

# The Daily Dispatch

June 20, 2017  
TODAY'S TOP NEWS

## DD, Ascott to build 5-star serviced apartment

DoubleDragon Properties Corporation has partnered with Ascott Limited to build a 5-star luxury serviced apartment in Pasay City, targeted to be operational by 2020. Named Ascott-DD Meridian Park Manila, this development will sit on a 5,567-square-meter lot within the 4.8-hectare complex of DoubleDragon. It will have over 300 units.

## AboitizPower's bonds; Manila Water, CWD's JV

The Securities and Exchange Commission has permitted Aboitiz Power Corp to proceed with its \$600 million public offering of retail bonds, while Manila Water and Calasiao Water District signed a joint venture that will run a new water system.

## Acquisition of chemicals trader LMG set

An investor group has launched a tender offer to acquire the rest of the shares of LMG Chemicals Corp., which is widely believed to be a prospective backdoor-listing vehicle. Last May, parent firm Chemical Industries of the Philippines (CIP) agreed to sell 65.89 percent of LMG to Ortigas-based holding firm Newmanholdings Inc.

## Bosch to expand local footprint via new sites

BOSCH, the brand better known locally for its power tools, is looking for new locations in the Philippines to expand its footprint and has identified Iloilo and Baguio as possible "business hubs," company officials said on Monday.

## MPIC unit to borrow P23.6B for CALAX project

THE METRO PACIFIC group is raising P23.6 billion to partly fund the construction of the Cavite-Laguna Expressway (CALAX) after breaking ground on the Laguna segment of the project yesterday.

## Philippine Stock Market Update



**Previous Close:**

7,943.75

**1 Yr Return:**

5.25%

**Open:**

7,944.84

**YTD Return:**

15.92%

**52-Week Range:**

6,499.00 - 8,118.44

**Source:**

Bloomberg

## Foreign Exchange

As of June 19, 2017

US Dollar	Philippine Peso
1	49.932

## PDST-R2 Rates

As of June 19, 2017

Tenor	Rate
1Y	3.0089
3Y	3.8390
5Y	4.3536
7Y	4.7643
10Y	4.6417
20Y	5.4143

## Daily Quote

"There is no such thing as luck. There is only adequate or inadequate preparation to cope with a statistical universe. --Robert A. Heinlein

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## MORE LOCAL NEWS

### Ayala-led FBDC building 1,500-bed BGC dorm

BGC master developer Fort Bonifacio Development Corp. is debuting into dormitory development to cater to the rising shelter need of business process outsourcing (BPO) and other office workers in this central business district.

### PH Lack of renewable energy standards hit

A Danish manufacturer of wind turbines has lamented the continued lack of standards for renewable energy in the Philippines as well as the non-renewal of incentives for operators of renewable projects.

### BSP revises foreign direct investment goal

The BSP raised the foreign direct investments target this year to a net inflow of \$8 billion from the previous estimate of \$7 billion, on sustained investors' confidence in the Philippine economy. BSP Deputy Governor Diwa Guinigundo said in a news briefing the bank also took into consideration the actual net inflow of \$7.9 billion in 2016.

### Consumer group slams filing of new salt tax bill

Consumer welfare advocacy group Laban Konsumer on Monday criticized the filing of the Asin bill, saying it was untimely and could further heat up discussions in Congress following the ongoing debate on the sugar tax. Laban Konsumer president Victorio Dimagiba said health issues were not the compelling reason for the bill.

### New DENR chief bares 'investor-friendly' policies

The new head of the DENR has bared his plans for the first time, vowing to speed up the issuance of environmental permits. Environment Secretary Roy Cimatu also said in a speech last Thursday the DENR would push for "clean and green" energy development, proper management of water resources and solid waste, and responsible mining.

## TODAY'S TOP ASIAN NEWS

### As HK flats shrink, developers' coffers swell

Cramped living spaces in the world's major cities are nothing new. But few places have reached such extremes as Hong Kong, where housing affordability has become a defining political issue. As soaring prices put homes out of reach for most buyers, developers have been chopping new projects into ever-smaller units.

