

# The Daily Dispatch

September 28, 2017  
TODAY'S TOP NEWS

## Interest rate hike looms by yearend

The Bangko Sentral ng Pilipinas (BSP) may hike key policy rates before the year ends and then again in 2018 on the back of inflationary pressures and higher interest rates in the US, according to BMI Research. BMI Research said it sees the central bank hiking rates by 25bps in 2017 and also by next year.

## PH, CHN set up joint exploration in Palawan field

Exploration in an oil and gas prospect offshore northwest Palawan between the Philippines and China is now awaiting the signature of President Duterte. Service contract (SC) 57 in offshore Calamian northwest of Palawan is a JV among PNOC Exploration Corp. Jadestone Energy Inc. and China National Offshore Oil Co.

## PH vows better business climate for JPN investors

The DOF has vowed to provide a more conducive business and investment climate for prospective Japanese investors. "We commit to further improve the ease of doing business, respect the sanctity of contracts, and promote a more conducive climate for investments," Finance Sec. Dominguez told potential Japanese investors in Tokyo.

## ISIS threat cools outsourcing boom in Philippines

Prolonged fighting by militants supporting the ISIS group has put the brakes on the Philippines' \$10B outsourcing industry, one of its key growth drivers. More than 900 people have been killed in the city of Marawi, while the southern third of the country has been placed under martial law to contain the violence.

## Robinsons joins rivals in move to online networks

John Gokongwei oversees an empire spanning airlines, malls and property. Now the billionaire's family is preparing to drive into online shopping as well. Robinsons Retail Holdings Inc., one of three giants that dominate retail in the Philippines, has begun moving more of its \$2.7-billion empire online.

## Philippine Stock Market Update



**Previous Close:**

8,221.92

**1 Yr Return:**

9.25%

**Open:**

8,223.69

**YTD Return:**

19.23%

**52-Week Range:**

6,499.00 - 8,321.81

**Source:**

Bloomberg

## Foreign Exchange

As of Sept 27, 2017

US Dollar	Philippine Peso
1	51.021

## PDST-R2 Rates

As of Sept 27, 2017

Tenor	Rate
1Y	2.8492
3Y	3.6524
5Y	4.5200
7Y	4.3030
10Y	4.5970
20Y	5.4568

## Daily Quote

"Life is short, and the world is wide."

--Simon Raven

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## MORE LOCAL NEWS

### Globe allots add'l \$100M capex for mobile data

Globe Telecom is spending additional US\$100M for its mobile data network expansion this year, bringing its full 2017 capital expenditure (capex) to around US\$850M, the telco firm disclosed. The added investment in mobile data network expansion was in line with Globe's commitment to improve Internet services in the Philippines.

### DOTr demands P7B in 'unpaid charges' from PAL

The DOTr and Lucio Tan-led flag carrier Philippine Airlines (PAL) are locked in a dispute over alleged unpaid charges that could run up to more than P7 billion. The DOTr said PAL's unpaid navigational fees and other charges have so far reached P6.965 billion, payable to the Civil Aviation Authority of the Philippines.

### Megaworld expands Bonifacio

Property developer Megaworld Corp. is accelerating the development of the 16-hectare Uptown Bonifacio township in Bonifacio Global City as demand for office and residential condominiums in the prime commercial business district remains robust.

### DoE endorses joint oil exploration with China

The Energy Department endorsed for Malacañang's approval the farm-in agreement between state-run PNOG Exploration Corp. and China National Offshore Oil Corp. over a petroleum-rich area northwest off Palawan province.

### Jack Ma completes deal to buy stake in Globe unit

Globe Telecom Inc. said Wednesday it completed a deal with Ant Financial Services Group, a unit of Jack Ma's Alibaba Group, to invest in Globe Fintech Innovations Inc., or Mynt. Globe, the country's second largest telecommunications company led by the Ayala Group, said Ant Financial would have a 45-percent ownership in Mynt.

