

The Daily Dispatch

September 26, 2017
TODAY'S TOP NEWS

Amendment to REIT law eyed to clear taxation issue

Eager to allow real estate investment trusts (REITs) to finally take off, Congress' economic affairs committee is using moral suasion for the Bureau of Internal Revenue (BIR) to liberalize its interpretation of the tax regulations on these instruments as intended by lawmakers when they passed the enabling law in 2009.

BPO sector forecast to rebound in early 2018

The Philippine business process outsourcing (BPO) industry is likely to rebound by early 2018 after a "rebalancing" phase arising from a perceived escalation of "country risk" amid some concerns on the peace and order situation and a change in the tax regime, property veteran David Leechiu said.

PCC approves GBP deal to buy 50% of Alsons unit

THE Philippine Competition Commission (PCC) has approved Global Business Power Corporation's (GBP) acquisition of a 50% stake in Alsons Thermal Energy Corp. (ATEC), which holds the Alcantaras' baseload coal-fired power plant assets.

CPG medical facility targets operations by 2018

Century Properties Group, Inc. is hoping its state-of-the-art outpatient medical facility in Makati City will reach 100% capacity by 2018. Centuria Medical Makati, a 28-storey facility located in Century City, was officially unveiled on Saturday.

UCPB to work with DoF on privatization

United Coconut Planters Bank (UCPB) is looking forward to its privatization following the lifting of a Supreme Court restraining order that had halted the sale of assets purchased via the Marcos-era coconut levy fund.

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 Sept 25, 2017

US Dollar	Philippine Peso
1	50.675

PDST-R2 Rates

As of Sept 25, 2017

Tenor	Rate
1Y	2.8494
3Y	3.6431
5Y	4.6411
7Y	4.3164
10Y	4.5934
20Y	5.1298

Daily Quote

"There are those who look at things the way they are, and ask why... I dream of things that never were, and ask why not? --Robert F. Kennedy

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MORE LOCAL NEWS

Toyota financing hits P58.7b

Toyota Financial Services Philippines Corp., a part of Toyota's network of sales finance companies, said total assets jumped 30 percent to P58.7 billion in the fiscal year ending March 2017 from P45.3 billion a year ago. Toyota said in a statement this included a P15.6-billion increase in loan receivables for the period.

San Miguel interested in \$1B AES power plants

Conglomerate San Miguel Corp. expressed interest in the power assets of American company AES Corp. in the Philippines worth \$1 billion, a top executive said Monday. "Yes, [we are interested in] Masinloc...We are joining," San Miguel president Ramon Ang said, referring to Masinloc coal-fired power plant.

Petron urges PNOC to honor terms of land lease

Petron Corporation, the country's biggest oil refiner, warned that investors might lose interest in the Philippines if the government decides not to honor some terms in any concession agreement. This was the reaction to the PNOC wanting to cancel out certain terms of its lease agreement with Petron, which is set to expire in August 2018.

PT&T plans to reactivate stock listing

Philippine Telegraph and Telephone Corp. (PT&T) is planning to reactivate its listing on the Philippine Stock Exchange (PSE) within the current fiscal year as it looks to increase clients, as well as grow earnings and revenue.

Meralco taps Singson to lead generation unit

From heading the company that operates the Light Rail Transit Line 1 (LRT-1), former public works secretary Rogelio Singson will soon become part of Manila Electric Co. (Meralco) to lead its power generating subsidiary.

ISST, DOT in partnership to promote farm tourism

Tourism and agriculture stakeholders are looking to further promote the farm tourism sector given its potential to drive inclusive economic growth. In a statement, the International School of Sustainable Tourism (ISST) said it would hold the 5th Farm Tourism Conference and Festival in October.

ING: Fiscal strength to sustain Philippine growth

The Philippines needs a strong fiscal performance to keep the pace of the country's economic expansion similar to that in the second quarter, according to ING Bank. "A strong fiscal performance is needed to keep GDP growth at around 6.5 percent in the third quarter," ING Bank Manila chief economist Joey Cuyegkeng said in a report.