### CH home prices increase in fewer cities

China's home prices increased in fewer cities last month in the wake of cooling measures imposed by local authorities. New-home prices, excluding government-subsidized housing, gained from the previous month in 56 of 70 cities tracked by the government, compared with 58 in April.

### JD.com chief promises technology-driven future

Richard Liu, chairman of JD.com, China's second-largest e-commerce player after Alibaba, tells staff that JD.com was perfectly positioned to play a key role in the next stage as a "retail infrastructure service provider," offering more technology-driven solutions to clients in the form of cutting-edge artificial intelligence.

### Meltwater buys Klarity to harness data from CN

International media intelligence company Meltwater has acquired Hong Kong-based analytics start-up Klarity in a move that is expected to deepen the firm's ability to harness data from major Chinese social media platforms like WeChat and Sina Weibo.

### China Eastern Air invites private investors

China Eastern Air said it will introduce four private investors, including Legend Holdings, owner of the Lenovo computer brand, to share ownership of its logistics arm, Eastern Air Logistics (EAL). The restructuring is aimed at building a world-class logistics company capable of competing with the likes of FedEx.

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## MORE ASIAN NEWS

### Chinese firms eye investments in India

Attracted by India's infrastructure development programme, state-run Chinese firms, including China Harbour Engineering Co. Ltd and China Datang Corp. (CDC), are looking to buy Indian companies in the engineering, procurement, construction (EPC) and power generation space, respectively to drive their business.

### SoKor tightens mortgage rules to restrain frenzy

South Korea on Monday announced tighter mortgage rules and curbs on speculative resales of homes in Seoul and parts of Busan -- the toughest rules in almost three years as policy makers sought to stabilize hot housing markets amid soaring household debt.

### Noble Group's \$2B loan deal prompts question

Just days after Noble Group secured a US\$2 billion loan extension, some investors in the credit protection market are looking to get paid. The International Swaps & Derivatives Association has been asked to decide whether a four-month loan extension from the Hong Kong-based company's banks constitutes a so-called restructuring credit event.

## TODAY'S TOP GLOBAL NEWS

### Boeing, Airbus to battle it out at Paris Air Show

The aircraft industry descends on Paris for the world's biggest airshow Monday, June 19, which sees bitter rivals Boeing and Airbus battle for contracts as newcomers snap at the heels of the two giants. But the duopoly is not without challengers: Competition is looming, notably from Russia and China.

### Moody's downgrade signals AUS home loan risks

The decision by Moody's Investors Service to downgrade the ratings of Australia's largest banks has focused attention on the risks lurking in the country's \$1.15T of mortgage loans. Despite recent steps to rein in their exposure, the lenders still sit on by far the largest property lending books of any banks in the world.

### Tesla close to agreeing on plan for CH plant

Tesla Inc. is close to an agreement to produce vehicles in China for the first time, giving the electric-car maker better access to the world's largest auto market. The agreement with the city of Shanghai would allow Tesla to build facilities in its Lingang development zone and could come as soon as this week.

### Newlake-led SKR consortium as preferred bidder

A South Korean consortium led by Newlake Alliance and JB Asset Management and supported by POSCO has emerged as the preferred bidder in the sale process for troubled Australian steel group Arrium Ltd. The Korean consortium and UK's Liberty House, which has been buying troubled steel plants, were the two shortlisted bidders.

### UK economy faces slowdown on turmoil, Brexit

LONDON, United Kingdom — Britain's economy will slow in the coming years, the CBI business lobby warned Tuesday, blaming domestic political turmoil — and the impact of Brexit one day after EU divorce talks began.

### Argentina Plans to Offer 100-Year Bonds

Argentina sold 100-year bonds barely a year after settling a protracted legal dispute tied to a \$95 billion default. With the \$2.75 billion sale, the government of South America's second-largest economy joins Mexico and the U.K. in issuing debt that matures over a century, which is often particularly attractive to insurers and pension funds.

## Economic Calendar

Date	Release
06.15.2017	PH: Overseas Remittances YoY
06.19.2017	PH: BoP Overall
06.22.2017	PH: Overnight Borrowing Rate
06.29.2017	PH: Money Supply M3 SRF YoY
06.30.2017	PH: Bank Lending YoY

Source: Bloomberg Economic Calendar