

# The Daily Dispatch

August 14, 2017  
TODAY'S TOP NEWS

## BSP ready to smoothen peso volatility

The Bangko Sentral ng Pilipinas (BSP) is ready to smoothen excessive volatility in the foreign exchange market amid the threat of war between US President Donald Trump and North Korea President Kim Jong-un, according to BSP Governor Nestor Espenilla Jr.

## IEA sees fall in oil demand to continue

International Energy Agency has been anticipating extended period of decline in the demand for oil commodities, primarily in core sectors like power and transport. IEA Special Advisor to the Exec. Dir. Amos Bromhead noted that despite doubling of global car fleets, "biofuels and electric cars reduce oil demand for passenger cars."

## DBS Bank sees 6% growth for Phl in Q2

Philippine economic growth may stay above six percent in the second quarter, according to DBS Bank Ltd. of Singapore and Moody's Analytics. Gundy Cahyadi, economist at DBS, said the country's gross domestic product (GDP) likely grew 6.2 percent in the second quarter.

## Phoenix Petroleum core income up 35% in H1

Phoenix Petroleum Philippines Inc.'s core income grew 35 percent to P610 million in the first half from P450 million a year ago due to strong petroleum sales. Revenue from the core petroleum business also grew 24 percent to P18.9 billion from a year ago.

## Bird flu outbreak to have min. impact on exports

The PH export markets for poultry products are unlikely to stop buying from the country due to the avian flu outbreak as its impact is expected to take its toll on the domestic market. Trade Sec. Lopez and Phil. Exporters Confederation pres. Luis Jr. said the recent outbreak would not do much damage to PH's export of poultry products.

## Philippine Stock Market Update



**Previous Close:**

8,018.05

**Open:**

8,015.68

**52-Week Range:**

6,499.00 - 8,106.74

**1 Yr Return:**

-0.34%

**YTD Return:**

15.58%

**Source:**

Bloomberg

## Foreign Exchange

As of August 11, 2017

US Dollar	Philippine Peso
1	51.007

## PDST-R2 Rates

As of August 11, 2017

Tenor	Rate
1Y	3.0721
3Y	3.8338
5Y	4.7179
7Y	4.4599
10Y	4.6352
20Y	5.4429

## Daily Quote

"We live in the kind of society where, in almost all cases, hard work is rewarded."

--Neil deGrasse Tyson

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## MORE LOCAL NEWS

### PHL to buy more imported rice—report

Philippine rice imports this year could double to 1.6MMT, from 800,000 MT in 2016, according to the latest report of the USDA. In its latest report, titled “Grain: World Markets and Trade”, the USDA-FAS attributed the increase to efforts of Manila to prop up the dwindling rice stockpile of the National Food Authority.

### Nielsen: Metro Manila residents dine out twice a day

Dining out in Metro Manila is becoming a normal routine, according to a Nielsen report that showed residents of the capital region opting to eat out more than once a day. This year’s Nielsen Foodie Report, released on Friday, August 11, was based on the results of interviews and focused group discussions held in June.

### Globe launches \$250M SEA-US undersea cable system

Globe Telecom on Friday, August 11, launched a \$250-million Southeast Asia-United States (SEA-US) submarine cable system providing a link between Davao and the United States. The 14,500-kilometer undersea cable system connects to Globe's cable landing station in Barangay Talomo, Davao City.

### Ayala to join Metro Pacific in MRT3 rehab proposal

Ayala Corporation will join Metro Pacific Investments Corporation in the planned unsolicited proposal to upgrade the glitch-prone MRT3. The terms of the joint venture partnership, however, have yet to be finalized.

### DENR stops operations of Ipilán Nickel in Palawan

The Environment Department said it stopped the operations of Ipilán Nickel Corp. in Brooke’s Point, Palawan for operating without an environmental compliance certificate. The department said the regional office of the Environmental Management Bureau in Mimaropa issued a cease and desist order against INC on July 21.

