

# The Daily Dispatch

June 14, 2017  
TODAY'S TOP NEWS

## PLDT to save P7B from manpower cuts

PLDT Inc. expects to generate over P7 billion in savings from a decision to implement a manpower reduction program affecting employees involved in information technology (IT) work. "We estimate over P7 billion over a number of years," PLDT chairman and chief executive officer Manuel V. Pangilinan told reporters.

## FDI up 17% in Q1

The net inflow of foreign direct investments (FDI) into the Philippines rose 17 percent to \$1.56 billion in the first quarter from \$1.34 billion in the same period last year as the country continues to enjoy strong macroeconomic fundamentals, according to the Bangko Sentral ng Pilipinas (BSP).

## DOE seeks revised terms on ADB loan for e-trikes

Owing it to cost as well as fleet deployment considerations, the Department of Energy (DOE) is seeking revisions in the terms of the loan with the Asian Development Bank (ADB) covering the 3,000 electric tricycles (e-trikes) deployment that had been previously decided to be pushed ahead.

## MWC expects to recover from Q1's profit decline

"In April, the billed volume increase is very healthy compared to the first quarter. Actually the increase in April, the delta is higher than the first quarter delta in terms of mcm so that gives you an indication of how it could be for the rest of the year so we are not worried," Manila Water CEO Dela Cruz said.

## Government to spend P3B for free wi-fi

The government may spend nearly P3B for its nationwide free wi-fi project, an official of the Department of Information and Communications Technology (DICT) said. DICT Undersecretary for special concerns Eliseo Rio Jr. told reporters that the department had already secured more than 300 sites nationwide for its free wi-fi project.

## Philippine Stock Market Update



**Previous Close:**

7,917.89

**1 Yr Return:**

8.14%

**Open:**

7,933.75

**YTD Return:**

15.93%

**52-Week Range:**

6,499.00 - 8,118.44

**Source:**

Bloomberg

## Foreign Exchange

As of June 13, 2017

US Dollar	Philippine Peso
1	49.554

## PDST-R2 Rates

As of June 13, 2017

Tenor	Rate
1Y	3.0089
3Y	3.8606
5Y	4.0397
7Y	4.7946
10Y	4.6200
20Y	5.4107

## Daily Quote

"I am not afraid of an army of lions led by a sheep; I am afraid of an army of sheep led by a lion."

-Alexander the Great

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## MORE LOCAL NEWS

### Ayala's KTM bike production facility opens

Ayala-led Integrated Micro-Electronics Inc. (IMI) recently inaugurated a state-of-the-art manufacturing facility for European motorcycle giant KTM in its complex in Laguna Technopark. As such, domestic production of KTM motorcycles is now in full swing, IMI disclosed to the Philippine Stock Exchange.

### PH economy seen facing risk of overheating

SG's biggest bank has warned that amid robust growth, the PH economy is at risk of overheating. Amidst robust growth, there is a case for the BSP to tighten monetary policy in the coming months. The BSP has, however, refrained from lifting the policy rate. Philippine peso-market interest rates have responded by drifting higher over the past

### PLDT ties up with US firm for new offering

PLDT rolled out last week its Roku Powered™ PLDT TVolution, which can play pay-TV channels from Cignal, on-demand internet TV platforms like Netflix and Iflix, free content from Youtube and other digital platforms.

### Rules for sourcing RE expected in July

THE National Renewable Energy Board (NREB) aims next month to endorse to the Department of Energy (DoE) the long-delayed rules on renewable portfolio standards (RPS), which will require distribution utilities and other industry participants to source a portion of their power supply from eligible renewable energy resources.

### BSP set to unify rediscount rates offered to banks

THE BANGKO SENTRAL ng Pilipinas (BSP) will soon set unified rates for Philippine banks looking to secure loans under the peso rediscount window, as it decided to lift preferential rates extended to thrift and rural banks due to low availments.

### SMC's petrochem facility to break ground by end 2017

San Miguel Corporation (SMC), the parent firm of the country's biggest oil refiner and retailer, is set to break ground on its single biggest investment in the Philippines so far: a new petrochemical facility worth \$15 billion (P745.46 billion) to \$20 billion (P993.95 billion) in the south of Manila.

