

The Daily Dispatch

Jan. 23, 2017
TODAY'S TOP NEWS

SMC to govt: Rehabilitate power plants immediately

SMC has called on the government to take advantage of the glut in power supply by overhauling the country's old power plants. "...if we overbuild, then we have the time to repair old plants. If I were the government, I would shut down Agus right away and repair it while there is oversupply," says Ang.

Makati eyes lower taxes for firms

Instead of increasing taxes, Makati Mayor Abby Binay has ordered the city government's financial team to study the possibility of lowering taxes for the city's business establishments. The lady mayor said lowering taxes would be "a way of rewarding all the businesses that have stayed and remained loyal to the city."

2-tier tax on cigarettes anti-competitive - FPI

According to FPI chair Jesus Arranza, a 2-tier tax system is creating market segmentation that favors manufacturers that sell cheaper brands and are subject to lower taxes. It's against the competition law. If you are going to have a bigger market share, it should stem from fair competition in the market.

PSE board for start-ups proposed

THE Philippine Stock Exchange, Inc. (PSE) is working on widening access of smaller businesses to the equities market, with the creation of a separate board for start-up companies being proposed, among others.

BSP fine-tunes loan rules

THE CENTRAL BANK has fine-tuned regulatory guidelines on debts left unpaid for a certain period of time to align with global standards and ease difficulties faced by financial institutions on their borrowers' incapability to pay outstanding loans.

Philippine Stock Market Update



Previous Close:

7,232.66

1 Yr Return:

19.89%

Open:

7,242.62

YTD Return:

6.80%

52-Week Range:

6,084.28 - 8,118.44

Source:

Bloomberg (01/23/17)

Foreign Exchange

As of Jan. 23, 2017

US Dollar	Philippine Peso
1	49.79

PDST-R2 Rates

As of Jan. 23, 2017

Tenor	Rate
1Y	2.6875
3Y	3.4035
5Y	3.8598
7Y	4.1255
10Y	4.3975
20Y	5.3125

Daily Quote

"We can't help everyone, but everyone can help someone."

--Ronald Reagan

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MORE LOCAL NEWS

House defends perks included in telcos' franchise

TELECOMMUNICATIONS companies renewing their legislative franchise can expect to get the same perks granted to other telcos, according to the chairman of the House Committee on Legislative Franchises, as the government seeks to further level the playing field in the industry.

Aboitiz: 340-MW Toledo plant ready by early 2018

In a statement, AboitizPower said the 340-megawatt (MW) thermal power plant in Toledo City owned by subsidiary Therma Visayas Inc. is now 90-percent complete and is "expected to enter commercial operations in early 2018."

Duterte's 1st foreign borrowing signals confidence

The Philippines' \$2-billion global bond sale this week signals the continuing investor confidence in the country's economy and the administration of President Rodrigo Duterte's resolve to carry out reforms for high and inclusive growth, said the country's finance chief.

DTI's Lopez: Trump's reforms align with Duterte's

"Trump, viewed by many as someone who talks straight and authentic, gets things done and does what's good for his countrymen, were attributes mentioned of US President-elect Trump and these sound familiar," said Department of Trade and Industry (DTI) Secretary Ramon Lopez, who is in Davos, Switzerland for this year's WEF.

Ayala Land opening 6 new shopping malls

Property developer Ayala Land Inc. is opening six new malls this year that will add 150,000 square meters of leasable space to its shopping mall portfolio. Ayala Land malls group vice president Myrna Fernandez said apart from the recently opened The 30th in Pasig, five more shopping malls were slated to open this year.

San Miguel joining all auctions on five airports

San Miguel Corp. said it will participate in the separate auctions for the unbundled five regional airports under the public-private partnership program. "We will join whatever auction the government has to offer. If we lose, then we lose," San Miguel president Ramon Ang said.

