

The Daily Dispatch

June 06, 2017
TODAY'S TOP NEWS

SM Prime market capitalization breaches P1Tmark

SM Prime Holdings Inc., the shopping-mall operator and the property-development firm of the Sy family, becomes the first Philippine company to reach P1 trillion in market capitalization on Monday on the back of favorable market outlook.

Stock index closes above 8,000-mark

Philippine stocks ended above 8,000 for the first time this year, ignoring negative news at home and shrugging off external risks. This, after Southeast Asian stock markets tracked gains of Wall Street equities that closed at record levels on Friday despite sluggish jobs report.

Ayala unit acquires German auto supplier

In a disclosure to the Philippine Stock Exchange (PSE) yesterday, Ayala said AC Industrials has completed the signing and execution of the share purchase and transfer agreement through AC Industrials (Singapore) Pte. Ltd. to acquire 94.9 percent of MT Misslbeck Technologies GmbH in a transaction valued at €26.8 million.

World Bank sees steady 6.9% Phl GDP growth

The World Bank expects a steady economic growth for the Philippines until next year, driven by public and private investment. Based on the World Bank's June 2017 Global Economic Prospects report, the Philippines is expected to post a steady 6.9% growth this year and the next, led by a pickup in public and private investment.

Pagcor: limit number of offshore gaming firms to 50

Jose Tria Jr., assistant vice president of Pagcor's Offshore Gaming Licensing Department, said the regulator is eyeing to impose a moratorium to limit the number of Philippine offshore gaming operators (POGO) to 50 until it is sure that the increase in players is not overtaking the demand.

Philippine Stock Market Update



Previous Close:

8,001.38

1 Yr Return:

6.74%

Open:

8,019.20

YTD Return:

16.56%

52-Week Range:

6,499.00 - 8,118.44

Source:

Bloomberg

Foreign Exchange

As of June 5, 2017

US Dollar	Philippine Peso
1	49.410

PDST-R2 Rates

As of June 5, 2017

Tenor	Rate
1Y	2.8618
3Y	3.8456
5Y	4.1354
7Y	4.5333
10Y	4.7296
20Y	5.4911

Daily Quote

“Everyone wants to live on top of the mountain, but all the happiness and growth occurs while you’re climbing it.”

-Andy Rooney

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MORE LOCAL NEWS

Oil companies reduce gas prices

After three consecutive weeks of oil-price increases, oil firms on Monday announced a price cut of petroleum products starting on Tuesday. In separate advisories, they said they will decrease the prices of diesel by P0.90 per liter, gasoline by P0.55 per liter and kerosene by P0.90 per liter.

Zamora buys PT&T for P800 M

Salvador “Buddy” Zamora II has reportedly acquired telecom firm Philippine Telegraph & Telephone Corp. for roughly P800M. Industry sources said Zamora, a business tycoon with investments in mining and transportation, quietly acquired the company last month although it is not yet clear what he plans to do with his new venture.

Provident Plans has until June to get white knight

The Insurance Commission (IC) has given preneed firm Provident Plans International Corp. (Provident Plans) only up to the middle of the month to come up with a white knight, or it will be placed under conservatorship. The warning, the regulator said, was necessary to protect the interests of its 38,000 plan holders.

DMCI to enter cement business

Consunji family-led conglomerate DMCI Holdings plans to enter the cement manufacturing business with a potential \$340-million investment to make use of low-grade coal and vast limestone reserves in Antique’s Semirara Island.

PH, IDN start talks for entry of qualified banks

The central banks of the Philippines and Indonesia have started discussions to allow the entry of qualified Asean banks (QABs) in each other’s jurisdictions. Last Sunday, Bangko Sentral ng Pilipinas Governor Amando M. Tetangco Jr. and Otoritas Jasa Keuangan (OJK) Chairman Muliaman D. Hadad signed the letter of intent in Jakarta.

Tax reform OK seen boost to credit rating

Approval by the House of Representatives of the first tax reform package will help the Philippines’ credit rating, Moody’s Investors Service said in a June 5 note, noting it will provide a fresh stream of funding and showed the government of President Duterte can put reforms in place despite persistent political controversies.