### PLDT says talks with IBM over

“It has been postponed indefinitely, so we don’t know whether we will resume or we will not resume, most likely not, so we are looking at other options to see how we can (pursue the manpower reduction of our IT department),” PLDT chairman and president Manuel Pangilinan said.

### RCEP talks ‘close to wrapping up’ – Lopez

Negotiations for the proposed Regional Comprehensive Economic Cooperation (RCEP) trade deal are now close to substantial conclusion, a Cabinet official said. “Overall, there are more or less two countries that still can’t commit on what percentage we want, which is 92 percent on the tariff products.

### Senate to amend tax on sweet drinks

The Senate plans to amend the proposed excise tax on sugar-sweetened beverages, with sugar content as the basis for the proposed progressive tax hike. “We are moving away from volume-based towards a sugar content legislation.....” said Senator Juan Edgardo Angara.

### DMCI bags P11.7B construction projects

The construction arm of DMCI Holdings bagged P11.7 billion worth of new contracts to construct infrastructure, energy, buildings, utilities and plants in the first semester, 169 percent higher than the value of projects signed in the same period last year.

### BDO’s P11.8-B offering sets new record

BDO Unibank raised P11.8 bn through a recent offering that set a new record as the single biggest issuance of high-yielding deposit notes by a local bank. The issuance of long-term negotiable certificates of deposit (LTNCDs) was upsized by more than twice the original offer of P5 bn given strong demand from both retail and institutional investors.

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## Ayala purchase of Zalora stake OKd

The Ayala group has obtained approval from the Philippine Competition Commission (PCC) to acquire a 49-percent stake in Zalora Philippines, the country's largest online fashion and lifestyle retailing platform. "We are just about to finally close the Zalora transaction," Ayala Corp. CFO Teodoro Limcaoco said in a briefing on Friday.

## PLDT to Rocket: I can't quit you

With PLDT's relatively okay first-half 2017 results—the company's share price is up more than 6 percent since the announcement—there was some interest in its three-year-old investment in Germany's Rocket Internet, a company that rose to fame by copying successful startups around the world and deploying these in emerging markets.

## TODAY'S TOP ASIAN NEWS

### HK's property shadow leaves SG developers ahead

Hong Kong's property stocks are cheaper than Singapore's, although not cheap enough to account for the risk that the world's least affordable city could have a housing crash. That's according to analysts and money managers from Nomura Holdings Inc. to Janus Henderson Group Plc.

### Taming of Asia's volatile currencies is creating danger

Policy makers in Indonesia and Malaysia have been so successful in quashing currency volatility that this is breeding a new danger: complacency. Traders are being deprived of the experience to cope when fluctuations inevitably return, according to PT Bank OCBC NISP in Jakarta.

### Thailand's corporate cash pile swells

Thai companies has accumulated a record \$34 bn in cash, prompting some investors to demand companies from oil producers to food suppliers to consider deals to put the money to work—or hand it back to the shareholders

## JD.com eyes partnerships with niche e-commerce

With its talk with PT Tokopedia seemingly having reached a dead-end, China's JD.com is now exploring new partnerships with niche e-commerce players in Indonesia, according to two people aware of the development

## TODAY'S TOP GLOBAL NEWS

### Change or die: American malls confront Amazon era

As the retail industry churns in the Amazon era, American shopping malls are turning to a new generation of stores, food, and entertainment offerings to make up for an exodus of department stores. Prime mall real estate is increasingly going to players who began online and are graduating to brick-and-mortar.

### Tesla Boosts Bond Sale to \$1.8 Billion

Debt investors proved no more immune to Elon Musk's charms than their swooning counterparts in the stock market. Musk's electric-car maker Tesla Inc. raised \$1.8 billion in its debut bond sale on Friday, boosting the amount by \$300 million to meet demand.

### Danish Banks face \$15B Basel Capital bill

Denmark's five biggest banks face as much as \$15 billion in new capital requirements under proposed changes to global banking rules, according to an expert panel created by the government. Danske Bank A/S the country's biggest financial group, and others will together see their capital requirements rise 27-39 percent, equivalent to 64-92 billion

## 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