

The Daily Dispatch

August 10, 2017
TODAY'S TOP NEWS

GT Capital ventures into microfinance

GT Capital Holdings Incorporated is dipping its hands into the microfinance business, as it is set to acquire a 20% stake worth nearly P380 million in a financing firm partly owned by its thrift bank arm. The holding company of taipan George Ty will purchase 4 million shares of Sumisho Motor Finance Corporation (SMFC) at P94.98 each.

Udenna breaks ground for \$341-M Cebu casino

Udenna Corp. of Davao-based businessman Dennis Uy formally broke ground on its multimillion-dollar casino project in Cebu. Wholly owned subsidiary Udenna Development Corp. is building the \$341 million Emerald Resort and Casino, which will rise on a 12.5-hectare prime beachfront property in Mactan Island in Lapu-Lapu City.

BSP Chief's debut rate call draws scrutiny

Nestor Espenilla, who took office as Philippine central bank chief last month, will be the center of attention Thursday. Traders and analysts will be searching for clues in the first rate decision of the former deputy governor, who's already made changes to some of the central bank's policy communications.

Forex gains keep PH banks profitable

Earnings of banks operating in the Philippines rose 3.3 percent in the first half as gains from foreign exchange transactions cushioned the sharp drop in trading income, according to preliminary data released yesterday by the Bangko Sentral ng Pilipinas (BSP).

IMF cuts 2017, 2018 PH GDP forecasts

The International Monetary Fund (IMF) cut its Philippine economic growth forecasts for 2017 and 2018, after weak private consumption pulled down the gross domestic product (GDP) expansion in the 1st 3 months of the year. They said the GDP growth forecast has been slashed to 6.6% from an earlier outlook of 6.8% this year.

Philippine Stock Market Update



Previous Close:

7,985.83

1 Yr Return:

0.73%

Open:

8,005.39

YTD Return:

16.51%

52-Week Range:

6,499.00 - 8,106.74

Source:

Bloomberg

Foreign Exchange

As of August 9, 2017

US Dollar	Philippine Peso
1	50.648

PDST-R2 Rates

As of August 9, 2017

Tenor	Rate
1Y	2.8853
3Y	3.8600
5Y	4.5893
7Y	4.4931
10Y	5.0375
20Y	5.4946

Daily Quote

"A good traveler has no fixed plans, and is not intent on arriving."

--Lao Tzu

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MORE LOCAL NEWS

Transport sector next on PCC list

The Philippine Competition Commission (PCC) has set its sights on the country's transportation sector as its next probe target for potential anti-competitive practices. PCC officials said the anti-trust agency is set to undertake a comprehensive study on the transportation sector to identify possible cases of anti-competitive behaviors.

Gov't urged to look beyond infra initiative

The Philippine Chamber of Commerce and Industry wants government to also take into account the potential socioeconomic impact of infrastructure developments beyond the Build Build Build initiative. PCCI president George Barcelon said it is not enough for government to develop new infrastructure projects "just to have that."

PHL removed from dirty money list

The Philippines has been removed from the watch list of a regional unit of the Financial Action Task Force (FATF) following a new law that requires casinos to report daily deals to regulators, as the global watchdog recognized "significant progress" in combatting dirty-money deals.

SMIC earnings hit P16.6B in 6 months

The sustained growth of SM Investment Corp.'s (SMIC) retail, banking and property businesses drove its net income 9% higher in the first half of 2017. The holding firm of the country's richest man Henry Sy, Sr. on Wednesday reported a net income of P16.6 billion for the January to June period.

Cusi: Conventional power sources are indispensable

Conventional energy such as coal and liquefied natural gas (LNG) remains an indispensable power source in meeting the country's economic potential and achieving a carbon-free energy future, Energy Secretary Alfonso Cusi said yesterday.

Term deposit rates ease

Term deposit rates eased yesterday as excess funds of banks continue to flock back to the facilities of the Bangko Sentral ng Pilipinas (BSP) such as the term deposit auction facility (TDF). The seven-day term deposits fetched 3.3327% yesterday, lower than last week's 3.3345% with the accepted yield ranging from 3.3 to 3.375%.