Cabinet to seal \$15-b projects

The economic team of President Rodrigo Duterte will fly to China this week to finalize the details of \$15 billion worth of economic deals and investment commitments forged between Manila and Beijing during Duterte's state visit to Beijing in October last year.

House bill raises vehicle tax

Automobiles will be slapped a higher tax rate under the new version of the proposed Tax Reform, DOF said over the weekend. The proposal, which was adopted by Quirino Rep. Dakila Cua under HB4774, aims to raise the current tax on cars with a net manufacturing or import price of up to P600,000 from the current 2% to 4%.

TODAY'S TOP ASIAN NEWS

Ryohin, SSI form joint venture for Muji

TOKYO-listed Ryohin Keikaku Co. Ltd. (RKJ) is creating a joint venture company with the Philippines' SSI Group, Inc. to further boost the former's Muji retail business in the Philippines. The new company will be named Muji Philippines Corp., where Ryohin Keikaku will have a 49% stake and the rest owned by SSI's subsidiary Stores

Alliance taps Felcra Berhad in expansion bid

ALLIANCE Select Foods International, Inc. said it has entered into a strategic partnership with Malaysian firm Felcra Berhad, allowing the Philippine-listed company to bring its processed and canned tuna products to the country's regional neighbor.

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MORE ASIAN NEWS

CH banks to issue more bad loan-backed securities

China may permit more commercial banks to sell bad loan-backed securities in 2017 to help lenders cope with surging sour loans and deepening economic slowdown, according to global ratings agency Fitch Ratings.

\$400B fund manager is bullish on Trump-proof India

With India “isolated” and less threatened by possible protectionist measures by U.S. President Donald Trump, Aberdeen is overweight on the country and its local companies, said Hugh Young, the firm’s Singapore-based Asia managing director, who helps oversees assets of \$400 billion.

USD’s Trump trade approaches an inflection point

If you want to know whether the Trump trade has legs, keep an eye on dollar-yen. That’s because the exchange rate is trading near a key battleground spot for bulls and bears of 115 yen, according to Boris Schlossberg, managing director of foreign-exchange strategy at BK Asset Management in New York.

These companies are at risk in a US-China trade war

With the arrival of China-bashing Donald Trump as president in the White House, analysts are drawing up shortlists of winners and losers from any eruption of tensions between the world’s top two economies.

PBOC Conducts 60-B Yuan Open-Market Operations

China’s central bank added funds to the financial system through open-market operations on Sunday, after injecting a record amount of cash last week and offering liquidity support to some lenders. The monetary authority added a net 60 billion yuan (\$8.7 billion) using 14-day and 28-day reverse-repurchase agreements.

TODAY’S TOP GLOBAL NEWS

AIG to pay Buffet’s Berkshire \$10B: insurance deal

American International Group Inc. (AIG) has agreed to pay roughly \$10.2 billion to Warren Buffett’s Berkshire Hathaway Inc. to take on many long-term risks on US commercial insurance policies it has already written.

Oil producers say output cut on track

Oil producers said Sunday, January 22, that their landmark December deal to slash output by almost two million barrels per day was on track, as they met to review progress.

Trump to renegotiate NAFTA with Mex. and Can.

Trump said on Sunday he plans talks soon with the leaders of Canada and Mexico to begin renegotiating the NAFTA. "We will be starting negotiations having to do with NAFTA," Trump said at a swearing-in ceremony for his top White House advisers.

The Oil Production Cuts Are Purely Trickery

The OPEC and Non-OPEC Oil Production cuts are actually a joke in the bigger scheme of things, the oil markets have been over supplied for a decade. The Market’s self serving definition of a balanced oil market is complete nonsense on a larger macro view of the market.

Economic Calendar

Date	Release
01.15.2017	PH: Overseas Remittances YOY
01.18.2017	PH: Balance of Payments
01.25.2017	PH: GDP YoY
01.30.2017	PH: Bank Lending YoY
02.01.2017	US: FOMC Rate Decision

Source: Bloomberg Economic Calendar