

The Daily Dispatch

August 30, 2017
TODAY'S TOP NEWS

Menlo Capital ventures into telco with PT&T

Menlo Capital Corp, an investment house in the Philippines, has ventured into the telecom business with its acquisition of Philippine Telegraph & Telephone Corp (PT&T). The size of the deal is undisclosed.

North Korea missile test spooks market

Market investors were jittery once again yesterday over renewed concerns after North Korea fired a missile over northern Japan. The benchmark Philippine Stock Exchange index (PSEi) gave up 66.75 points, or 0.83 percent, to hit 7,948.39 while the broader All Shares index lost 28.38 points, or 0.59 percent, to finish at 4,720.68.

PCC approves JTI-Mighty deal

The Philippine Competition Commission (PCC), the government's anti-trust body has approved Japan Tobacco Inc. (JTI)'s acquisition of Mighty Corp. from the Wongchuking family. PCC approved the deal, valued at P46.8 billion, following a meeting yesterday.

PEZA clears Xianglu Dragon project in Philippines

The PEZA has decided to pre-qualify the proposed projects involving alleged "notorious Taiwanese fugitive swindler" You-Hao Chen. Director general Charito Plaza said PEZA has granted in late July pre-qualification clearance to First Pangasinan Industrial Corp.'s planned mixed-use economic zone in Pangasinan.

PNOC budget hangs due to LNG terminal

The Senate has held off deliberations on the proposed budget of state-owned Philippine National Oil Company (PNOC) due to lacking submission of its feasibility study on planned liquefied natural gas (LNG) terminal and related gas infrastructure projects.

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	50.999

PDST-R2 Rates

As of August 29, 2017

Tenor	Rate
1Y	2.9073
3Y	3.7906
5Y	4.6232
7Y	4.4520
10Y	4.6868
20Y	5.4750

Daily Quote

"You are never too good for anything. Always be willing to do everything."

--Thomas Parkinson

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MORE LOCAL NEWS

PSE's control of PDS may face PCC scrutiny

The Philippine Stock Exchange Inc. (PSE), the operator of the equities market, has taken majority ownership of PDS Holdings Corp. after acquiring the stake of a minority owner. PDS Holdings owns the Philippine Dealing and Exchange Corp. (PDEX), which, in turn, operates the trading floor for the fixed-income securities.

Biz Buzz: Acquirer mode

Now that the fragmented logistics industry has become a fertile ground for mergers and acquisitions (M&As), LBC Express Holdings—which holds an estimated 86 percent of the retail express (parcel delivery business)—aims to be a consolidator.

SM purchase of Goldilocks awaiting PCC approval

SMIC told the Philippine Stock Exchange that it was in “preliminary discussions for a possible equity investment, joint venture or other cooperation arrangement with Goldilocks Bakeshop. However, the said potential investment is pending and subject to regulatory approval by the Philippine Competition Commission.”

Thrift banks' non-performing loans up

SOURD DEBTS held by thrift banks rose in June to outpace the growth in total loans, latest central bank data showed, even as the lenders saw profits surge by a fifth from a year ago.

Security Bank raising P20b

Security Bank Corp. plans to raise up to P20 billion in fresh capital through the issuance of long-term negotiable certificates of deposit. Security Bank said in a disclosure to the Philippine Stock Exchange its board approved the issuance subject to regulatory approval.

Semirara increases capital to P10b from P3b

Semirara said in a disclosure to the stock exchange the corporate regulator approved the higher capital on Aug. 18. “It will permit the corporation to act urgently and appropriately on business opportunities and developments as they may arise in the future,” the company said.

Maynilad allots P7b for upgrade

Maynilad Water Services Inc., the utility that distributes water in the west zone of Metro Manila, is investing P7 billion to upgrade its La Mesa Water Treatment Plants 1 and 2 in Quezon City. The facilities have a combined production capacity of 2,400 million liters per day.

