

The Daily Dispatch

May 31, 2017
TODAY'S TOP NEWS

Reduced tax perks bad for BPO firms

Property consultancy firm Colliers International has warned of the adverse impact on the country's business process outsourcing (BPO) industry of reduced tax perks proposed under the first package of the tax reform program. Colliers said reducing tax perks for BPOs would stifle the industry's growth.

T-bonds auction undersubscribed

Auction for the seven-year treasury bonds received muted response from traders yesterday amid market anticipation of the US Federal Reserve's next move. The Bureau of the Treasury (BTr) yesterday partially awarded reissued T-bonds with a remaining life span of six years and 10 months after capping the rates at 4.55 percent.

San Miguel eyes \$150-M new brewery in US foray

San Miguel Brewery Inc. (SMB) is planning to enter the US this year with a planned investment of \$150 million for a new brewery. The international venture will be on top of the \$500-million expansion program set for its local operations over the next two to three years, its top official said yesterday.

SBS acquires P480M stake in property dev't company

Listed chemical trading firm SBS Philippines Corp. has taken the initial step in its diversification into the property sector after acquiring a stake in a real estate firm for close to P500M. SBS said its unit SBS Holdings and Enterprises Corp. has purchased a 17% stake in Goldchester Holdings Corp. for P480.8M.

Vista Land sets P20-B fixed-rate bond offer

VLL the mall and property development arm of the Villar family is planning to raise P20B through the issuance of fixed-rate retail bonds under shelf registration. The company told the local bourse yesterday it is preparing to offer and sell to the public peso-denominated fixed-rate retail bonds with an amount of up to P20B.

Philippine Stock Market Update



Previous Close:

7,860.77

1 Yr Return:

7.92%

Open:

7,855.98

YTD Return:

14.76%

52-Week Range:

6,499.00 - 8,118.44

Source:

Bloomberg

Foreign Exchange

As of May 30, 2017

US Dollar	Philippine Peso
1	49.778

PDST-R2 Rates

As of May 30, 2017

Tenor	Rate
1Y	2.8399
3Y	3.8450
5Y	4.1340
7Y	4.5438
10Y	5.0411
20Y	5.4679

Daily Quote

"Giving up smoking is the easiest thing in the world. I know because I've done it thousands of times."

-Mark Twain

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MORE LOCAL NEWS

Creation of Department of Water pushed

National Water Regulatory Board (NWRB) Executive Director Sevillo David Jr. said the plan to establish Department of Water is now being discussed at the National Economic and Development Authority (NEDA) as one of the legislative agenda this administration is pushing for.

ALI launches new green themed Nuvali subdivision

Ayala Land, the property arm of the Ayala conglomerate, has launched a new green-themed residential subdivision in its flagship development in the south, Nuvali. The new subdivision dubbed “Cerilo” is an 85-hectare residential community that is built on the undulating terrain inside the Nuvali estate in Sta Rosa Laguna.

PLDT, Globe complete payments to SMC

PLDT, Inc., and Globe Telecom, Inc. on Tuesday completed the last tranche of payment for its P69.1-billion joint acquisition of San Miguel Corp.’s (SMC) telco assets despite the pending petition filed by the Philippine Competition Commission (PCC) to the Supreme Court.

Japan’s Densan System invests in MER Bayad Center

Manila Electric Co. (Meralco) is looking at its partnership with Japan’s Densan System Co., Ltd. as a jump-off point for a foray into Southeast Asia, where the distribution utility hopes to replicate its local bills payment collection business.

PH’ ‘Uber for logistics’ eyes IPO by 2020

Delivery-on-demand start-up service provider Mober is looking to debut on the equities market by 2020 as it aims to rapidly expand its presence and coverage both nationwide and regionally.

Biz Buzz: A P659-million ‘ouch’

There is an ongoing legal tussle between ABS-CBN Corp. and Solar Entertainment Corp. over the latter’s allegation that the Lopez family-controlled broadcast giant owed it a ton of money for the airing of National Basketball Association (NBA) games on cable TV over a period of several years.

