

# The Daily Dispatch

March 12, 2019  
TODAY'S TOP NEWS

## Cebu Pacific beefing up hub in Clark

Budget carrier Cebu Pacific, the largest airline in the Philippines by volume, is beefing up its hub in Clark with the introduction of three new domestic destinations out of the airport north of Manila.

## AC Energy eyeing financial closing accords

AC Energy Inc., the power arm of conglomerate Ayala Corp., is eyeing to sign financial closing agreements for renewable power projects worth \$1 billion over the next 12-18 months. These power projects have a total capacity of about 800 megawatts (MW). These are located in Australia, Vietnam and in the Philippines.

## SMC ups the ante in sustainable infrastructure

SAN Miguel Corp. (SMC) is taking a more sustainable track in building infrastructure in the country, starting with roads built out of recycled plastic materials. Ramon S. Ang, the company's president, said his group plans to reduce the impact of plastic waste on the environment through this initiative.

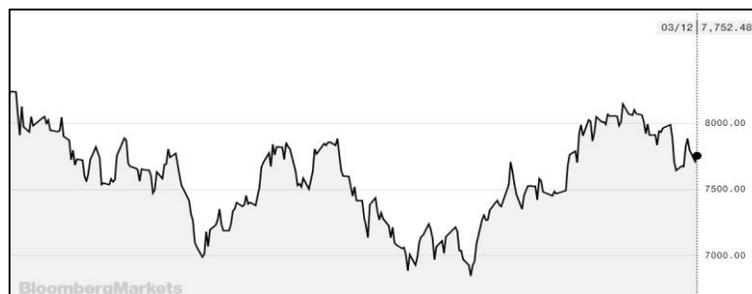
## N.G.C.P. lays out crucial transmission projects

"Recognizing the crucial need for reliable power to the economic development of the nation, NGCP again presented its annual TDP [2019-2040] to map the company's short-term and long-term objectives in securing the Philippine transmission landscape," the grid operator said on Monday.

## PH sees boost in trade with Japan

The Philippines is expecting a boost in service exports and foreign direct investments following the signing of the first protocol to amend the Association of Southeast Asian Nation (Asean)-Japan Comprehensive Economic Partnership agreement. In a statement, the DTI said the AJCEP's first protocol was signed in Siem Reap, Cambodia

## Philippine Stock Market Update



**Previous Close:**

7,708.72

**Open:**

7,728.22

**52-Week Range:**

6,790.58-8,484.65

**1 Yr Return:**

-6.92%

**YTD Return:**

3.77%

**Source:**

Bloomberg

## Foreign Exchange

As of March 11, 2019

US Dollar	Philippine Peso
1	52.13

## BVAL Reference Rates

As of March 11, 2019

Tenor	Rate
1Y	6.044
3Y	5.953
5Y	6.010
7Y	6.070
10Y	6.123
20Y	6.374

## Daily Quote

"One day, in retrospect, the years of struggle will strike you as the most beautiful."

--Sigmund Freud

# The Daily Dispatch

## MORE LOCAL NEWS

### Buffer stock boosted by rice imports – NFA

THE NFA is exerting all efforts to boost the country's buffer stock to provide Filipino consumers, particularly those from the marginalized sector, with affordable rice. Latest data from the NFA showed a total of 203,000MT of 25% broken long grain white rice from Thailand and Vietnam have arrived under govt-to-govt (G to G) tenders.

### Now set to expand coverage in Luzon

Now Corp., a listed company controlled by the Velarde family, said Monday it is expanding its network coverage in Luzon. Now said in a disclosure to the Philippine Stock Exchange it has discussed with business partners to widen the presence in several regions, including Southern Tagalog and Central Luzon.

### Megaworld set to invest P20B in Cainta township

Property developer Megaworld Corp. and subsidiary Empire East Land Holdings Inc. are investing P20B over the next 10 years to transform a 24-hectare property in Cainta, Rizal into a township. Kevin Tan said the Highland City township would have various components including residential condos, mixed-use towers, and a shopping mall.

### SMC starts building roads made of recycled plastic

San Miguel said it is building roads out of recycled plastics to help reduce the impact of plastic waste on the environment. "This initiative is part of our push towards greater sustainability. Two years ago, we announced our major water sustainability project: to cut SMC water use by 50% by 2025," president and COO Ramon Ang said.

### Foreign investments drop in 2018

Foreign direct investment (FDI) inflows declined by 4.4 percent to \$9.8 billion last year from \$10.3 billion in 2017 due to a sharp drop in equity placements as investors were spooked by external headwinds led by the US-China trade war and accelerating inflation in the domestic front.

