

The Daily Dispatch

August 22, 2017
TODAY'S TOP NEWS

CS upgrades PH GDP 2017 outlook after Q2 results

Credit Suisse upgraded its 2017 economic growth forecast for the Philippines on the back of stronger-than-expected gross domestic product (GDP) expansion in the 2nd quarter of the year. Michael Wan, economist at Credit Suisse, said they now expect the country's GDP to grow faster at 6.1% this year.

ADB okays \$3.8b funding support for infra

Asian Development Bank has approved a funding support of more than \$3.8 billion for infrastructure and social services projects in the Philippines. It was disclosed that the country can get about \$3.8 billion in loans, and another \$21.8 million in non-lending financing from ADB under its Country Operations Business Plan.

PawnHero bags \$9.7m financing

Southeast Asia's first digital pawn shop PawnHero has closed a \$9.7 million (P500 million) financing deal with a Philippine investment bank even as it signed a partnership agreement with the fintech arm of telco giant PLDT.

Central bank ready to curb FX speculation

The Philippine central bank warned traders that it would intervene in the currency market to curb any speculative activity, and said it expects the peso to stabilise. Governor Nestor Espenilla described the peso's weakness as a "healthy price correction," and believes a bounce against the US dollar is on the cards.

Thai firm buying 10% of Maynilad

Metro Pacific Investments Corp. is in talks with a Bangkok-based water company to sell a 10-percent stake in water utility unit Maynilad Water Services Inc. for P12 billion, sources said Monday. Several informed sources confirmed that Metro Pacific was in talks with a water company based in Thailand.

Philippine Stock Market Update



Previous Close:

8,018.05

1 Yr Return:

-0.34%

Open:

8,015.68

YTD Return:

15.58%

52-Week Range:

6,499.00 - 8,106.74

Source:

Bloomberg

Foreign Exchange

As of August 18, 2017

US Dollar	Philippine Peso
1	51.432

PDST-R2 Rates

As of August 18, 2017

Tenor	Rate
1Y	2.9768
3Y	3.8363
5Y	4.5700
7Y	4.4883
10Y	4.9918
20Y	5.4350

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

P905-B worth of goods smuggled into PH

Around P905 billion worth of products were smuggled into the Philippines from 2011 to 2015, according to the latest study of Federation of Philippine Industries' (FPI) Fight Illicit Trade (IT) Movement. The study found smuggling rampant in the petroleum, steel, resins, wood, cigarettes, sugar, palm oil, and automotive battery industries.

Investment houses to be removed from FINL

Foreigners will be allowed full ownership of investment houses under planned changes to the Philippines' Foreign Investment Negative List (FINL), a socio-economic planning official said. Rosemarie Edillon, undersecretary for policy and planning at the NEDA, said the 11th FINL was being finalized for approval by the NEDA board next month.

'Uber of logistics' plans to enter PH next year

Singapore-based logistics firm Ezyhaul plans to launch in the Philippines next year as part of its Southeast Asian expansion. "We are indeed planning to expand to the Philippines late 2018," Ezyhaul Co-founder and Chief Executive Officer Raymond Gillon told The Manila Times in an email.

Berjaya in talks to build landfill in Cebu

Malaysian conglomerate Berjaya Corp. Bhd is in talks to build a sanitary landfill in Cebu as part of an effort to export its environmental services and clean technology to the rest of Southeast Asia. Chock Eng Tah, managing director of KUB-Berjaya Enviro Sdn Bhd, said the Philippines could benefit from Malaysia's private-sector developed landfill technology.

Philweb regains accreditation

A year after being denied the renewal of its permit by gaming regulators, PhilWeb Corp.— now under a new owner—is ready to resume operations of its electronic gaming sites, thanks to a provisional operating license from Philippine Amusement and Gaming Corp.

SSS turns to private insurers for coverage

State-run Social Security System (SSS) is looking at tapping private firms to insure its 35 million members after a similar proposal was rejected by the Government Service Insurance System (GSIS).

