

# The Daily Dispatch

August 29, 2017  
TODAY'S TOP NEWS

## Business confidence in PH plunges to 3-year low

The country's corporate managers are the most pessimistic they have been in 3 years as the rainy season starts, local currency depreciates, and conflict in Marawi City continues. But they do not expect conditions to worsen in the rest of the year, the BSP reported in a widely-watched survey of business sentiment.

## NLEX extending road to Bataan

NLEX Corp. is investing up to P20 billion to extend the North Luzon Expressway to Bataan province, a top executive said. NLEX president and chief executive Rodrigo Franco said the company was currently doing the engineering study for NLEX Phase 3, with the project cost estimated at P16 billion to P20 billion.

## TransCo offering P110-b projects

NTC wants to build major transmission lines costing up to P110 billion using funds from the Malampaya gas project in northwest Palawan, a top executive said. TransCo president Melvin Matibag said the proposed projects would include the Visayas-Mindanao interconnection which private

## Eight more foreign banks eye PH offices

Eight more foreign banks are seeking to set up shop in the Philippines that could further boost the banking industry, the Bangko Sentral ng Pilipinas said. Bangko Sentral Governor Nestor Espenilla Jr. said eight Asian banks had expressed interest to expand presence in the Philippines.

## Zamora, Bitanga take over PT&T

Business magnates Salvador "Buddy" Zamora II and Benjamin "Benjie" Bitanga took control of listed Philippine Telegraph & Telephone Corporation (PT&T), which last year secured a franchise extension of another 25 years. Zamora, Bitanga, and his son Miguel were named the new directors of PT&T last August 18.

## 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 29, 2017

US Dollar	Philippine Peso
1	51.045

## PDST-R2 Rates

As of August 29, 2017

Tenor	Rate
1Y	2.8610
3Y	3.8061
5Y	4.5904
7Y	4.7839
10Y	4.9857
20Y	5.5089

## Daily Quote

"It's not the daily increase but daily decrease. Hack away at the unessential." *Bruce Lee*

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## MORE LOCAL NEWS

### Watered down tax bill faces veto — DOF

The DOF is likely to ask Duterte to veto the watered down version of the tax reform program that could derail the administration's massive infra. program. "That is an option," Finance Sec. Dominguez said when asked what action the agency would take if House Bill 5636 is watered down by the Senate.

### Industrialization in peril sans mining progress

President Duterte's thrust towards the industrialization of the Philippines is taking a significant hit with the continuing lack of progress in the country's mining sector, the Joint Foreign Chambers (JFC) of the Philippines said.

### JTI-Mighty buyout deal sparks LTG share rally

Share prices of the LT Group continue to rally following the signing of a deal that allowed Japan Tobacco Inc. to acquire Mighty Corp., a move which analysts said would translate to fair competition in the industry.

### Retail a rising risk for Meralco – MVP

Manila Electric Co. (Meralco), the listed power distributor chaired by business tycoon Manuel V. Pangilinan, sees the growing retail electricity business in the country as a risk to the company, which for decades has been the main power distributor in Luzon.

### ALP's Seda Hotel to open in 1 more location by Oct

AyalaLand Hotels and Resorts' homegrown brand Seda hotels will open its seventh property in the country by October, bringing the company closer to its target to have a total room inventory of 3,500 by 2019.

### Lift one-month Uber suspension if \$3.7m fine paid

The Philippine transport regulator said it would lift a one-month suspension on Uber Technologies Inc if it paid a penalty of 190 mn pesos, nearly 20 times greater than Uber had offered to pay. Uber also needed to collectively pay its drivers nearly 20 million pesos daily as financial assistance during the suspension period.

### Launchgarage to raise VC fund in 2018

Launchgarage is planning to take on a venture capital role as it aims to raise a \$5-10 million investment vehicle by the third quarter of 2018. Jojo Flores, co-founder, said it will be an early-stage fund that will invest primarily in the areas of fintech, agritech, aquatech, and BPO enterprise software applications.

