.7B bonds

DoubleDragon Properties Corp. is raising P9.7 billion in fixed-rate bonds to finance expansion plans. DoubleDragon said in a disclosure to the stock exchange the bond offering would have a base offer of P6.5 billion, with an oversubscription option for another P3.2 billion.

NOW revenues rise 3-fold in 3 months

NOW Corp.'s gross revenues more than tripled in the first quarter of this year from a year ago, boosted by the rise in the number of companies and government agencies that subscribed to its broadband and IT services. Revenues jumped to P31.9M in the first quarter of this year, up from P10.3M during the same period of 2016.

ABCI buys out Blaze Capital to boost railway ops

A Brown Company Inc (ABCI), a real estate firm in the Philippines, has acquired 100 per cent of Blaze Capital Limited. The stake was acquired from Penryn Limited for \$1.5 million (P75 million). "The acquisition of Blaze Capital Limited will pave the way for A Brown Company Inc to participate and take the lead in railway infrastructure

TODAY'S TOP ASIAN NEWS

Noble Group dealt fresh blow as Fitch cuts ratings

Noble Group Ltd received a fresh blow as Fitch Ratings Ltd cut the embattled commodity trader's rating for a second time in the space of 10 days, flagging concern over its ability to address about US\$2 billion of debt that matures over the next 12 months.

Japan's core CPI rises for 4th straight month

Japan's core consumer prices rose 0.3 per cent in April from a year earlier to mark a fourth straight month of increases, offering policymakers some hope a steady economic recovery will help shift consumers' sticky deflationary mindsets.

Alibaba to lead \$1B funding for Chinese startup

Alibaba Group Holding Ltd. and its financial services affiliate plan to lead an investment round of at least \$1 billion in Ele.me, one of the largest players in a crowded Chinese food-delivery service arena, people familiar with the matter say.

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MORE ASIAN NEWS

China's GSR nears \$1B deal for Nissan battery unit

GSRCapital, a Chinese private equity firm with backing from the Hubei provincial government, is nearing a deal to acquire control of a Nissan Motor Co. rechargeable battery unit for about \$1 billion, according to people with knowledge of the matter.

TODAY'S TOP GLOBAL NEWS

US Fed: New rate hike likely coming 'soon'

US central bankers say it will "soon" be time to raise the key lending rate again. Monetary policymakers say they may wait, however, to see if weak growth recorded earlier this year was only temporary, which seems to open the possibility that the next rate increase could be delayed until after June.

OPEC leaves market guessing on exit strategy

OPEC may be celebrating an historic deal to extend supply cuts, but after the party, the organization will face a trio of questions it left unanswered. The deal to maintain the cut another nine months could expire in March with a return to OPEC's pump-at-will policy that prevailed between 2014 and 2016 and pushed prices below \$30 a barrel.

UK PM May's lead cut two weeks before election

Britain's opposition Labour Party has cut the lead of Prime Minister Theresa May's Conservatives to five points less than a fortnight before a national election, according to the first poll published since a suicide bombing killed 22 people. The previous YouGov poll had given Ms May a lead of nine points.

IMF-backed Egypt sells \$3B bonds

Egypt sold \$3 billion on international bond markets Wednesday, taking advantage of lower borrowing costs after its economic policies earned the International Monetary Funds endorsement.

SF goes from first to worst in US home price gauge

San Francisco, which in recent years had the biggest home-price gain in the US, was the country's weakest market in the first quarter, with values falling for the first time since 2011. San Francisco is cooling after a booming technology industry fueled soaring values in recent years and made real estate unaffordable for most buyers in the market.

Faraday Future said to plan \$1B raising

Electric vehicle maker Faraday Future is planning to raise \$1 billion as it seeks to protect itself from the financial woes of its main backer, China's LeEco, a person with direct knowledge of the matter said.

Bankrupt Westinghouse ends pensions for ex-CEOs

Bankrupt Westinghouse Electric Co LLC, the U.S. nuclear technology firm owned by Toshiba Corp (6502.T), has stopped making pension payments to former executives, according to a letter seen by Reuters, removing a benefit that has helped the company retain top talent.

Kushners, Saudis & Blackstone: behind recent deals

When Saudi Arabia announced last week a \$20-billion investment in a U.S. infrastructure fund managed by Blackstone Group LP, many noticed that it came shortly after presidential son-in-law Jared Kushner personally negotiated a \$110-billion arms sale to the country.

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