

# The Daily Dispatch

August 24, 2017  
TODAY'S TOP NEWS

## Korean firms leave Philippines for Vietnam

Korean manuf. companies in the PH are packing up and leaving the country for Vietnam where they see lower costs and an easier way of doing business. Korean Chamber of Commerce of the Phil. pres. Ho Ik Lee said many Korean firms have been complaining about the higher cost of doing business as well as lack of incentives in the PH.

## JFC expresses support to Duterte programs

Foreign business chambers yesterday expressed their full confidence and support to President Duterte's administration even as they highlighted peace and order of any country as critical factor in attracting and making investment decision.

## DoubleDragon to build hotel in Davao

Hotel of Asia Inc., a subsidiary of DoubleDragon Properties Corp., is expanding in Davao. In a disclosure Tuesday, DoubleDragon said Hotel of Asia signed a joint venture agreement with Davao-based W2JP2 Corp. to bring Hotel 101 to Davao.

## China Bank set to raise capital to P33B

The Bangko Sentral ng Pilipinas (BSP) has given listed China Banking Corp. the green light to beef up its capital base by P8 billion to further strengthen its capital structure. It's capital stock would now consist of 3.3 billion shares, par value of P10 per share instead of 2.5 billion shares, par value of P10 per share.

## S&P sees 15-17% credit growth

In its latest sector review titled "Philippine Banks to continue to ride robust economic growth," S&P analyst Ivan Tan said loan growth would remain robust from last year's 16.5 percent amid the projected 6.4 percent gross domestic product (GDP) expansion this year.

## 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 24, 2017

US Dollar	Philippine Peso
1	51.209

## PDST-R2 Rates

As of August 24, 2017

Tenor	Rate
1Y	2.8659
3Y	3.8197
5Y	4.6229
7Y	4.4881
10Y	4.6915
20Y	5.1850

## Daily Quote

"The secret of your success is determined by your daily agenda." *John C. Maxwell*

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## MORE LOCAL NEWS

### IC cites need for coverage against terrorism

The Insurance Commission (IC) on Wednesday renewed its call on the need for insurance against acts of terrorism, following the Marawi seize and the recent attack in Spain by terrorists.

### Primex going into mass housing

Real estate firm Primex Corp. seeks to create a new revenue stream by diversifying into the mass housing business. In a disclosure to the Philippine Stock Exchange on Wednesday, Primex said its board had approved a plan to form a wholly owned subsidiary that would undertake mass housing projects.

### APC to undergo restructuring

Holding firm APC Group Inc.—long speculated to be the SM group's future vehicle for energy assets—has approved a corporate restructuring program designed to wipe out the company's P7.73-billion capital deficit.

### Ayala leads P20-B seaside estate project in Davao

Property giant Ayala Land Inc. is scaling up its footprint in the Visayas-Mindanao region with a commitment to invest P20 billion, together with partner Alcantara group, to develop a 25-hectare seaside estate project called Azuela Cove in Lanang, Davao City.

### Solar to achieve target capacity by next year

SOLAR PHILIPPINES Power Project Holdings, Inc. advanced by about a year the target installation date of the 2,000 megawatts (MW) the company announced when it disclosed plans last year to build a solar panel manufacturing plant in Sto. Tomas, Batangas.

### ERC asks Supreme Court to lift TRO on RCOA rules

THE Energy Regulatory Commission (ERC) has asked the Supreme Court to lift the temporary restraining order (TRO) on the rules governing retail competition and open access (RCOA) that put uncertainty on transactions involving retail electricity suppliers.

### Nickelodeon axes Philippine resort plan

AMERICAN children's television network Nickelodeon said on Wednesday it had abandoned plans for a themed resort on an island known as the Philippines' last ecological frontier following a backlash from environmentalists.

### Uber: P100M released to affected drivers

Suspended transport network company Uber Philippines said on Wednesday that it has already released about P100-million financial assistance to displaced drivers. Uber officials made the disclosure during a hearing with the LTFRB in hopes that the board would lift a month-long suspension in exchange of a P10-million fine.

### Berjaya sets sights on PH hotels, auto services

The local unit of Malaysia's Berjaya Corp. Bhd is looking to expand its Philippine footprint, setting its sights on tourism and hospitality as well as automotive services. Wong Ee Coln, president of Berjaya Philippines Inc., said the company was looking for suitable locations to build a new high-end hotel in Cebu.

### Manila Water, Obando Water District to form JV

A MANILA WATER-led consortium will be incorporating a joint venture with the Obando Water District (OWD) for a project in the Bulacan town. In a disclosure, Manila water said that a consortium it formed with unit Manila Water Philippines Ventures, Inc. had inked a joint venture deal with OWD for the Obando Water Concession project.

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## TODAY'S TOP ASIAN NEWS

### Valuations in Asia continue to be quite high

A surge in competition among private equity players and advent of a new class of investors (pension funds, family offices and insurance firms) keen on deploying large amounts of capital in Asia Pacific don't seem to have deterred Swedish PE firm EQT Partners as it claims it is witnessing a strong deal flow in the region.

### PE to drive surge in Southeast Asia M&A deal market

Private equity (PE) is poised to lift mergers and acquisitions (M&A) in Southeast Asia as institutional investors report record cash piles in excess of \$500 billion. PE funds acquired \$124 billion worth of assets in H1 2017, a 14 per cent year-on-year increase.

### GIC joins KKR in bid for Unilever's assets

Singapore's sovereign wealth fund, the Government Investment Corporation (GIC), has partnered with international private equity (PE) major KKR to bid for Unilever's assets – its food spread brands – in the UK.

### 88% of Asia-Pac retailers bet on click-and-collect

The entry of Alibaba, through its stake in Lazada, and Amazon's entry in Singapore, have given online shopping a new impetus in the Asia-Pacific region and traditional retailers are stepping up to stay relevant. 88% of Asia-Pacific retailers plan to implement click-and-collect systems - buy online and pick up in store - by 2021.

## TODAY'S TOP GLOBAL NEWS

### Supplying lithium for gets trickier

Hidden within the salt flats high in the Andes mountains of South America are vast deposits of the lithium that Elon Musk may need for his electric-car revolution. But extracting the mineral from brine ponds created by Orocobre Ltd. has proved more difficult than expected.

### US: Stocks dip on Trump shutdown threat

Wall Street stocks retreated Wednesday after President Donald Trump suggested he could shut down the US government if Congress did not fund a border wall with Mexico. Analysts also cited profit-taking as a driver after US stocks rallied strongly on Tuesday.

### WalMart, Google in tie-up for voice-based shopping

Wal-Mart Stores is teaming up with Google to let shoppers order by voice, the latest example of the world's largest retailer finding a technology partner to catch e-commerce leader Amazon.com. By end of September, Wal-Mart customers can link their store accounts to Google to buy items for delivery.

### Allianz, Keppel co-invest \$716M to buy CH property

Insurer and asset manager Allianz has entered into a co-investment agreement with Keppel Group to buy a 100 per cent stake in Hongkou Soho, an office and retail building in Shanghai's Hongkou District, for US\$525 million (\$716 million).

### Venezuelan bonds decline on speculation

Investors in Venezuela have a new worry keeping them up at night: the White House. For years, traders have ridden out economic recession, street protests and the threat of political collapse in a nation where reliable data is hard to come by.

## 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