Puregold acquires 5 stores in the Visayas

RETAIL giant Puregold Price Club, Inc. (Puregold) said Tuesday it acquired five B&W stores in Roxas City, Capiz as part of its expansion plans outside Metro Manila. The supermarket operator said the acquisition will allow the company to have six stores on Panay Island and 11 stores in the Negros provinces

PSE buys IHAP's stake in PDS Holdings

The Philippine Stock Exchange (PSE) on Tuesday, August 29 said it has signed a deal to acquire the stake of the Investment Houses Association of the Philippines (IHAP) in PDS Holdings Corporation for P11.66 million. Under the share purchase agreement, the PSE will buy IHAP's 0.5831% interest in PDS Holdings.

TODAY'S TOP ASIAN NEWS

Alibaba Group puts \$140m in cloud service firm

Alibaba and Yunfeng Capital have jointly invested \$140 million in cloud service provider Qiniuyun while Shenzhen GTJA Investment has led a \$45-million funding in Akeso Biopharma, a Guangdong-based antibody product manufacturer. Alibaba, Yunfeng Capital invest \$140M in cloud services firm Qiniuyun.

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Asia Alternatives aims to close 5th fund at \$1.5b

US-based fund manager Asia Alternatives Management is expecting to close its fifth vehicle at around \$1.5 billion by October, the Private Equity International reported. It will focus on Greater China, Japan, South Korea, India, Southeast Asia and Australia, similar to its predecessor funds.

Singapore shares open 0.4% up on Wednesday

SINGAPORE stocks opened 0.4 per cent higher on Wednesday, with the Straits Times Index moving up 14.1 points to 3,263.44 as at 9.01am. This came as Wall Street set aside jitters over North Korea's missile launch and rose to a positive finish overnight, reversing losses from earlier in the day.

The battle for IND's \$45b gold industry has begun

That way of doing business is under threat as the world's second-largest gold market faces Prime Minister Narendra Modi's campaign to bring India's informal economy to book. About three quarters of the estimated \$45B of the precious metal that is traded in the country each year makes its way through thousands of family-run jewelry shops.

CH mixup shows risk of poor market communication

A closely watched Chinese benchmark rate surged 55 basis points at the open on Wednesday. While the National Interbank Funding Center was cited as saying later that the outsized price move was a mistake, the confusion shows the downside to the monetary authority's opaque use of interbank tools to adjust liquidity in the financial system.

TODAY'S TOP GLOBAL NEWS

Credit Suisse sued by billionaire

Georgian billionaire Bidzina Ivanishvili sued Credit Suisse Group in Singapore, New Zealand and Bermuda, alleging the bank must have known about the actions of a former employee who forged trades to cover losses from other customers' accounts.

TPP countries consider amendments to stalled deal

The 11 countries committed to the Trans-Pacific Partnership are considering amendments to the trade deal, three sources said on Tuesday, as officials meet in Sydney for talks to re-energize the stalled agreement. Among the areas being discussed, Vietnam has raised the prospect of changes to labor rights and intellectual property provisions

America Movil makes \$1B payment in Colombia case

Mexican billionaire Carlos Slim's America Movil said on Tuesday that it had complied with a Colombian arbitration ruling ordering it to pay the government \$1.08 billion for wireless telecommunication assets used in the South American nation.

Iron ore's kings are spending again

The biggest iron ore producers in Australia are spending as much as \$10B on mines so they can keep pumping out shipments to China as demand in their biggest customer shows little sign of easing. Led by Rio Tinto Group, the nation's top three exporters plan to add about 170M metric tons of capacity to replace exhausted mines.

Bitcoin's epic rise leaves 90's tech bubble in dust

Unless you've been living under a rock, you're probably aware that bitcoin and a number of other digital currencies have seen some pretty crazy runs this year. Bitcoin, the best-known digital currency, has surged 358 percent. While staggering, lesser-known competitors have seen even bigger gains.

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