Finance Asia declares BDO 'Best Bank' in PH

BDO Unibank has once again been named the Philippines' best bank by Hong Kong-based financial publication Finance Asia. Finance Asia attributed the recognition to BDO's stellar financial performance in 2016, as well as the aggressive expansion of its branch network and Automated Teller Machine presence all over the country.

Rising demand requires energy planning adjustments

In months when power demand had been traditionally anticipated on slowdown, the reverse is happening this year that it has been "surprising" power utilities and has similarly been exerting pressure on electricity reserves in PH's main power grid – hence, this is prompting policymakers on possible re-adjustment in energy planning.

TODAY'S TOP ASIAN NEWS

ICTSI to operate ports in Papua New Guinea

Tycoon Enrique Razon Jr.'s International Container Terminal Services Inc. (ICTSI) is making its debut in Papua New Guinea. The company said in a stock exchange filing Monday it signed 25-year agreements each to operate the international ports in Motukea and Lae in Papua New Guinea (PNG).

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MORE ASIAN NEWS

US bond market bull is at a major inflection point

Over the last decade, the world's central banks have applied brute force to push global interest rates down towards zero, so they should hardly be surprised that rates and yields look set to surge now the process is going into reverse. The great global monetary bonanza is over and there will be a cost to pay.

Unravelling SoftBank's investment strategy

Billionaire Masayoshi Son, founder and CEO of SoftBank Group Corp., has for a while now made it his business to bet on the future. That's probably why a downturn of the kind that is currently in session in India's technology start-up market doesn't ruffle him.

Modi to spend \$2.5B on pledge to electrify homes

India's Prime Minister Narendra Modi unveiled a 163.2 billion-rupees (\$2.5 billion) program to ensure electricity for all households. The program will help poor people get electricity connections at no cost, Modi said, adding that his government is making efforts to provide power to about 3,000 unelectrified villages.

Stocks in Asia dip as haven rally subsides

Financial markets showed signs of stabilizing after a fresh trigger from North Korea had sent money into haven assets, with focus returning to comments from central bank policy makers. Equities in Asia began Tuesday mixed as gains in gold and the yen petered out.

TODAY'S TOP GLOBAL NEWS

ABB to revamp GE's 'Unloved Child' in \$2.6B

Swiss engineering company ABB Ltd. agreed to buy General Electric Co.'s industrial solutions business for \$2.6 billion to strengthen its foothold in the U.S., the world's biggest market for electrification products like circuit breakers and switch gears. ABB will incur costs of \$400 million over five years to integrate GE's industrial solutions unit.

Unilever to buy control of Carver Korea for \$2.9B

Unilever has agreed to buy a majority stake in cosmetics firm Carver Korea for \$2.9 billion from Goldman Sachs and Bain Capital, the Seoul Economic Daily reported on Monday. The deal to buy the 60.39 percent stake is aimed at helping Unilever make headway in China, the report said, citing unidentified investment banking sources.

OPEC to discuss extending cuts, quotas

OPEC will discuss extending production cuts that have boosted oil prices and imposing output quotas on all cartel members at a November meeting in Vienna, an Emirati minister said. UAE Energy Minister Suheil al-Mazrouei said the oil market had rebalanced after OPEC and non-OPEC producers agreed to cut output in a historic deal last year.

Tech billionaires lose \$16B after selloff

Technology tycoons lost \$15.5 billion from their fortunes on Monday as a sell-off of the sector's most valuable companies intensified. Facebook Inc.'s Mark Zuckerberg saw the biggest drop in net worth of \$3.2B, followed by a \$1.3B decline for Alibaba Group's Jack Ma and a \$1.2B wipeout for Amazon.com Inc.'s Jeff Bezos.

We're reaching Peak Gold

The world may have already produced the most gold in a year it ever will, according to the chairman of the World Gold Council. Production is likely to plateau at best, before slowly declining as demand rises, especially given global political risks and robust purchases by consumers in India and China.

Economic Calendar

Date	Release
09.15.2017	PH: Overseas Remittances YoY
09.18.2017	PH: BoP Overall
09.21.2017	PH: BSP Overnight Borrowing Rate
09.28.2017	PH: Money Supply M3 SRF YoY
09.28.2017	PH: Bank lending YoY

Source: Bloomberg Economic Calendar