

The Daily Dispatch

June 07, 2017
TODAY'S TOP NEWS

ECOP supports compressed work week

“ECOP is concerned that any further reduction in the number of working days particularly through additional paid leaves impacts not only on productivity but also on cost of doing business, and also on the viability of small enterprises,” the Employers Confederation of the Phl. said.

Inflation rate eases to four-month low

The increase in consumer prices eased to its slowest in four-months in May this year owing to lower food and non-food costs, data from the Philippine Statistics Authority showed. The PSA reported that headline inflation eased to 3.1% last month from 3.4% in April, but higher compared with 1.6% in the same month in 2016.

DMCI putting up \$300M cement plant in Semirara

DMCI Holdings Inc. is eyeing to invest around \$300M to put up a cement plant in Semirara Island, in a bid to grow the company's offerings. In an interview over the weekend, DMCI chairman Isidro Consunji told reporters the potential cement plant on Semirara Island in Antique would have a capacity of around 2.3 to 2.4mn MT per year.

Mindanao power spot market starts trial run

Philippine Electricity Market Corp. (PEMC) will start trial operations of the wholesale electricity spot market (WESM) in Mindanao on June 26 to serve as a transition period for energy stakeholders following the Department of Energy (DOE) declaration of its launch this month.

Power retailers fear default: unresolved RCOA issues

On the back of protracted legal skirmish on the RCOA policy, firms affiliated with the Retail Electricity Suppliers Association, Inc. (RESA) have sounded off fears that their contractual obligations with suppliers and big-ticket customers may end up in default due to delayed action on processes of their renewal of licenses.

Philippine Stock Market Update



Previous Close:

7,953.12
18 2000

Open:

7,964.02

52-Week Range:

6,499.00 - 8,118.44

1 Yr Return:

5.47%

YTD Return:

16.89%

Source:

Bloomberg

Foreign Exchange

As of June 6, 2017

US Dollar	Philippine Peso
1	49.520

PDST-R2 Rates

As of June 6, 2017

Tenor	Rate
1Y	2.8351
3Y	3.8325
5Y	4.0582
7Y	4.4828
10Y	4.6827
20Y	5.0000

Daily Quote

"Fall seven times and stand up eight."

-Anonymous

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MORE LOCAL NEWS

Huawei looks to boost Philippines presence

Huawei Technologies Co., a Chinese multinational networking and telecommunications equipment and services company, is looking at expanding its presence in the Phl. Government officials and Huawei's top officials met in China on the sidelines of the One Belt, One Road forum to discuss possible add'l investments in the country.

6 Filipino billionaires building a megamall in China

Decades ago, one of Henry Sy's first bonanzas was buying cigarettes off of American soldiers and selling them at a markup. Now, heirs of the retail and property mogul behind Southeast Asia's largest fortune may have found a jackpot of their own: They're building a supermall in China that's almost the size of the Pentagon.

HK architects unveil City of Pearl project for MNL

HK-based architectural firm hpa unveiled a major development project, promising "a self-sustainable, revolutionary and eco-nouveau city in the capital of the PH." Hpa said the "New Manila Bay-City of Pearl" is the firm's largest and most innovative project to date, and the biggest "Belt and Road" project between PH and CN.

Crown Asia wins govt's Skyway Stage 3 Project

Crown Asia Chemicals Corp. said it has been tapped by the government to supply materials for the P37.43-billion Skyway Stage 3 project. The project is a 14.8-km elevated expressway that will link Buendia Ave. in the south to Balintawak in the north, and will consist of strategically located 14 toll plazas.

PNOC to develop properties

National Development Corp., Aidea Philippines and Udenna Corp. are in talks with state-owned Philippine National Oil Co. to develop the energy firm's real estate assets. NDC executives recently met with PNOC president Reuben Lista "to discuss matters of mutual business interest in the field of real estate," the oil company said.

Dyson expanding Laguna operations

British consumer product manufacturer Dyson Electronics Pte. Ltd. is increasing its capital investments in the Philippines to \$70M to expand its operations in Laguna province. Dyson Electronics COO Jim Rowan said the company was adding a new line to produce Dyson-patented motors for a new model of the cordless vacuum cleaner.

