

The Daily Dispatch

June 21, 2017
TODAY'S TOP NEWS

Asia Brewery to produce Heineken beer locally

Asia Brewery, the beverage arm of the Lucio Tan-led LT Group Incorporated (LT Group), will capitalize on its partnership with Heineken International by producing two of the latter's most popular beers in the country. The deal allows it to distribute and brew Heineken brands, notably Tiger beer and Heineken itself, in the country.

Peso breaches \$1 to 50 mark again

The peso once again broke the psychological barrier of 50 to 1 US dollar, closing at its lowest level in two months amid hawkish comments by the US Federal Reserve (Fed). The peso lost 19 centavos to close at 50.1 to \$1 on Tuesday, June 20, from Monday's 49.91 to \$1.

PAL orders 7 planes for \$235 million

Philippine Airlines (PAL) will buy 7 planes from Canada's Bombardier as part of an effort to regain its dominance of the growing air travel market, the carrier said Tuesday, June 20. PAL said it sealed the deal for 7 Q400 turboprops, worth \$235 million at list prices, at the Paris Air Show.

PSEi ignores Wall St. gains

Share prices declined yesterday as investors took profits, ignoring Wall Street gains, analysts said. The benchmark Philippine Stock Exchange index (PSEi) shed 25.89 points, or 0.32 percent, to finish at 7,917.86 while the broader All Shares gauge lost 3.97 points or 0.08 percent to finish at 4,719.24.

PNOC rejects Araneta's lease offer for energy city

State-owned Philippine National Oil Co. rejected the lease offer of Energy Oil and Gas Holdings Inc. of businessman Gregorio Araneta III for a planned energy city in Limay, Bataan. PNOC president Reuben Lista said in a letter to Araneta on June 13 that after a thorough deliberation, EOGHI's offer "remains unacceptable" to the board.

Philippine Stock Market Update



Previous Close:

7,917.86

1 Yr Return:

2.87%

Open:

7,921.88

YTD Return:

14.88%

52-Week Range:

6,499.00 - 8,118.44

Source:

Bloomberg

Foreign Exchange

As of June 20, 2017

US Dollar	Philippine Peso
1	50.153

PDST-R2 Rates

As of June 20, 2017

Tenor	Rate
1Y	2.8454
3Y	3.8478
5Y	4.0556
7Y	4.4981
10Y	4.6613
20Y	5.4054

Daily Quote

"Some of the world's greatest feats were accomplished by people not smart enough to know they were impossible."

--Doug Larson

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MORE LOCAL NEWS

Philam Life set to open P2B Cebu headquarters

Philippine American Life and General Insurance Company is opening a twin-tower center in Cebu City next week to mark the company's 70th anniversary in the country. Philam Life chief executive Ariel Cantos said the 16-story center would serve as the company's headquarters in the Visayas. It would also be rented out to other tenants.

Metro Pacific open to P6B settlement

The tollway unit of Metro Pacific Investments Corp. is open to an out-of-court settlement with the government to expedite the resolution of the P6-billion compensation claim, stemming from the regulator's failure to approve toll increases since 2013, an executive said Tuesday.

Philam Life interested in funding gov infra deals

Philam Life is interested in financing some of the government's infrastructure projects. The Insurance Commission is seeking regulations that would allow insurers to expand their investment horizon by allowing them to put their excess capital in higher-yielding instruments like PPPs amid recent market volatilities.

BSP to launch five new credit surety facilities

The central bank yesterday signed implementing rules and regulations for Republic Act 10744 or the Credit Surety Fund (CSF) Act, which would streamline the process of setting up the credit facilities for micro, small, and medium-scale enterprises (MSMEs) across the country.

9 infra projects up for Neda board nod

Nine infrastructure projects with a combined cost of more than P738 billion are up for approval by the National Economic Development Authority (Neda) board meeting next week, Socioeconomic Planning Secretary Ernesto M. Pernia said yesterday.

