

# The Daily Dispatch

June 23, 2017  
TODAY'S TOP NEWS

## BSP maintains rates in Tetangco's last mtg.

BSP Governor Amando Tetangco Jr stood pat at his last Monetary Board meeting, as inflation remains manageable and liquidity is still ample. Tetangco, who is set to end his unprecedented two 6-year terms on July 2, said the decision is based on the Monetary Board's assessment that the inflation environment continues to be manageable.

## JG Summit raises stake in Meralco

JG Summit Holdings has acquired more shares in Manila Electric Co. In a filing with the Philippine Stock Exchange, JG Summit said it acquired 27.5 million shares of Meralco at P250 per share. The transaction was done on June 14. As a result, the company's stake rose by 2.44 percent to 29.56 percent.

## Food cart player eyes public offer

The Lush Co. Inc. (TLC), the leading player in the Philippine food cart business, is exploring the possibility of tapping the local equities market to fund its expansion, a company official said. At present, TLC has been widening its business portfolio which includes dining outlets and food parks.

## Basic instinct: How new BSP chief will steer econ.

In a country in political flux, investors have come to rely on a predictable central bank in the Philippines. Now, with Governor Amando Tetangco handing over the reins to one of his deputies after 12 years, his successor wants to show he is no clone.

## ALI spending hits P32 B for Vertis North

Ayala Land Inc.(ALI) has already spent nearly half of its P65 billion budget for Vertis North Estate in Quezon City. Teodoro said around 14 hectares of the 29-hectare project are being developed into residential, retail, hotel and office space.

## Philippine Stock Market Update



**Previous Close:**

7,858.34

**1 Yr Return:**

3.08%

**Open:**

7,872.59

**YTD Return:**

14.48%

**52-Week Range:**

6,499.00 - 8,118.44

**Source:**

Bloomberg

## Foreign Exchange

As of June 22, 2017

US Dollar	Philippine Peso
1	50.367

## PDST-R2 Rates

As of June 22, 2017

Tenor	Rate
1Y	2.8342
3Y	3.8350
5Y	4.0296
7Y	4.4640
10Y	4.6315
20Y	5.3679

## Daily Quote

"It is not because things are difficult that we do not dare; it is because we do not dare that they are difficult." --Seneca.

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## MORE LOCAL NEWS

### AUB targets building 30 branches yearly

ASIA United Bank Corp. said on Thursday it is targeting to build 30 branches yearly in line with its vision to expand its portfolio as it aspires to become one of the top 10 banks in the Philippines.

### Mitsubishi posts highest monthly output in May

MITSUBISHI Motors Philippines Corporation's (MMPC) production in May soared to its highest level since 1964. From an average monthly output of 3,000 at the start of 2017, the plant was able to produce 1,703 units of the Adventure, 1,577 units of the L300, and 1,043 units of the Mirage models for a total of 4,323 units in May.

### S&P raises Meralco rating to BBB-

S&P GLOBAL Ratings has raised its long-term corporate credit score on Manila Electric Co. (Meralco) on expectation that the country's biggest power distribution company will show financial discipline and keep moderate ratio of its funds from operations as against debt.

### PPA approves 24% hike for North Harbor over 3 yrs

The PPA has allowed Manila North Harbour Port, Inc. (MNHPI) to increase its cargo-handling rates by 24% over the next three years. In a statement, the regulator said based on Memorandum Circular No. 4-2017, issued on June 19, the first tranche of the increase or the first 8% will be implemented by July 21, or 30 days after the memo was

### Bizz Buzz: Enderun 'end run'

Petroleum trading and logistics magnate Dennis Uy is expected to seal his acquisition of Enderun Colleges Inc. very soon, perhaps in the next couple of weeks. According to a reliable source, the businessman is now only completing the documentation needed to execute his takeover of this educational institution.

### Medco embarks on capital restructuring

Holding firm Medco Holdings Inc. is embarking on a capital restructuring program to reduce about P867 million in deficit and improve its balance sheet ahead of the entry of a new investor group. Subject to the Securities and Exchange Commission's approval, Medco's par value will be reduced from P1 to 5 centavos.

