

The Daily Dispatch

August 17, 2017
TODAY'S TOP NEWS

Del Monte protests wrong computation

The inexplicable math of the Bureau of Internal Revenue may be the reason why the agency keeps missing its revenue targets. Its assessments on the tax liabilities of Del Monte Philippines Inc., for one, is baffling. The BIR could have easily avoided the simple error in tax assessment of Del Monte if some of its personnel had training in basic

Uber alternatives see opportunities

American ride-sharing start-up Arcade City launched services in the Philippines on Wednesday, offering itself as an alternative to Uber but prompting an immediate regulatory crackdown. Following Uber's suspension earlier this week, transportation network companies are scrambling to take advantage of consumer demand for reliable services.

No TRAIN, no Build Build Build — DOF

The government may not be able to fund about half of the budget needed for its massive infrastructure program, dubbed Build Build Build, if the proposed tax reform bill is not passed into law, the Department of Finance (DOF) said yesterday.

Megawide parent sells P5.7B stake to new affiliate

Citicore Holdings Investment Inc. the parent company of Megawide Construction Corp., has sold its 313.8 million shares in the listed construction firm to newly-formed company Megacore Holdings for P5.7B. Megacore is a new holding company formed to consolidate the economic stake of Megawide co-founder Edgar Saavedra in Megawide.

MPIC improves offer for MRT-3 rehab

Metro Pacific Investments Corp. has submitted to the Duterte administration a much improved unsolicited proposal to rehabilitate and improve Metro Rail Transit 3 which includes a two-year moratorium on fare increases. "It's been submitted. It's a good proposal but it's up to the government," said MPIC chairman Manuel Pangilinan.

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 16, 2017

US Dollar	Philippine Peso
1	51.384

PDST-R2 Rates

As of August 16, 2017

Tenor	Rate
1Y	2.9124
3Y	3.8653
5Y	4.6768
7Y	4.5150
10Y	5.0643
20Y	5.4679

Daily Quote

"When everything seems to be going against you, remember that the airplane takes off against the wind, not with it."

--Henry Ford

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MORE LOCAL NEWS

Foreign investment Negative List up for NEDA okay

President Rodrigo R. Duterte's first foreign investment negative list up for the NEDA Board approval, a government official said. Socioeconomic Planning Undersecretary Edillon said yesterday that the final draft of 11th regular Foreign Investment Negative List is now being circulated among concerned agencies for finalization.

Starmalls income hits P1-B mark on mall expansions

Starmalls, Inc., the listed commercial arm of Vista Land & Lifescapes, Inc., reported a 38 percent surge in net income to P1.0 billion in the first semester of 2017 from the P725 million earned in the same period last year, sustaining its double-digit growth.

Manila Water inks deal with WB investment arm

Manila Water Co. Inc.'s overseas business unit has signed a memorandum of understanding with the International Finance Corp. (IFC) on working together in projects in the Asia Pacific region, particularly in the south east.

SSS profit falls by 60%

The profit of state-run pension fund Social Security System (SSS) slid by 60 percent to P6.56 billion in the first half on the back of the additional P1,000 monthly cash benefit extended to pensioners. The latest SSS data showed that its net revenue in January to June this year dropped from P16.281 billion last year.

PXP Energy revives talks with Chinese counterparts

PXP Energy Corp. had talks "fairly recently" with counterparts in China ahead of the lifting of a moratorium on oil exploration in the West Philippine Sea, the chairman of the company said on Monday.

Sunvar says it will vacate Mile Long property

SUNVAR REALTY Development Corp. on Wednesday said it will vacate the Mile Long property along Amorsolo Street in Makati City, in compliance with a notice issued by a Makati court. In a statement, Sunvar lawyer Alma Mallonga said it will comply with the Notice to Vacate issued by Makati Regional Trial Court branch 141 on Tuesday.

TODAY'S TOP ASIAN NEWS

HK hiring record number of real estate agents

Up to 38,042 property agents are now licensed to work in Hong Kong, with the number set to rise as the city's two dominant agencies Centaline and Midland hire aggressively to expand.

HKs iconic trading hall to close in October

Hong Kong stock exchange will mark the end of an era in October, when its iconic trading hall is to be scrapped because of little use as share trading becomes almost entirely electronic.

Tencent, Baidu to buy 35% in Unicom

investors including Tencent Holdings Ltd. and Baidu Inc. will purchase about 10.9 billion shares, or 35 percent, of Shanghai-listed China United Network Communications Ltd. for 6.83 yuan apiece, the state-run company said in a presentation in Hong Kong on Wednesday.

Gobi Partners makes first close of ASEAN Fund

Shanghai-based venture capital (VC) firm Gobi Partners has reached the first close of its new Meranti ASEAN Growth Fund at \$50 million. The VC firm aims to raise a total of \$200 million for this fund, which will target Series B and C rounds and concentrate on cloud services, e-commerce, fintech and Muslim-focused tech.

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MORE ASIAN NEWS

Indonesia's economy to grow by 5.4%

President Joko Widodo told Parliament yesterday that he expects Indonesia's economy to grow by 5.4 per cent next year, as the government forecast an increase in consumption, investments and better trade performance.

Chinese takeovers of US companies plunge

Chinese investments in the United States has sunk by 65 per cent year on year, CNBC reported on Wednesday, citing figures from financial markets platform Dealogic. The US financial news channel said the sharp decline comes amid greater uncertainty over whether the Trump administration will allow such deals to be completed.

Banpu mines Indonesia for coal mergers

ET-listed Banpu Plc, Thailand's biggest coal mine operator, is in talks with industry peers in Indonesia on possible mergers and acquisition (M&As) deals to help increase its long-term coal reserves, says deputy chief executive Somyot Ruchirawat.

Troubled Cathay Pacific loses HK\$2.05B in 1H2017

Hong Kong flag carrier Cathay Pacific on August 16 reported a massive net loss of HK\$2.05 billion (\$262.07 million) for the first half of the year as the airline struggled with intense competition from rivals. The results, which were worse than analysts predicted, came after Cathay saw its first annual loss in 8 years in 2016.

The Yuan is Hong Kong's new darling

The big ball of money in Hong Kong is rolling to the yuan, and the local dollar is suffering. After years of underperforming, the offshore yuan is near its highest level versus the city's currency in more than 12 months.

TODAY'S TOP GLOBAL NEWS

Giant shipping firms ride consolidation wave

The hulking container ships that transport sneakers and bananas around the world keep getting bigger. So are the firms that own them. Survivors of the massive consolidation in the industry now enjoy big economies of scale and increased demand.

Egypt Weighs \$4 Billion Eurobond Sale

Egypt plans to return to the international debt markets in January to raise as much as \$4 billion to fund the budget deficit, a Finance Ministry official said. The ministry may approach investment banks to select advisers for the possible sale within three months.

Alibaba is closing in on Amazon's market cap

Don't look now, but the battle to be the world's largest e-commerce company is heating up. Alibaba Group Holding Ltd.'s market value jumped after its annual investor-day conference on June 8 when the company forecast 45 percent to 49 percent revenue growth for the year ending in March.

Fed's Williams sees Fed 'half way' on rate-hike path

The US central bank is roughly at the mid-point on its current path to normalise interest rates as the economy has shown further improvement even without fiscal stimulus, San Francisco Federal Reserve President John Williams told CNN television.

Economic Calendar

Date	Release
08.15.2017	PH: Remittances YoY
08.15.2017	PH: OFW Remittances
08.16.2017	PH: GDP YoY
08.18.2017	PH: BOP Overall
08.31.2017	PH: Budget Balance

Source: Bloomberg Economic Calendar