

The Daily Dispatch

February 21, 2024
TODAY'S TOP NEWS

CEB signs deal with P&W to secure 15 jet engines

Cebu Pacific (CEB) said it signed a memorandum of understanding with Pratt and Whitney (P&W) to secure engines for 15 new narrow body jets to support its growth plans. The airline unit said the 15 narrow body jets for the A320/A321 family of aircraft were a part of the order made in 2019, which included 16 A330 NEO aircraft.

BOP incurred \$740-m deficit in January

The Philippines' balance of payments position yielded a deficit in Jan. 2024 on outflows related to the government's payments of its foreign currency debt, the BSP said. Data from BSP showed the BOP position resulted in a deficit of \$740 mn in Jan., a reversal of the \$3.1 bn surplus recorded in the same month in 2023.

SM's Goldilocks whips up 2024 expansion plan

Goldilocks Bakeshop, Inc., one of the SM Group's portfolio investments, plans to increase its nationwide presence by 60 new stores in 2024. Goldilocks opened 41 stores in 2023, bringing the total to 926 stores nationwide to reach and serve more customers.

AREIT's net profit up 43% on asset infusion

AREIT Inc., the real estate investment trust (REIT) company of Ayala Land Inc. (ALI), said Tuesday it posted a net income of P4.93 billion in 2023, up 43 percent from 2022 on the back of higher revenues and continued asset infusion.

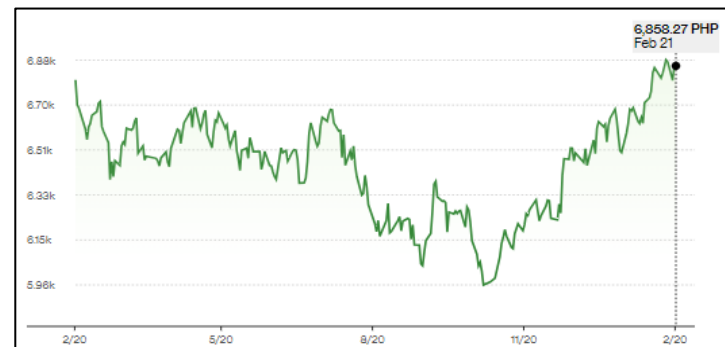
Investment threshold for IPAs hiked to P15b

The Fiscal Incentives Review Board (FIRB) approved a resolution increasing the investment capital threshold for projects handled by investment promotion agencies (IPAs) from P1 billion to P15 billion.

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:

6,854.66

1 Yr Return:

4.19%

Open:

6,846.53

YTD Return:

6.94%

52-Week Range:

5,920.47 - 6,931.55

Source:

Bloomberg

Foreign Exchange

As of February 20, 2024

US Dollar	Philippine Peso
1	56.035

BVAL Reference Rates

As of February 20, 2024

Tenor	Rate
1Y	6.111
3Y	6.192
5Y	6.269
7Y	6.295
10Y	6.298
20Y	6.219

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MORE LOCAL NEWS

PH may be suitable for AI software dev — Microsoft

The head of Microsoft Corp.'s Asia operation said the Philippines has favorable demographics for becoming a potential hub for artificial intelligence (AI) software, which it could grow as an offshoot of the outsourcing industry.

Foreign ownership may boost school networks

Foreign ownership of higher education institutions could improve employment prospects for students, who would have access to the foreign investors' job placement network. The Senate is debating Resolution of Both House No. 6, which proposes to lift restrictions on foreign ownership in public utilities, educ. & advertising.

CREC delays IPO to second quarter

Citicore Renewable Energy Corp. (CREC) has postponed its initial public offering (IPO) from March to the second quarter as it assesses offers from "various institutions." It was set to offer 2.9-bn common shares at a maximum price of P3.88 apiece, including an additional 435-mn outstanding common shares for overallotment.

MPIC keen on Ayala's LRT-1 stake

Pangilinan-led Metro Pacific Investments Corp. (MPIC) is exploring the possibility of acquiring Ayala Corp.'s stake in Light Rail Transit Line 1 (LRT-1), following Ayala's announcement of its divestment plans. Ayala Corp. is aiming to raise \$1-bn through fundraising by divesting its shares in its water and infrastructure assets.

More investments in pipeline, says Pascual

The Board of Investments (BoI) said that numerous investments are in the pipeline to boost the country's economy and generate employment opportunities. The BoI has allocated additional funds for the enhancement of fiber optic backbone infrastructure and national railway routes, among various other projects.

