

The Daily Dispatch

February 12, 2024
TODAY'S TOP NEWS

Aboitiz backs coal 'phasedown' approach

Aboitiz Power Corp., one of the country's largest generation companies, is supporting a "phasedown" instead of a "phaseout" approach for coal-fired power projects as part of the government's energy transition program, an executive said over the weekend.

President's trips yield \$14.2B actual investments

The Department of Trade and Industry (DTI) said over the weekend that about \$14.2-bn worth of investments have been realized from the \$72.2-bn amassed during various trade missions led by the President in 2023.

MGreen acquires P2.5B worth of shares in SPNEC

MGen Renewable Energy Inc. (MGreen), a unit of Manila Electric Co., acquired another 2.17-bn shares in SP New Energy Corp. (SPNEC) for P2.5-bn. SPNEC said in a stock exchange filing dated Feb. 5 that MGreen bought 2.17-bn preferred shares from SPNEC's parent firm Solar Philippines Power Project Holdings Inc.

CEB gets first of 17 aircraft deliveries this year

Cebu Pacific said over the weekend it took delivery of its first new aircraft for 2024, strengthening its network and boosting its operational resilience. The airline unit of the Gokongwei Group said the aircraft – an Airbus 320ceo – is the first of the expected 17 aircraft deliveries for 2024.

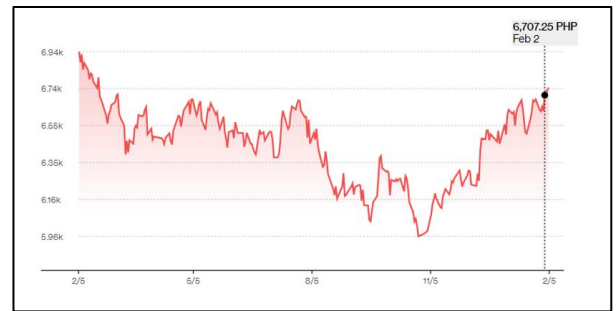
28 companies show interest in CBK hydroplants

State-run Power Sector Assets and Liabilities Management Corp. said it received interest from 28 companies to participate in the privatization of the Caliraya-Botocan-Kalayaan (CBK) hydropower plants in Lumban, Majayjay, and Kalayaan, Laguna.

Special Announcement

Deloitte and Primeiro Partners join forces in the Philippines in a move to strengthen Deloitte's end-to-end M&A capability in Southeast Asia

Philippine Stock Market Update



Previous Close:

6,850.16

1 Yr Return:

2.27%

Open:

6,856.45

YTD Return:

6.17%

52-Week Range:

5,920.47 – 6,931.55

Source:

Bloomberg

Foreign Exchange

As of February 08, 2024

US Dollar	Philippine Peso
1	55.91

BVAL Reference Rates

As of February 08, 2024

Tenor	Rate
1Y	6.058
3Y	6.065
5Y	6.131
7Y	6.167
10Y	6.196
20Y	6.103

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MORE LOCAL NEWS

PSE: Short selling progress hinges on market recovery

The Philippine Stock Exchange, Inc. (PSE) is not bothered by the slow progress of its short selling product, its top official said. The PSE launched short selling in November last year, five years after issuing the revised guidelines on the trading strategy.

Growth, fiscal goals need to be 'more realistic'

The Development Budget Coordination Committee (DBCC) may need to adjust its growth and fiscal targets to be "more realistic," Department of Finance (DoF) Secretary Ralph G. Recto said. The government is targeting gross domestic product (GDP) growth of 6.5-7.5% this year and 6.5-8% from 2025 to 2028.

Fisheries output down 1.8% last year

The country's fisheries production volume reached 4.26-mn metric tons (MT) in 2023, reflecting a 1.8% annual decline, the Philippine Statistics Authority (PSA) said. The latest result was lower than the 4.34-mn MT posted a year earlier.

Cemex shares surge amid acquisition speculation

The stock price of Cemex Holdings Philippines, Inc. doubled last week following an investor rally amid speculation regarding DMCI Holdings' planned acquisition of the cement producer. According to a Reuters report, a source said that DMCI Holdings was seeking to acquire Cemex for as much as \$714.16-mn or P40-bn.

Sky Cable purchase to boost PLDT growth

PLDT Inc.'s 2024 prospects will likely receive a boost from steady growth of its core businesses and the anticipated earnings contribution from its acquisition of broadband company Sky Cable Corp., Maybank Investment Banking Group said.