### UnionBank okays Bautista as pres & CEO

Edwin Bautista, current chief operating officer of UnionBank of the Philippines, is set to become the company's president and CEO with the approval of Justo Ortiz's retirement on Friday, August 25. The commercial bank's board of directors approved Bautista's appointment who will take on the new role on January 1, 2018.

### Sterling Paper buys firms Openovate, Galleon.ph

Philippine conglomerate Sterling Paper Group of Companies has acquired, for an undisclosed sum, local internet services company Openovate Labs and its e-commerce business Galleon.ph. Openovate's former CEO and current CTO Christian Blanquera said Sterling now owns 85 per cent of both Manila-based firms.

### SM in talks to acquire Goldilocks

The SM group of retail tycoon Henry Sy is in talks to acquire a controlling stake in popular bakery chain Goldilocks Bakeshop, potentially adding a big chain of quick service restaurants to its retailing empire. Inquirer sources said the discussions to acquire Goldilocks have reached an advanced stage.

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## MORE LOCAL NEWS

### Sta. Lucia plans condotel in Silay

STA. LUCIA LAND, Inc. is looking to build in Silay City, Negros Occidental a medium-sized condotel, which its president believes would be a pioneering project in the culture-rich city known for its ancestral homes.

### More MyTown dorms to open in next 12 months

SM INVESTMENTS Corp. (SMIC) expects a total of 12 dormitory buildings under the MyTown brand to be up and running within the next 12 months. SMIC completed its acquisition of a 61.2% stake in PULS in April this year, allowing the Sy-led company to enter the dormitory development sector.

### Logistics provider AAI to sell 'minority' stake

LOGISTICS solutions provider AAI Group of Companies is taking in a strategic investor to fund an aggressive expansion program aimed at riding the e-commerce wave ahead of a possible initial public offering (IPO) by 2020.

## TODAY'S TOP ASIAN NEWS

### The world's oldest city is getting a makeover

The world's oldest living city is getting a makeover. Varanasi, Hinduism's holiest site on the Ganges River in northern India, is one of 100 places earmarked to receive trillions of rupees to transform their aging infrastructure and become 'Smart Cities,' replete with affordable housing, improved sanitation, and better transportation.

### Online shopping is taking off in Southeast Asia

Thailand has seen an explosion of internet shopping in recent years as consumers become more tech savvy. And if that's anything to go by, e-commerce in Southeast Asia is taking off as well. Online retail sales in Thailand of everything from washing machines and televisions to fish sauce are growing more than 100%.

### Sing dollar surges after Jackson Hole

The Singapore dollar, as expected, surged on Monday against the greenback in line with other currencies following a meeting of central bankers in Jackson Hole over the weekend which gave no clue on monetary policy. As the US dollar sank, the Singapore dollar rallied to S\$1.3553 from

## TODAY'S TOP GLOBAL NEWS

### Expedia chief Dara Khosrowshahi named to lead Uber

Expedia chief Dara Khosrowshahi has been chosen to replace ousted Travis Kalanick as the next CEO at Uber, The New York Times reported Sunday, August 27, as the ride-hailing giant looks to move past a rough patch. Uber spokespeople were not immediately available for comment.

### Gilead to buy Kite for \$11.9B

Gilead Sciences Inc., which in 2011 made the best biotech deal of the decade, is betting it can bottle lightning twice. On Monday it announced its biggest-ever takeover -- an \$11.9 billion acquisition of Kite Pharma Inc. The acquisition will pivot Gilead away from the antiviral treatments.

### ExxonMobil completes buy of aromatics plant

The plant is located near ExxonMobil's largest integrated refining and petrochemical complex in the world, with an ethylene production capacity of 1.9 million tonnes per year and capacity of 592,000 barrels per day. ExxonMobil beat five other bidders such as Lotte Chemical Corp and SK from Korea for the plant in a competitive bid.

## 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