### Alcohol excise tax seen to raise P237 billion

A Senate bill which seeks to raise the excise taxes imposed on alcoholic beverages is expected to generate P236.6 billion in additional revenues over the next five years, according to the DOF. Undersecretary Karl Kendrick Chua said Senate Bill 2197, as proposed by Sen. Manny Pacquiao, may increase the 2019 tax collections by P32.3B.

### Bleak global growth prospects drag down stocks

Worries over the global economic slowdown, weak job creation in the US, and the delay in the passage of the budget by Congress have all contributed to the growing concerns of market investors. The string of corporate earnings results – although positive – was not enough to assuage the worries of investors.

### Gov't eyes up to \$500M panda bond issue in April

The government is eyeing to return to the Chinese onshore market in April with the issuance of renminbi-denominated panda bonds, the Bureau of the Treasury (BTr) said yesterday. National Treasurer Rosalia De Leon said this is in line with the government's previous statements that it would return to the Chinese bond market.

### Philippines faces dearth of IPO

The Philippine stock market is facing a dearth of initial public offerings (IPO) as hopes for a stronger market recovery have fizzled out. Companies previously planning to brave the market in the early part of the year have now adopted a wait-and-see stance, traders said.

### Stockholders approve Now equity restructuring

"At the Special Stockholders' Meeting of Now Corp. held on Mar. 8, the stockholders unanimously approved (the) Company's equity restructuring plan by reducing the par value of the common shares of stock of the Company and by applying the resulting additional paid-in capital to eliminate its accumulated deficit," the company said

# The Daily Dispatch

## TODAY'S TOP ASIAN NEWS

### Baidu, Chery launch electric car

Baidu, China's largest internet search services provider and a national champion in artificial intelligence, has jointly launched with Chery Automobile its first production-model electric vehicle built with an AI operating system, escalating efforts by domestic car manufacturers to embed more advanced technologies into their products.

### Alibaba invests \$693m for stake in STO Express

Alibaba Group Holding Ltd will take a 14 percent stake in STO Express Co Ltd through a \$693 million deal, the e-commerce giant's fourth significant investment in a Chinese courier company. Shares in STO Express shot up when trading opened and immediately hit the upper 10 percent limit on the Shenzhen Stock Exchange, according to

### Singtel, GIC to buy \$1.23b stock in Indian telco

Singapore Telecommunications Ltd (Singtel) said it will buy roughly \$525m worth Bharti Airtel stock as part of the Indian telecoms operator's plan to raise \$4.6b through new shares and bonds. The fund raising plan is aimed at cutting debt and shoring up Bharti Airtel's balance sheet.

### IFC may invest \$75m in Viet developer's bond issue

The International Finance Corporation (IFC), a member of the World Bank Group, has been invited to invest up to \$75 million in VND-denominated bonds issued by Vietnamese property developer Phu My Hung Development Corporation (PHM), according to a disclosure.

### Indonesia's Lippo Karawaci bags \$1b funding

Indonesian integrated real estate developer Lippo Karawaci has secured a \$1.01 billion funding programme as part of a comprehensive strategic transformation plan to recapitalise the company, revamp its leadership team and re-focus its business on its three core competencies.

## TODAY'S TOP GLOBAL NEWS

### Alphabet's Waymo seeks outside investors

Alphabet Inc's self-driving car division, Waymo, has been seeking financing from outside investors such as European automakers Volkswagen AG, The Information reported on Monday, citing a person with direct knowledge of the situation.

### Oil prices rise amid broad market rally, OPEC cuts

A rally in broader financial markets also supported crude futures, although analysts still warned of risks to the global economy. U.S. West Texas Intermediate (WTI) crude oil futures were at \$56.97 per barrel at 0054 GMT, up 18 cents, or 0.3 percent, from their last settlement.

### Pound soars after Brexit deal changes

The pound jumped and Asian shares rallied on Tuesday after the European Commission agreed to changes in a Brexit deal ahead of a vote in the British parliament on a divorce agreement.

### IATA cuts annual air cargo traffic growth forecast

The International Air Transport Association (IATA) on Tuesday nearly halved its annual forecast for traffic growth in the air cargo market to 2 percent citing trade frictions, Brexit and anti-globalization rhetoric.

## BLOCKCHAIN CORNER

### 'Facebook Coin' Could Generate Billions in Revenue

Facebook's reported stablecoin project could be a significant moneymaker for the social media giant, according to Barclays analyst Ross Sandler. In a note to investors first reported by CNBC and later obtained by CoinDesk, Sandler says Facebook's cryptocurrency efforts could yield anywhere from \$3b to \$19b in additional revenue by 2021.