

# The Daily Dispatch

June 16, 2017  
TODAY'S TOP NEWS

## Ban on open-pit mines remains

The order banning all prospective open-pit mines in the country will still be in effect, as no move to have it reviewed or reversed has been made yet, the DENR said. Even if DENR is now under the helm of Roy Cimatu, who vowed to balance mining and the environment, the order may not be countered anytime soon.

## DOF airs concern over 2-tier tax on sugary drinks

The DOF raised concerns yesterday over the 2-tier tax system on sugar-sweetened beverages under the tax reform bill approved by the House. Finance Undersecretary Chua said the 2-tier tax system on sugary-laden beverages would be a discriminatory trade barrier and a violation of agreements under the World Trade Organization (WTO).

## First Balfour to build NGCP transmission facilities

The NGCP recently awarded to First Balfour, Inc. the contract to construct the P1.699B Hermosa-San Jose 500-kV transmission line project. The contract calls for the construction of an additional network of transmission line towers in Bulacan, Pampanga and Bataan as part of NGCP's Luzon 500kV Backbone.

## Ford Philippines delivers best May sales

Ford Philippines has announced its best-ever May performance with retail sales rising 4 percent year-over-year to 3,036 vehicles, led by strong demand for its Everest, Ranger and EcoSport nameplates. The popular Everest SUV led the May performance with sales remaining steady from the same month a year ago at 1,061 vehicles.

## Japanese property developer ties up with local co.

An 11-ha township project in Dasmariñas, Cavite, will soon commence, with an initial capital outlay of P656M, as per the joint-venture agreement officially signed between PA Alvarez Properties and Japan-based Hankyu Realty Co. Ltd. (Hankyu Realty) at a hotel in Makati City on Wednesday.

## Philippine Stock Market Update



**Previous Close:**

7,964.49

**1 Yr Return:**

6.87%

**Open:**

7,961.94

**YTD Return:**

16.17%

**52-Week Range:**

6,499.00 - 8,118.44

**Source:**

Bloomberg

## Foreign Exchange

As of June 15, 2017

US Dollar	Philippine Peso
1	49.707

## PDST-R2 Rates

As of June 15, 2017

Tenor	Rate
1Y	2.8075
3Y	3.8200
5Y	3.9335
7Y	4.4526
10Y	4.6279
20Y	5.3732

## Daily Quote

"Nothing is more expensive than a missed opportunity."

-H. Jackson Brown Jr.

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## MORE LOCAL NEWS

### FDI pledges drop in first quarter

Preliminary Philippine Statistics Authority (PSA) data show that approved FDI pledges -- which are commitments until they materialize -- registered with the country's seven investment promotion agencies (IPAs) fell 12.8% to P22.883 billion in the first quarter from P26.243 billion approved in 2016's comparable three months.

### \$25-M tidal power plant in Samar eyed

Philippine firm H&WB Asia-Pacific Corp and French partner Sabella SAS are building a \$25-million (P1.2 billion) 1.5-megawatt tidal power plant project that will provide 24/7 electricity to Capul, Northern Samar by 2019.

### Pension hike cuts SSS profit by 67% in Q1

The grant of the additional P1,000 monthly cash benefit to pensioners slashed by two-thirds the first-quarter net profit of the Social Security System to P4.01 billion. SSS started to release the additional benefit to pensioners in March after President Duterte approved the pension increase last January.

### Taiwanese bank puts up Manila branch

Hua Nan Commercial Bank Ltd. (HNCB) of Taiwan has debuted in the Philippines, taking advantage of the liberalization of the local banking system, by opening on Wednesday a full branch in Manila.

### BSP sets deadline for banks' shift to EMV tech

BANKS have roughly a year left to complete the shift to chip-based cards, as the Bangko Sentral ng Pilipinas (BSP) tightened rules to prod financial firms to adopt the more secure platform for its clients.

### PH stocks, peso down after US Fed hike

The country's financial markets closed lower on Thursday, June 15, after the United States Federal Reserve hiked interest rates for the 2nd time this year -- a move widely expected by economists and investors. The Philippine Stock Exchange index (PSEi) settled at 7,964.49, down by 1.52 points or 0.02%.