### Gov't sale of UCPB stake 'credit positive'

The sale of the government's majority stake in United Coconut Planters Bank (UCPB) will improve the lender's capitalization and credit quality moving forward, debt watcher Moody's Corp. said on Thursday.

### China-led AIIB OKs first PH loan for flood control

The Asian Infrastructure Investment Bank (AIIB) has approved its co-financing of the \$500-million Metro Manila Flood Management Project, the first loan that the China-led lender extended to the Philippines.

### Jollibee partners with Globe for delivery service

Jollibee Foods Corporation (JFC), the largest fast food chain in the Philippines, recently signed with Globe Business, the enterprise and information and communications technology (ICT) arm of Globe Telecom, to centralize its express delivery service to one convenient number: #8-7000.

### Mitsui to join \$1.2-B LNG hub

Businessman Gregorio Araneta III is pursuing a plan to build a \$1.2-billion liquefied natural gas (LNG) terminal in Limay, Bataan, that will also eventually include a 600-megawatt power plant.

## TODAY'S TOP ASIAN NEWS

### Thailand to kickstart \$45B economic revamp

Thailand's military government is looking to start construction of projects under a 1.5 trillion baht (\$45 billion) investment plan before the country's possible return to democracy late next year. Enabling laws for the so-called Eastern Economic Corridor initiative should be in place by the end of 2017 to bolster investor confidence.

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## MORE ASIAN NEWS

### SG pop'n growth stalls as non-residents decrease

Singapore's population size barely grew, rising 0.1 percent in the 12 months through June as the number of non-residents declined, the first drop since at least 2010. For years, Singapore has relied on foreign workers in many segments of its economy, luring people with low taxes and world-class infrastructure.

### CH's great wealth transfer falls to reluctant heirs

Family firms, which make up about 90 percent of China's 21.6 million private businesses, are on the cusp of a sweeping succession wave that may be the biggest the world's seen yet. China hasn't experienced such a wealth transfer of this scale before.

### CH developers swing wildly after world beating gains

China's developers are swinging wildly after world-beating gains this year. Ten-day volatility for a Bloomberg Intelligence index of 22 property companies surged on Wednesday to the highest since July 2015, as developers rallied after a bloodbath on Monday and additional declines the following day.

### Assets held by private banks in China surge

China's top 10 private banks held over 7.5 trillion yuan (US\$1.1 trillion) in client assets at the end of 2016, an annual 22 per cent increase and an average growth rate of 35 per cent since 2012, according to fresh research from Asian Private Banker magazine.

### China to keep lead in developing consumer tech

China will continue to lead the world in disruptive business-to-consumer technologies as it mines the commercial benefits of its vast e-commerce and social media platforms, according to UBS.

## TODAY'S TOP GLOBAL NEWS

### Canada, US, Mexico herald progress in trade talks

Canadian, Mexican and US trade representatives on Wednesday, September 27, trumpeted strides made in a third round of continental free trade talks, despite major irritants casting a shadow over their meeting. The negotiations wrapped up as a row erupted over Canadian aircraft sales to the United States.

### Apple iPhone X reportedly facing production delays

Apple Inc. is facing production delays to its top-of-the-line iPhone X due to problems with the 3-D sensor manufacturing process, according to a series of news reports. Makers of the components, used in facial recognition, are struggling to reach adequate production levels.

### MS CEO: Bitcoin 'more than just a fad'

Not every Wall Street bank chief is bearish on bitcoin. Morgan Stanley Chief Executive Officer James Gorman takes a more measured view on the cryptocurrency than crosstown rival Jamie Dimon, the JPMorgan Chase & Co. head who earlier this month called it "a fraud" that's in a speculative bubble worse than tulip bulbs.

### The 'Smartphone Effect' is weakening

The rush to upgrade smartphones may be ebbing, prompting economists to dial back the outlook for Asian exporters. Early indications, including signs of disappointing orders, point to a mixed reaction to the latest iPhones, hurting the share prices of Apple Inc.'s Asia-based suppliers.

## 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