PH firm offers cheaper infra for LNG trade

Engineering firm Atlantic, Gulf & Pacific Co. (AG&P) is developing lower-cost, fast turnaround infrastructure that would help ease the delivery of liquefied natural gas (LNG) to enterprises that are not connected to existing pipelines.

Landbank seeks GCG OK of Postbank acquisition

The Land Bank of the Philippines is firming up its acquisition of Philippine Postal Savings Bank (Postbank), as it seeks approval of the transaction from the body overseeing state-run corporations.

Cebu-based Innoland expands to Makati City

The real estate firm will be developing Altaire, a 45-storey building set to rise along Malugay Street inside the Makati Central Business District. With a total construction floor area of 111,656 square meters (sq.m.), the tower will offer 58,273 sq.m. of leasable office space alongside 984 sq.m. of leasable retail area.

TODAY'S TOP ASIAN NEWS

Lenovo shares could fall another 27% - analyst

Lenovo Group Ltd., which breathed new life into IBM's personal-computer business, bet that it could do the same with mobile phones and data centers. Now, it's beginning to look like that gamble is dragging the Chinese manufacturer in the wrong direction.

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MORE ASIAN NEWS

Thailand's Q2 growth rides on strong exports

Thailand's economy capped a solid performance for South-east Asia in the second quarter, growing at its fastest clip in over four years thanks to strong exports - a common denominator for many countries still struggling to boost private consumption despite ultra-low interest rates

Singapore consumer confidence jumps most

After a steady decline for two consecutive years, consumer confidence in Singapore recorded the largest improvement in South-east Asia in the first half of this year. The survey, which had 9,153 respondents, found that a 15.4-point increase has pushed Singapore from "pessimistic" (30 points) to "neutral" (45.4 points).

HNA to hold shareholder vote on CWT takeover

HNA Group has set a long-awaited date for shareholders to vote on its S\$1.4 billion takeover offer for the Singapore logistics operator. Its Hong Kong-listed unit, HNA Holding Group Co, announced on Sunday (Aug 20) that it has scheduled a general meeting for Sept 7 in Hong Kong to vote on the offer it launched in April this year.

CapitaLand debuts \$300m fund

CapitaLand said on Tuesday (Aug 22) it has successfully set up its first private equity fund in Vietnam, which closed at US\$300 million. The CapitaLand Vietnam Commercial Fund I (CVCFI), which has a life span of eight years, will invest in a Grade A commercial real estate in Vietnam.

China cash squeeze lurks again as NCDs come due

China's money market is bracing for yet another squeeze. A record 2.3 trillion yuan (\$340 billion) of negotiable certificates of deposit -- a funding lifeline for medium and smaller banks -- are set to mature next month, adding to the stress of an official deleveraging drive that has pressured onshore bonds lower in all but two months of this year.

TODAY'S TOP GLOBAL NEWS

CS: You haven't missed emerging market party

It's not too late to ride the emerging-market equities bandwagon. From economic expansion to corporate earnings and capital expenditure, everything points to their overtaking developed peers through the middle of next year, according to Credit Suisse Group AG.

Sempra about to acquire Oncor Electric

Sempra Energy is nearing an agreement to buy Oncor Electric Delivery Co. for about \$9.45 billion, according to a person familiar with the matter, putting it in line to scoop up the Texas utility also being pursued by Berkshire Hathaway Inc. and Paul Singer's Elliott Management Corp.

Gold's rally against oil is just beginning

Even as some analysts decry that gold is looking expensive, the rally may be just getting going. In the midst of a tumultuous month in U.S. politics and global security, traders have pushed gold futures to near a nine-month high. But if the history is any guide, that surge may last longer than the flare-up in geopolitical tension.

Maersk to get another \$7.5B for energy divestments

Now that its oil and gas unit has been sold, Maersk is planning separate divestments for the three remaining bits of what used to be a combined energy division, with estimates valuing those businesses at \$7.5 billion in total. Maersk said on Monday it agreed to sell its oil and gas unit to Total S.A. for a combined \$7.45 billion

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