Nigeria contract pulls ICTSI's income to over \$100M

International Container Terminal Services Incorporated (ICTSI), the port operator of tycoon Enrique Razon Jr, recorded a 24% surge in net income to \$115.1 million in the 1st half of 2017, fueled by strong performance from overseas terminals and a one-time gain on the termination of its sub-concession agreement in Nigeria.

Stocks index fails to sustain uptrend

Most companies chose to report their earnings yesterday, considered a lucky day for Chinese investors, but the day that was supposed to be auspicious was not enough to perk up the market. The benchmark Philippine Stock Exchange index declined 5.76 points, or 0.07 percent, to finish at 7,986.51.

CLI confident of beating profit target

Cebu Landmasters Inc. (CLI) expects to surpass its P1.2 billion net income target for the year after posting strong first half numbers. Net income increased 164 percent to P634 million from January to June as revenues grew 107 percent to P1.81 billion on robust sales from its latest projects.

Nestle PH strike ends

The two-month-strike at Nestle Philippines Lipa factory has ended as management and workers agreed to settle the dispute. The National Conciliation and Mediation Board (NCMB) reported that the labor dispute was successfully settled with the forging of a five-year collective bargaining agreement (CBA).

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TODAY'S TOP ASIAN NEWS

Singapore Fintech hub will open HK office

Singapore fintech hub Lattice80 plans to open an office in India by the end of next month, the first step in a global expansion that will spread to London, New York and the Middle East. The firm is in discussions with 30 tenants for the 30,000 square-foot space in Visakhapatnam, about 800 kilometers (500 miles) from Bengaluru.

GIC increases stake in Rothesay Life

Goldman Sachs is exiting its 32.7% stake in UK pensions provider Rothesay Life, selling to other existing shareholders which include Singapore sovereign wealth fund GIC. After the successful completion of the deal, GIC and Blackstone, which both held 26.5% each, will hold equal largest stakes.

Manulife eyes US\$2b more of Asian office assets

Manulife Real Estate is looking to invest over US\$2 billion into office assets in Asia, following its maiden acquisition of a prime office building in Singapore's central business district (CBD) in April. This target is set to double its direct real estate holdings in Asia from some US\$2.2 billion currently.

HNA eyes airport deals amid outbound crackdown

HNA Group is preparing its bid for a concession to operate Belgrade's airport, a company executive said, undeterred by Beijing's sharpened scrutiny of overseas acquisitions, which has clouded some of the Chinese conglomerate's other pending deals.

Toshiba shares jump as delisting fears ease

Toshiba shares jumped Wednesday on reports that it will meet a deadline to submit long-delayed earnings to financial regulators, easing fears the troubled conglomerate's stock will be yanked from the Tokyo Stock Exchange. The stock soared more than 9% in early trading.

TODAY'S TOP GLOBAL NEWS

Here's what Goldman is telling clients about Bitcoin

Goldman Sachs Group Inc. is acknowledging that it's getting harder for institutional investors to ignore the cryptocurrency market with total assets ballooning to \$120 billion and bitcoin soaring more than 200 percent this year.

Equities shudder on Trump warnings to North Korea

World stock markets slid Wednesday as worries about US-North Korea tensions sent traders fleeing to safe-haven investments. Analysts pointed to the harsh threats and sabre rattling from US President Donald Trump, including a message Wednesday on Twitter boasting that the US nuclear arsenal was now "more powerful than ever before."

Didi teams up with Careem in Middle East, Africa

Didi Chuxing has continued to expand beyond its home in China by investing in Careem, a ride-hailing platform that operates in the Middle East, North Africa, Turkey and Pakistan. Didi will share operations, product development, business planning and knowledge with Careem.

Oil inches higher due to declining US inventories

Oil prices were about one per cent higher on Wednesday after a report showed US refineries processed record amounts of crude in the latest week, eating into inventories, although a surprise jump in gasoline stockpiles limited price gains.

Economic Calendar

Date	Release
08.03.2017	PH: CPI YoY
08.06.2017	PH: Foreign Reserves
08.09.2017	PH: Trade Balance
08.10.2017	PH: BSP Overnight Borrowing Rate
08.14.2017	PH: Overseas Remittances YoY

Source: Bloomberg Economic Calendar