Bullish on PH, Villar sets aggressive expansion

Tycoon Manuel B. Villar, Jr. is looking at aggressively expanding his property and retail businesses in the next few years, as he keeps a “very bullish” outlook on the Philippine economy under the Duterte administration. Mr. Villar, whose businesses include property and retail, expects the economy to continue growing.

Unilever starts shift to renewables for PH ops

Unilever Philippines said it has started to shift all its operations to renewable energy, with the move expected to be completed by 2018, after signing a power purchase agreement with First Gen Corp. The agreement will cover Unilever Philippines’ facilities in Paco, Manila and Pasig.

TODAY’S TOP ASIAN NEWS

Brain drain from SEA poses obstacle to growth

A recent study by the Asian Development Bank shows that the number of immigrants with university degrees who left to work in richer nations in the Organisation for Economic Cooperation and Development surged 66 percent in the decade through 2010-2011 to 2.8 million. More than half of them came from the Philippines.

China's \$17T debt not as scary as it looks

There’s been no shortage of bad news when it comes to China’s massive debt pile, from turbulence in the corporate bond market to last month’s sovereign rating downgrade by Moody’s Investors Service. But one encouraging fact stands out: China’s biggest companies are healthier than they’ve been in years.

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MORE ASIAN NEWS

Adani approves controversial AUS coal project

India's Adani Group will proceed with its \$16.5 billion Carmichael coal project in Australia's Queensland state after its board approved a final investment decision on the development. After delaying a decision due to uncertainty over royalty payments, Adani said Tuesday it will start pre-construction works in the 3rd quarter.

Middle class dream fuel India's housing boom

Indian real estate, historically a depository for black-market cash, was hit hard by the government's move to stamp out corruption with a ban on high-denomination bank notes in November. The slump is showing signs of a recovery. Sales across nine cities rose 19% in the March quarter after a 20 percent slump in the previous three months.

Japan notches \$18B of soured deals in M&A boom

Japan Inc., which has been snapping up everything from drugmakers to beer brands in its biggest overseas acquisition spree on record, is beginning to feel the pain from some of the soured deals of the past. Companies in Japan booked at least \$18B of writedowns on their overseas assets in the fiscal year ended March.

Asia builds new alliances to counter China

Several Asian nations are seeking to bolster informal alliances among themselves, regional diplomats and officials said, unsettled by growing fears that the United States could not be relied on to maintain a buffer against China's assertiveness.

China to create industrial giant in Shenhua merger

China's government is poised to create a 1.8 trillion yuan (US\$265 billion) industrial juggernaut by merging the country's largest coal miner Shenhua Group with power producing giant China Guodian Corp, a move to bolster corporate performance, reduce over-capacity and improve management, according to sources.

TODAY'S TOP GLOBAL NEWS

US services, factory data point to moderate growth

U.S. services sector activity slowed in May as new orders tumbled, but a jump in employment to a near two-year high pointed to sustained labor market strength despite a deceleration in job growth last month. "The economy is neither accelerating nor slowing, but the labor market is looking up," said an economist.

Oil Slips: clash seen to have limited impact

Oil dropped to the lowest level in more than three weeks as the market refocused on glut concerns after a diplomatic clash involving Saudi Arabia and Qatar was seen as having a limited impact on supply. Despite sanctions, Qatar still has access to shipping routes to deliver oil and gas to global buyers.

BlackBerry downplays Toyota's use of rival software

BlackBerry Ltd on Monday downplayed news that Toyota Motor Corp would adopt rival software for its future vehicle consoles, saying it was more focused on the faster-growing market for autonomous driving technology.

Amazon-Apple deal shows tough road to cooperation

A deal bringing Amazon Prime Video to Apple TV shows how competitive tensions among Silicon Valley titans can stand in the way of serving customers. The logic of linking Apple TV, a device for watching television over the internet, with Amazon.com Inc's booming video-streaming service looks obvious.

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