

# The Daily Dispatch

July 28, 2017  
TODAY'S TOP NEWS

## JTI seeks clearance for Mighty deal

The PH unit of JTI has sought clearance from the country's antitrust body for its purchase of homegrown Mighty Corp.'s assets and distribution network. If cleared, the transaction will officially be a done deal by next month. Government would likely receive by August the rest of the settlement offered by Mighty for its tax liabilities.

## Worsening conditions for foreign investors

Industrialists said more government support for micro, small and medium enterprises (MSMEs) could turn out to be a prudent measure if investors are scared away by rising political uncertainty and unrest in the south.

## HK firm keen on STI stake in pre-need firm

STI Education Services Group, Inc. (ESG) on Thursday said a Hong Kong-based company is keen on acquiring its stake in company that owns a pre-need firm and a health maintenance organization (HMO). Maestro Holdings owns 100% of pre-need firm PhilPlans First, Inc. and 99.89% of HMO Philhealthcare, Inc.

## CH firm looking into renewable energy projects

MRC ALLIED, Inc. has entered into a memorandum of understanding (MoU) with a Chinese firm to look into the renewable energy projects in the Philippines that have been identified by the local company.

## Biz Buzz: Repeat offender?

Several sources have told Biz Buzz that one particular rogue bank officer could have been prevented from causing financial and reputational harm to the banking giant had a previous disciplinary case against her been acted on more firmly.

## Philippine Stock Market Update



**Previous Close:**

7,788.06

**Open:**

7,774.91

**52-Week Range:**

6,499.00 - 8,118.44

**1 Yr Return:**

1.04%

**YTD Return:**

13.31%

**Source:**

Bloomberg

## Foreign Exchange

As of July 27, 2017

US Dollar	Philippine Peso
1	50.525

## PDST-R2 Rates

As of July 27, 2017

Tenor	Rate
1Y	2.8101
3Y	3.8927
5Y	4.0693
7Y	4.4900
10Y	5.0286
20Y	5.1637

## Daily Quote

"Be the kind of person that you want people to think you are."

--Socrates

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## MORE LOCAL NEWS

### Big Taiwan firm to build new plant

Philippine Chamber of Commerce and Industry president George Barcleon said New Kinpo Group, the parent company of Kinpo Electronics, conveyed its plan to expand its presence in the Philippine manufacturing and export sector during a recent meeting between PCCI and a 20-man Taiwanese business delegation.

### PetroEnergy plans P1B rights offering

PetroEnergy Resources Corp. said Thursday it will raise P1B from a stock rights offering to help finance its capital expenditures over the next 2 years. “The company expects to raise gross proceeds of approximately P1B. The offer price and other details of the offer will be announced as soon as determined,” the company said.

### As stocks soar, bourse prepares for IPO rush

The PSE under the leadership of its new president Ramon Monzon, is hoping for a better year especially with the Philippine Stock Exchange index recently seen flirting with new all time highs or breaching the 8,000 mark.

### SSS trumpets increased collections, higher pension

Higher pension, bigger collections and an expanded branch network. These are some of the changes the Social Security System (SSS) has seen during its first year under the Duterte administration. President Duterte expressed concern over members of the state-run pension fund even before he was elected president.

### Expect more mergers, acquisitions — FMIC

Mergers and acquisitions, as in the previous years, are expected to continue this year even as interest rates are expected to rise, along with the trend in the global interest rate environment. Justin Ocampo, FMIC executive vice president and head of investment bank FMIC, sees more M&A taking place this year and the coming year.

### Gas prices seen to surge with excise-tax hike

The Independent Philippine Petroleum Companies Association (IPPCA) is expecting gasoline prices to surge by P7.65 as a result of an impending increase in excise tax on all petroleum products and increase in locally produced ethanol.