MPIC interested in possible LRT-2 O&M auction

Light Rail Transit Authority (LRTA) Administrator Reynaldo I. Berroya said last week that there are ongoing discussions to privatize the operations and maintenance of LRT-2 which could be decided in its next "two or three board meetings."

Worker deployments to Qatar suspended

The Labor department said on Tuesday that it ordered a halt to the deployment of workers to Qatar after the gas-rich Gulf state grappled with a diplomatic crisis after its neighbors cut ties with Doha.

Biz Buzz: Power grid to information grid

Don't look now, but there seems to be a growing alliance between National Grid Corporation of the Philippines (NGCP) and the Department of Information and Communications Technology (DICT) to push the proposed National Broadband Network.

TODAY'S TOP ASIAN NEWS

Chinese giants are taking over Hong Kong

Hong Kong has long acted as the gateway into and out of China. In the '90s, Chinese state-owned firms, known as Red Chips, raised capital from Hong Kong to develop China's economy. Now, as China's political influence in Hong Kong grows, cash-rich Chinese firms are gaining more influence in the economy as well.

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MORE ASIAN NEWS

Divorce is pushing HK house prices higher

The usual suspects for Hong Kong's sky-high property prices are low interest rates, a housing shortage and demand from mainland China. But there's another unforeseen factor: divorce. Demand for separations and remarriages have accelerated sharply over the past two decades.

Ginza land prices flashing a warning sign in Tokyo

Land prices in Tokyo's central Chuo ward, home to the famous Ginza shopping district, have jumped by 51 percent in four years. In Osaka, they are up by nearly half. Now some investors surveying Japan's property market are anticipating price corrections.

4 Singapore companies with bond deadlines to watch

Singapore's bond market has seen unprecedented defaults, and a slump in oil prices along with a weak property market are threatening to increase nonpayments this year. Here are four firms that have bonds maturing by the end of next year, and that Bloomberg's default-risk monitor suggests have the highest odds of failing to repay.

QTC buys into solar; Huawei invests in OpenLab

QTC Energy Plc is to acquire a 15 per cent stake in Green Earth Power through its subsidiary QTC Global Power for 267M baht (\$7.7M). Huawei plans to invest \$15M to set up OpenLab Bangkok to provide one-stop support to enterprises' information and communication technology infrastructure.

Ride-hailing company Grab likely to seek funds

Grab, Uber's biggest ride-hailing competitor in Southeast Asia, is likely to kick off a fresh round of fundraising "in the near future" as it seeks to develop offerings such as financial services, its head said on Tuesday.

TODAY'S TOP GLOBAL NEWS

CX and JAL cooperate for better choices and fares

Cathay Pacific Airways and Japan Airlines are eyeing closer cooperation in a move that may give passengers a greater choice of flights and fares, especially between Asia and the United States. Move could bring more perks on Asia-US routes and improve competitiveness of Hong Kong's struggling flag carrier.

KKR offers \$1.6B for Australian telco. Vocus

KKR & Co. offered to buy Vocus Group Ltd. for A\$2.18 B (\$1.6 B), pursuing the Australian telecommunications company after its stock price collapsed in the past year. The New York-based private equity firm bid A\$3.50 a share in cash, Vocus said in a statement Wednesday. That's 22 percent more than the stock's closing price on Tuesday.

Venezuela tries resell \$5B bond at deep discount

Venezuela is attempting to resell at a deep discount \$5 billion of bonds it originally issued in December through a Chinese brokerage as it struggles to squeeze through a tightening cash crunch, according to investors who were offered the bonds.

Australia's Annual GDP Slows Less Than Expected

Australia's economy slowed in the first quarter, constrained by weak net exports and a drop in housing investment. The currency jumped as annual growth beat expectations. Gross domestic product rose 0.3% from prior qtr; economists estimated 0.3% gain. Economy grew 1.7% from a year earlier, compared with a forecast 1.6% increase.

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