### Adspark partners with Wootag and Tracx

Digital marketing solutions firm AdSpark has entered into strategic partnerships with renowned digital companies to help change the landscape of digital advertising in PH. Through its partnership with Wootag and Tracx, AdSpark would be able to offer the Philippine advertising market a more immersive experience and highly-intensive analytics.

## TODAY'S TOP ASIAN NEWS

### HK stock market tells story of CH's dominance

To see how China's influence has grown since the British handover of Hong Kong, look at the Hang Seng Index, the city's main equity benchmark, tracking the largest, most liquid companies. The Hang Seng has become integral to Hong Kong, and its transformation over the decades reflects how this financial hub has evolved.

### China Unicom counts Alibaba, Tencent as investors

Chinese tech giants Alibaba Group Holdings and Tencent Holdings will be among new investors pouring a total of around \$10 billion into mobile carrier China Unicom as part of efforts by Beijing to rejuvenate state behemoths with private cash.

### Qualgro spins out \$50m+ ASEAN-focused fund

Qualgro and Gordian Capital announced the spin out of the Qualgro ASEAN Fund I, L.P. from the Gordian Capital platform, with a corpus in excess of \$50m. The ASEAN-focused fund attracted investments from both Japanese and Asian MNCs. It makes venture capital (VC) investments, with a primary focus on Series A, B in SE Asia, AT & NZ.

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## MORE ASIAN NEWS

### Asean holds opportunities for industrial IOT

Wouter van Wersch, the President and CEO of GE ASEAN, predicts that industrial internet of things adoption will see “trillions of dollars” in value as more than 50 billion machines and 9 billion people get connected – bringing productivity gains of \$8.6 trillion for industrial companies in the next 10 years.

### Cainiao creates US\$1.24b fund with China Life

Cainiao Network, the logistics arm of e-commerce giant Alibaba Group Holding, has set up an 8.5 billion yuan (US\$1.24 billion) fund with China Life Insurance, the mainland's largest insurer, to finance the expansion of its nationwide network of “smart” handling and storage facilities.

### Manila Water hikes stake in Saigon Water

LISTED water provider Manila Water Company, Inc. said on Thursday it has completed the purchase of an additional 6 million primary shares in Vietnam-based Saigon Water Infrastructure worth 103.8 billion Vietnamese Dong (VND) or P230 million.

### Impact of MSCI China inclusion watched

INCLUSION of mainland Chinese shares in Morgan Stanley Capital International’s (MSCI) influential global benchmark equity index may trigger fund outflows from emerging markets like the Philippines once the rebalancing starts, but impact on local equities can be expected to be limited, stock market analysts said yesterday.

## TODAY’S TOP GLOBAL NEWS

### Buffett airline stake gains \$76M on Qatar bid

Qatar Airways’ unsolicited approach to buy a 10 percent stake in American Airlines Group Inc. sent the stocks of most U.S. carriers aloft Thursday. Few investors were positioned as well as Warren Buffett’s Berkshire Hathaway Inc. The company saw its portfolio climb \$76 million on the news.

### AUS banks have been beaten down this week

Australia’s biggest banks haven’t had a happy time of it lately -- from cuts to their credit ratings, Prime Minister Malcolm Turnbull’s A\$6.2 billion (\$4.7 billion) levy, and the prospect regulators will force lenders to hold more capital against their mortgage books.

### China’s JD.com to invest \$397m in Farfetch

JD.com Inc, China’s No.2 e-commerce firm, said it would invest \$397m in fashion retailer Farfetch UK Ltd to expand its luxury offerings, amid fierce competition with Alibaba Group for China’s high-end retail market. JD will become a major shareholder in the UK firm following the transaction, and CEO Richard Liu will join Farfetch’s board.

### GSK's CEO aims to divest sports nutrition brand

GlaxoSmithKline Plc's new Chief Executive Officer Emma Walmsley is shaking up the British drugmaker's portfolio of smaller products with plans to divest its MaxiNutrition sports nutrition brand, two people familiar with the matter said on Thursday.

### Amazon has unfair advantage on Whole Foods deal

While antitrust experts expect Amazon.com Inc's bid for Whole Foods Market Inc to win regulatory approval, some critics argue the deal should be blocked because it gives the online retailer a nearly unstoppable head start toward domination of online grocery delivery.

## 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