### MRC Allied partners with CH firm for energy deals

MRC Allied Incorporated and China Energy Engineering Group Guangdong Power Engineering Company Limited will jointly explore opportunities in the Philippines' renewable energy sector. The company said that it has signed a memorandum of understanding (MOU) with China Energy Engineering Group for local renewable energy

## TODAY'S TOP ASIAN NEWS

### Starbucks buying out Chinese venture for US\$1.3 bn

Starbucks is buying the rest of its East China joint venture in a US\$1.3 billion transaction, marking the biggest deal ever for a company that sees China as a huge growth opportunity.

### Chinese telco firms scrap roaming fees from Sept

China's three state-owned telecommunications companies announced on Thursday that they will scrap domestic roaming charges for mainland users from September 1, one month ahead of the original schedule.

### Huawei boosts retail to stem margin decline

To counter the continuous margin squeeze, Huawei Technologies is accelerating the pace of opening new stores globally to sell more smartphones, with a plan to run 56,000 retail stores worldwide by the end of 2017, up from 35,000 in May last year.

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## MORE ASIAN NEWS

### HNA faces questions on \$1 Billion CWT takeover

HNA Group Co., the acquisitive Chinese conglomerate, is facing additional questions from banks working on financing its proposed \$1 billion takeover of Singapore logistics operator CWT Ltd., people with knowledge of the matter said.

### Qatar Airways sticks to jet orders despite crisis

Qatar Airways, which has been losing passengers after a flight embargo from four Arab countries, is still making money and will go through with jet orders it's already committed to, as the nation seeks an international ruling restoring its access to air corridors, a senior official said.

### Amazon pushes into Southeast Asia with SG launch

Amazon launched its express delivery service in Singapore, the US online retail giant's first foray into Southeast Asia and a move that puts it in direct competition with China's Alibaba. Prime Now allows online shoppers to order a wide range of items from baby products to food, electronics items and beer.

### Indian tourists are flocking to Singapore

Singapore has become a flourishing entry point for Indian cruise-ship passengers, bolstering sales for operators. About 100,000 Indians sailed from Singapore last year, 29 percent more than in 2015, making India the biggest market for cruises departing from the Southeast Asian nation.

### JPN inflation stalls even as job market tightens

Japan's key price gauge was unchanged in June, helped by rising power costs. The tight labor market may also start to help inflation, which remains far from the central bank's 2 percent target.

## TODAY'S TOP GLOBAL NEWS

### Cheung Kong buys energy manager Ista for €4.5B

Hong Kong tycoon Li Ka-shing, whose investments in Europe already span several countries, has added Germany to his corporate empire with the acquisition of Ista International, one of the world's largest providers of energy management services.

### Chinese enterprises warm up to Australia's ASX

Chinese enterprises are looking favourably at the Australian Securities Exchange (ASX) which has seen businesses such as the China Dairy Corporation, Traditional Therapy Clinics and Dongfang Modern Agriculture conduct their initial public offerings (IPOs) on the Sydney-based bourse in recent times.

### Europe's Butter Mountain Has Melted Away

Europeans are eating so much butter that the bloc's stockpiles are nearly empty, adding to a rush of demand that has sent global prices skyrocketing. The star of the U.S. dairy market in recent years, butter costs have now soared to all-time highs in Western Europe and Oceania.

### AstraZeneca, Merck strike cancer drugs partnership

Pharmaceutical giants AstraZeneca and Merck said on Thursday, July 27 they had agreed a multi-billion-dollar deal to jointly develop key cancer drugs. Merck will pay AstraZeneca up to \$8.5 billion (7.2 billion euros) under the deal struck to develop and commercialize the drugs.

## Economic Calendar

Date	Release
07.17.2017	PH: Overseas Remittances YoY
07.19.2017	PH: BoP Overall
07.30.2017	PH: Money Supply M3 SRF YoY
07.30.2017	PH: Bank Lending YoY
07.31.2017	PH: Nikkei Philippines PMI Mfg

Source: Bloomberg Economic Calendar