BSP seen to keep rates unchanged

China Bank chief economist Domini Velasquez said the central bank's Monetary Board is likely to keep its benchmark policy rate at 6.50% as inflation remained contained, easing to 2.8% in January, the lowest in more than three years, from 3.9% in December and from a 14-year high of 8.7% in January 2023.

Investor interest in power gaining steam

Investor interest in the country's power sector, particularly in the renewable energy space, continues to gain steam, according to the Department of Energy. "We're always receiving a lot of investor inquiries, not only inquiries but actual applicants," Energy Secretary Raphael Lotilla said.

PH: friendly market for consumer brands in AsPac

The Philippines is among the most friendly markets in Asia Pacific (AsPac) for incumbent consumer brands, according to global consultancy Bain and Co. "This trend can be attributed to the dominance of traditional trade, especially in the Philippines and India, and the relatively low penetration of e-commerce," Bain and Co. said.

CMIP, TESDA-NCR forge technical Ed. partnership

The collaboration focuses on establishing a modern Technical Training Hub, equipped with the latest tools, targeting HVAC (Heating, Ventilating, and Airconditioning) and Home Appliance repair programs. It aims to produce a skilled technical workforce aligned with TESDA's regulations.

Robust P400B bond listings seen this year

The Philippine Dealing & Exchange Corp. (PDEX) is optimistic this year's domestic bond listings target will be attained as the corporate bond market is off to a good start. PDEX president and CEO Antonino Nakpil said the expectation is for a more robust domestic corporate bond market this 2024 compared to last year.

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TODAY'S TOP ASIAN NEWS

Hyundai picks JPM, Citi to accelerate \$3B India IPO

HYUNDAI Motor has appointed investment bankers JPMorgan and Citi to advise on its at least \$3-bn India initial public offering (IPO), accelerating listing plans in the world's third-largest auto market. The company plans to file regulatory papers in India by May to June for approval.

China South City flags potential default

Property developer China South City Holdings said on Friday that it is likely to default on the mandatory redemption payment due on Feb 9 for its 9% Senior Notes due October 2024, citing depressed sales and cash flow. It also expects to default on the interest payment due on Feb 12 for its 9% Senior Notes due April 2024.

China uncertainty opens stronger ASEAN trade

China's shaky economic recovery will likely spur fast-growing Chinese firms to expand into South-east Asia and allow lenders to benefit from the increased trade flows, said an OCBC Bank executive. Singapore's second-largest bank aims to increase contributions from its Greater China and Asean markets towards its transaction banking business.

Grab, GoTo reviving talks for mega merger

South-east Asia's biggest ride-hailing companies, Grab Holdings and GoTo Group, have restarted talks for a merger, a potential blockbuster combination aimed at staunching years of losses at both companies resulting from tough competition between the two. The companies are in preliminary discussions about a variety of scenarios.

Senoko Energy shareholders considering sale

The majority shareholders of Senoko Energy are considering selling their stakes in the Singapore power supplier, seeking a valuation of as much as US\$3 billion, per sources. Japan's Marubeni Corp and French utility Engie are working with financial advisers on the potential divestment, which could kick off as soon as in February.

TODAY'S TOP GLOBAL NEWS

Team GB sign deal with TikTok

Britain's Olympics team have signed a sponsorship deal with TikTok, bringing in the Chinese social media platform to help grow its athletes' online influence. Under the deal, TikTok will produce content following British Olympians in Paris and athletes will also feature in an advertising campaign across various mediums.

Bezos sells \$2B of Amazon shares

Jeff Bezos unloaded 12-mn shares of Amazon.com this week. The sales took place on Wednesday and Thursday and netted just over \$2-bn, according to a filing. Amazon disclosed that Bezos plans to sell as many as 50-mn shares of Amazon over the next 12 months, potentially cashing in on a stock surge

Diamondback Energy, Endeavor Energy near merger

US shale oil rivals Diamondback Energy and Endeavor Energy Resources are close to finalising a roughly \$25-bn cash-and-stock deal that would create an oil and gas company valued at more than \$50-bn, sources said. The combined company would be the third largest oil and gas producer in the Permian Basin of West Texas and New

EU agrees on looser fiscal rules

EU member states and MEPs struck a preliminary deal on Saturday to ease the bloc's stringent fiscal rules, giving governments more time to reduce debt as well as incentives to boost public investments in climate, industrial policy and security.

OpenAI hits \$2 bln revenue milestone - FT

Microsoft-backed OpenAI hit the \$2-bn revenue milestone in December, the Financial Times reported, citing sources. OpenAI believes it can more than double this figure in 2025, based on strong interest from business customers seeking to use its technology to adopt generative AI tools in the workplace.