MVP, RSA plan to list expressway behemoth

Pangilinan's Metro Pacific Tollways Corp. (MPTC) and Ang's San Miguel Corp. (SMC) are now assessing their path toward a possible merger of their expressway businesses. Pangilinan said the goal is for the resulting joint venture to go public, introducing a tollway giant with the potential of shaking the PSE.

ALI to raise P50 billion in debt capital

Ayala Land Inc. is raising up to P50-Bn in debt capital this year to refinance maturing obligations and partially fund general corporate requirements. ALI said the amount would be raised through the issuance of retail bonds and corporate notes for listing on the PDEX, as well as execution of bilateral term loans.

First Gen seeks bids for LNG supply

First Gen Corp. is seeking bids for the supply of liquefied natural gas (LNG) for its existing gas-fired power plants in the First Gen Clean Energy Complex in Batangas. In a notice, First Gen said experienced LNG suppliers are needed to provide one LNG cargo on a delivered ex-ship (DES) basis at the Discharge Port in BW Batangas.

PH hotel industry eyes pre-pandemic levels

The Philippine hotel industry isn't back to pre-pandemic levels yet, the president of the Philippine Hotel Owners Association said. Benito Bengzon Jr. told ANC's Business Roadshow that some source markets for tourists before the pandemic have not yet returned to their travel patterns, along with flight frequency.

Ecozone investments up 19 percent in 2 months

Investments approved by the Philippine Economic Zone Authority (PEZA) grew at a robust pace in the first two months of the year, making it on track with its investment approval targets. PEZA said approvals in January and February went up by 18.7% to P12.1-Bn, higher than the P10.194-Bn in the same period last year.

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TODAY'S TOP ASIAN NEWS

India's AI market seen touching \$17B by 2027

India's artificial intelligence market is projected to touch \$17-bn by 2027, growing at an annualised rate of 25%-35% between 2024 and 2027, Nasscom and BCG said. The growth is seen on the back of an increase in enterprise tech spending, the country's expanding AI talent pool and a rise in AI investments.

Ringgit tanks; central bank remains positive

Malaysia's central bank said the ringgit did not reflect the "positive prospects" of the Malaysian economy. Bank Negara gov. Ghaffour said that Malaysia's economic growth remained resilient, underpinned external demand and strong domestic spending.

India seeks \$26B of nuclear power investments

India will invite private firms to invest about \$26-bn in its nuclear energy sector to increase electricity generation and reduce carbon dioxide emissions, two government sources said. This is the first time New Delhi is pursuing private investment in nuclear power, which contributes less than 2% of India's total electricity generation.

BOK to keep policy rate unchanged until Q3

The Bank of Korea will keep its key policy rate on hold for a ninth consecutive meeting on Feb. 22, according to all economists polled by Reuters, who stuck to their long-held view the first rate cut would come in the third quarter. This is despite inflation declining to a six-month low in January.

Indonesian green investment guide includes coal

Indonesia on Tuesday launched a revised "taxonomy" or green investment rulebook categorising coal-fired power plants used in nickel facilities as part of the global transition to a green economy, in a move likely to face opposition from green groups.

TODAY'S TOP GLOBAL NEWS

US Stocks slip as chip giant Nvidia slumps

US stocks fell on Tuesday, dragged down by Nvidia, which slipped ahead of upcoming earnings results. The DJIA closed down 0.2% at 38,563.80, while the broad-based S&P 500 fell 0.6% to 4,975.51. The tech-rich Nasdaq Composite Index declined 0.9% to 15,630.78. Chip giant Nvidia was down 4.4%.

Amazon to replace Walgreens in DJIA

Amazon is set to join the DJIA, replacing Walgreens Boots Alliance effective next week, S&P Dow Jones Indices said on Tuesday. Adding Amazon will increase consumer retail exposure as well as other areas in the Dow, and the move was prompted by Walmart's decision to split its stock.

Walmart will buy TV maker Vizio for \$2.3B

Walmart announced on Tuesday that it will buy smart television maker Vizio for \$2.3-bn in cash, boosting the retail giant's advertising and media businesses. The Company gains access to Vizio's more than 18 million accounts as another source of strengthened potential connection to those households.

Fed to cut US rates in June: Reuters poll

The U.S. Federal Reserve will cut the federal funds rate in June, according to a slim majority of economists polled by Reuters, who also said the greater risk was the first rate cut would come later than forecast rather than earlier. Reuters surveys since September have consistently predicted the first rate cut would come

GS, hedge funds step up physical uranium trading

Goldman Sachs (GS) and Macquarie as well as some hedge funds are positioning themselves to reap the benefits of a newly buoyant uranium sector as prices of the nuclear fuel ingredient spike. While many other investment banks are still avoiding uranium, Goldman and Macquarie are boosting trading in physical uranium.