### Empire East unaffected by Resorts World attack

Andrew Tan-led Empire East Land Holdings Incorporated said the recent attack on Resorts World Manila has no impact on its operations and expansion plans, as it is pushing through with its projects in Metro Manila and the south to ramp up reservation sales in the next 5 years.

### Cusi seeks upgrade of coal plants

The DOE wants coal plants to upgrade their facilities and move towards cleaner technologies to secure the country's long-term power requirements. "We'd like the latest technologies to be adopted by the existing plants," DOE Secretary Alfonso Cusi said. Many of the country's coal power plants were built in the past two to three decades.

### SBS planning P5B stock rights offering

Chemical trader SBS Philippines Corp. said Tuesday it plans to conduct a stock rights offering that could raise more than P5 billion in proceeds. SBS said in a disclosure to the stock exchange its board of directors approved the stock rights offering of up to 845.487 million common shares to existing shareholders.

### Govt ready to build Kaliwa dam

Metropolitan Waterworks and Sewerage System administrator Reynaldo Velasco said Tuesday the government may start the construction of the P18.75-billion Kaliwa dam project next year. The dam project is situated at Barangay Pagsangahan, General Nakar and Barangay Magsaysay, Infanta, in Quezon province.

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## TODAY'S TOP ASIAN NEWS

### Maynilad inks \$217.9m debt deal with JICA, JP banks

Maynilad Water Services Inc, a water and wastewater services provider, has signed a \$217.9 million (P10.8 billion) loan agreement with Japan International Cooperation Agency (JICA) and three leading Japanese banks. This is the first time that JICA is lending directly to a private corporation in the Philippines and to the water sector.

### Bonham Strand to acquire stake in Medco for \$2.2m

Bonham Strand Investments Ltd, an investment holding company in British Virgin Islands, is planning to acquire 69.67 per cent controlling stake in Philippine-based Medco Holdings Inc for up to \$2.2 million (P110.58 million).

### Japan wants to expand arms deals with SE Asia

Japan is seeking to increase its sales of military equipment to Southeast Asian nations amid growing tensions with China and North Korea. The move is part of Shinzo Abe's push to bolster Japan's military role and its sales of defence equipment, especially in Southeast Asia, where China has expanded its own arms sales.

### SZ Metro to become biggest CN Vanke shareholder

China Evergrande Group has agreed to transfer all its shares in China Vanke to Shenzhen Metro Group at a loss, making the state-owned company the largest shareholder of China's second biggest homebuilder.

### Toshiba 'facing \$1.37b in lawsuits over 2015 scandal'

Toshiba said it was hit with two dozen lawsuits demanding a total of 108.4 billion yen (\$1.37 billion) in damages from a 2015 profit-padding scandal that badly damaged its reputation and shredded its share price.

## TODAY'S TOP GLOBAL NEWS

### SG and HK are set to attract more wealth

Singapore and Hong Kong will attract wealth from abroad at more than twice the pace of Switzerland over the next four years as Asia's economic expansion draws cash from millionaires, Boston Consulting Group predicts. Switzerland remains the world's No. 1 offshore wealth management hub with \$2.4 trillion in assets.

### Neiman Marcus abandons hope for a sale

US department store operator Neiman Marcus said on Tuesday it had ended talks regarding a partial or full sale of the company, three months after embarking on a review of strategic alternatives under the weight of a US\$4.8 billion debt load.

### Trump calls for rollback of US banking regulations

The White House issued a roadmap for loosening US banking regulations, including a recommendation to ease "stress tests" for large banks. "A sensible rebalancing of regulatory principles is warranted in light of the significant improvement in the strength of the financial system and the economy," the Treasury said.

### Global econ. is rebounding, but one problem remains

There's a dark cloud building behind the world's best period of synchronous growth among developed and emerging economies this decade -- one that in time could rain down volatility in global markets. The problem is a deepening imbalance in the lack of new safe-haven assets as the world's output expands.

### Economic Calendar

Date	Release
06.05.2017	PH: CPI YoY
06.07.2017	PH: Foreign Reserves
06.08.2017	PH: Unemployment Rate
06.08.2017	PH: Trade Balance
06.14.2017	PH: Overseas Remittances YoY

Source: Bloomberg Economic Calendar