Meralco firms up Nigerian investment

Manila Electric Co. (Meralco), the country’s largest power distribution utility, is expanding its presence in Nigeria through a technical partnership with a Nigerian distribution utility. “On Nigeria, we have a technical partnership with Ibadan Electricity Distribution Company,” Meralco President Oscar Reyes said.

Piñol proposes leasing govt land to private cos.

The Department of Agriculture (DA) on Tuesday said it will propose to President Rodrigo Duterte the leasing of government land, including watershed areas, to private companies willing to engage in agro-forestry and reforestation projects.

TODAY’S TOP ASIAN NEWS

SEA finds CN love as Xi pushes 'one belt one road'

Dominated by Japanese investment since the 1980s, Southeast Asia has found a new source of funds in China. Chinese companies poured a record \$14.6 billion of foreign direct investment into Southeast Asia in 2015, almost double from the previous year and a gargantuan leap from \$156 million a decade ago.

Japan's industrial production hits 9 year peak

Japan’s industrial output rebounded in April, hitting the highest level since 2008, as overseas demand continued to support the nation’s economic recovery. A recovery in exports has helped drive Japan’s economy to five consecutive quarters of growth, the longest run in a decade.

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MORE ASIAN NEWS

Templeton to raise \$300M for 5th emerging mkts fund

Templeton Emerging Markets Group is on the road to raise \$300 million for a new private equity (PE) fund. A bulk of this vehicle may be used to provide growth capital to companies in Asia, the group's executive chairman Mark Mobius said in an interaction.

CN pension fund invests in Silk Road project

China's 2 trillion yuan (US\$290 billion) national pension fund will hop onto the country's new Silk Road bandwagon, joining other state-backed institutions to seek lucrative deals along the route.

Rehabilitation plan for IBank approved

The Thai cabinet yesterday approved the rehabilitation for the embattled state-owned Islamic Bank of Thailand. IBank is among seven state enterprises under rehabilitation, which include Thai Airways International, State Railway of Thailand, Bangkok Mass Transit Authority, TOT plc, CAT Telecom and SME Dev't Bank of Thailand.

CN factory gauge holds up as global outlook improves

China's official manufacturing gauge held up in May, buoyed by an improving global outlook. Manufacturing purchasing managers index remained at 51.2 for a second straight month in May, compared with a median estimate of 51 in a Bloomberg survey of economists

TODAY'S TOP GLOBAL NEWS

Investors go all-in on tech giants

Investment managers are doubling down on the hottest stocks of 2017 and it's paying off. Funds tracked by Bank of America Corp own the highest percentage of technology stocks on record compared to their benchmark. It's a sector that's carried U.S. stocks to new highs, leading the S&P 500 Index with a nearly 20% gain in 2017.

Asian stocks retreat, Pound drops after UK poll

Asian equities slipped as investors assessed the strength of global economic growth and the path for U.S. monetary policy. Stocks in Japan led declines in Asia as energy shares retreated with oil prices. The British pound dropped for the first time this week as a poll showed Theresa May's Conservative Party may miss a majority.

5 reasons why people are skeptical about Bitcoin

Bitcoin's astronomical rally has cryptocurrency bulls feeling vindicated. Not so fast, skeptics say. The digital currency's more than 100 percent surge in the past two months looks eerily familiar, argue the bears, pointing to November 2013, when the price quintupled in short order to top \$1,000 for the first time.

SMB building brewery in US

Beer giant San Miguel Brewery plans to spend up to \$150 million to set up a beer brewery in Los Angeles, California, to cater to growing demand for its beer products in North America.

A price Amazon is content to keep high: \$1,000/sh

On Monday, Amazon.com's share price briefly crossed the \$1,000 mark for the first time in its 20-year history as a publicly traded company. Cracking the arbitrary threshold of a four-digit stock price is a reminder of just how heavy Amazon has become.

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