### OFW cash remittances at 15 month low in April

Cash remittances or those coursed through banks by overseas Filipino workers (OFWs) dropped to their lowest level in 15 months last April. Data released by the Bangko Sentral ng Pilipinas (BSP) on Thursday, June 15, showed that cash remittances for April 2017 fell 5.9% year-on-year to hit \$2.083 billion.

### Govt starts probe on HMO provider

The Insurance Commission said it issued a show cause order against Caritas Health Shield, a health maintenance organization, to explain the numerous complaints filed by customers on alleged fraudulent swiping of credit or debit cards.

### SSI Group plans to close more stores

SSI Group Inc., the country's largest specialty store retailer, said Thursday it plans to close a few more stores this year as a part of a network rationalization. SSI Group president Anthony Huang said at the sidelines of the annual shareholders' meeting the company would close down non-performing stores while expanding its restaurant and e-

### Is RCBC seeking merger with another bank?

The last time the common shares of Rizal Commercial Banking Corp. (RCBC) traded below P60 apiece was on May 23 when the stock opened at its session's low of P58.60 and closed at P59.95. RCBC's share price peaked during trading at P61.05 per share from which it did not go down again.

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## MORE ASIAN NEWS

### Jack Ma said to explore joining \$1.5b Grab fundraising

Jack Ma may team up with SoftBank Group Corp.'s Masayoshi Son in a \$1.5 billion investment in ride-hailing startup Grab. The investment would be part of Grab's previously reported \$1.5 billion fundraising aimed at giving the Singaporean startup cash to battle Uber Technologies Inc. in Southeast Asia.

### Japan: Government fund backs 500 Startups

The government-backed Cool Japan Fund said it will contribute \$10 million to become the largest limited partner in the Japan-focused fund of 500 Startups. The partnership aims to help startups in the archipelago expand abroad by leveraging the venture firm's global network in about 60 countries.

### Short seller battle ground heats up in Asia

Love them or hate them, short selling campaigns are flourishing in the Asia Pacific region. Some identify relatively lax corporate governance standards behind the increase, but it could just be down to some of the best ideas having been exhausted in the U.S., the world's most liquid stock market.

### Here's another sign SG housing market is recovering

Chalk up another sign Singapore's housing market is recovering: redevelopment deals are back. After slowing to a trickle the past three years as housing prices fell, four redevelopment deals -- where a group of owners band together to sell entire apartment blocks at a hefty premium -- have been struck already this year.

### Buffett's favorite chart bullish on Indian stocks

India's booming stock market is now worth almost as much as the nation's economy. But that's not unsettling Raamdeo Agrawal, the stock picker who built a multi-billion dollar financial firm using the tenets of Warren Buffett. Agrawal says it's still relatively cheap by Buffett's favorite valuation indicator - market cap to GDP.

### Tencent outspent Baidu, Alibaba in tech M&A

Chinese internet giant Tencent has surged ahead of rivals Baidu and Alibaba with its acquisitions this year, having spent US\$6.7 billion by the end of May as it seeks to cement its position as a leader in the global gaming industry.

## TODAY'S TOP GLOBAL NEWS

### China builds its global role, one loan at a time

The China-led Asian Infrastructure Investment Bank is a mere startup among development lenders -- but already has a global footprint. Kicking off its second annual conference in the Korean resort island of Jeju on Friday, the bank can now boast a loan book of \$2.5 billion, capped by new projects in India, Georgia and Tajikistan announced on Thursday.

### Western Digital seeks court to block Toshiba sale

Western Digital has sought a court injunction to prevent Toshiba from selling its chip business without the U.S. firm's consent. The spat between Western Digital, which jointly operates Toshiba's main chipplant, and its business partner follows tense jockeying by suitors for the world's second-biggest producer of NAND semiconductors.

### Nestle mulling sale of its confectionary biz in US

Nestle may sell its roughly US\$900 million-a-year US confectionery business, which includes Butterfinger and BabyRuth, in the Swiss food group's latest effort to improve the health profile of its sprawling portfolio.

## Economic Calendar

Date	Release
06.18.2017	PH: BoP Overall
06.18.2017	PH: Budget Balance
06.22.2017	PH: BSP Overnight Borrowing Rate
06.22.2017	PH: BSP Standing Overnight Deposit Rate
06.29.2017	PH: Bank Lending YoY

Source: Bloomberg Economic Calendar