Biz Buzz: Heading off a transport crisis

Unless the government's regulatory agencies act soon, there could be another mini crisis in the local transportation sector brewing. And we're not talking about the daily breakdowns of trains of the Metro Rail Transit system.

Gov't to give tax perks to cement manufacturing

Taking advantage of the government's ambitious infrastructure development program, the Board of Investments (BOI) will soon grant incentives to cement manufacturing through the investment priorities plan (IPP) in a bid to meet the expected jump in demand for the product, a top official said.

Cebu top KPO site outside Metro Manila

The commercial real estate services firm Colliers said a number of KPO companies that provide higher value services such as health information management and software engineering had opened shops in Cebu, citing various factors of the metro's development, including the ample supply of skilled college graduates and adequate

TODAY'S TOP ASIAN NEWS

Fortunes are being wiped out in CH IPO frenzy

The IPO booms and busts, fueled by a mix of government intervention and unbridled speculation, are becoming more frequent in China as authorities accelerate approvals for newly listed shares. The numbers are a stark reminder of the flaws in China's IPO system, and of the risks facing newly rich entrepreneurs.

Crisis-hit Noble to skip bond coupon payment

Noble Group yesterday confirmed it had extended a key debt deadline and was in "constructive" talks with potential investors, but the crisis-hit trader also pushed back payment of a coupon on a closely watched bond.

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MORE ASIAN NEWS

MSCI to add mainland CH shares to key benchmark

US index provider MSCI said on Tuesday (June 20) it will add mainland Chinese stocks to one of its key benchmarks, in a landmark decision for the global investment landscape and the Chinese government. The full inclusion of domestic Chinese stocks in the widely tracked Index could pull more than US\$400 billion of funds into mainland China's equity

HKEX to diversify income

Hong Kong Exchanges and Clearing has set its sights on becoming a wealth management centre for rich mainlanders, and will also diversify its income sources and expand the profile of new company listings, according to HKEX chairman Chow Chung-kong.

CN's Bay plan seen as 'blue print' for future

A roundtable of prominent thought leaders in technology and commerce spelled out their support for the Guangdong-Hong Kong-Macau Greater Bay Area on Tuesday, saying it provided a credible blue print for future development.

Cross-border yuan settlement to launch in Shanghai

China's central bank governor Zhou Xiaochuan says a cross-border yuan settlement system will soon be launched in Shanghai, in a renewed effort to bolster the local currency's internationalisation drive and reinforce city's bid to become a global financial centre.

MBK eyes exit from cafe chain Komeda

Tokyo-based private equity firm MBK Partners is looking to exit its investments in Japanese cafe chain operator Komeda Holdings Co Ltd. MBK is selling 13.7 million shares of Komeda pegged at \$222 million which will be a cleanup trade if the over-allotment option is fully subscribed.

TODAY'S TOP GLOBAL NEWS

Crude slides into bear market as distress deepens

Oil entered the first bear market since August as concerns worsen that OPEC is failing to ease a global supply glut. West Texas Intermediate crude, the U.S. benchmark, fell more than 20 percent from its highest close this year, meeting the common definition of a bear market.

Ford chooses China, not Mexico, to build new Focus

In a move that highlights the shifting landscape of global auto production, Ford Motor said on Tuesday that it would build its next-generation small car in China rather than in the United States or Mexico.

Razer acquires minority stake in MOL Global

SG-founded gaming hardware company Razer has acquired a minority stake in MY's e-payments platform MOL Global, and appointed MOL as a distributor of zGold in the Asia-Pacific. The financial consideration of the acquisition is undisclosed but the transaction grants Razer a 19.9% equity interest in MOL, with an implied valuation of US\$100M.

Australian regulator clears \$4.7b Tatts buyout

An Australian regulator cleared Tabcorp Holdings Ltd's proposed takeover of lottery owner Tatts Group Ltd for A\$6.15 billion (\$4.67 B). The deal between Tabcorp, Australia's top horse racing and sports betting company, and Tatts would help create a domestic gambling powerhouse even as the challenge from overseas online rivals mounts.

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